Recent Collective Bargaining Trends in France

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COLLECTIVE BARGAINING has never bulked as large in France as it has in other countries, where it tends to be regarded as the trade unions' chief function, the most effective protection for the wage earners' interests and the best way of settling industrial disputes. Nor has it any past or tradition behind it since, leaving out of account brief bursts of activity (1919-20 and the Popular Front in 1936), it did not really take root until the passing of the Act of 11 February 1950 (still in force), which established its legal framework.[2]

A large number of collective agreements have been negotiated within this framework. They have secured new rights for wage earners and have undoubtedly been a force for social progress. As the purpose of this article is to explore the types of relationship underlying collective bargaining (between the employers and the trade unions and between both sides and the State), there is no need to make a detailed analysis of the terms of these agreements, except where it is necessary to illustrate the working of a relationship. In recent years, new trends have made themselves felt, especially since 1968, but their novelty can only be appreciated if some distinctive features of industrial relations during the previous period are borne in mind.

I. Some distinctive features of industrial relations in France

Some characteristics of French industrial relations, as revealed by practices and behaviour during the fifteen years or so following the passing of the 1950 Act, are briefly touched on below.

Bargaining: the setting and the participants

Under the 1950 Act collective agreements are normally concluded for a particular industry (or " occupation " to use the French termino-

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[2] Industrial relations and collective bargaining in France have been the subject of several articles in the *International Labour Review*. See, *inter alia*, Paul Durand: " The evolution of industrial relations law in France since the Liberation ", Vol. LXXIV, No. 6, Dec. 1956, pp. 515-540; Jean de Givry: " Impressions of a mission to some French undertakings ", Vol. LXXV, No. 5, May 1957, pp. 412-436; " Works agreements of the 'Renault type' ", Vol. LXXXI, No. 3, Mar. 1960, pp. 205-232.

logy). As the Act gives no indication of what is meant by an " industry " or " occupation ", any separate economic or technical entity is entitled to negotiate its own agreement. For example, side by side with the national collective agreements for natural textiles and chemicals, there are others —nation-wide also—covering the manufacture of buttons and umbrellas.

In some industries the national agreement is supplemented by regional or local arrangements, for which provision was also made by the 1950 Act, e.g. natural textiles. In the metalworking industries, for reasons connected with the strategy pursued by the employers' organisation, the Union of Metal and Mining Industries (UIMM), the bargaining unit is invariably regional or local.

Multi-industry agreements, which are neither mentioned nor forbidden by the Act, were also negotiated during this period in order to establish national insurance schemes for old age (National Union of Wage Earners' Retirement Institutions (UNIRS), 1957) or unemployment (National Union for Employment in Industry and Commerce (UNEDIC), 1958), supplementing social security or public unemployment benefits. These schemes are run by joint committees and the technical justification for this type of agreement, which is not common and is in any case of a special character, is the need to have the largest possible membership.

Plant agreements, on the other hand, are explicitly allowed by the 1950 Act; they may also be concluded for a whole firm. Their function is to adapt the relevant industry-wide agreement to the special circumstances of a particular factory (or company) and they may therefore be much more favourable from the wage earners' standpoint. This was clearly demonstrated in 1955, when an agreement concluded by Renault (a nationalised concern, but subject to the 1950 Act) set off a wave of plant agreements on higher wages, holidays with pay, various forms of compensation and benefit, etc. These agreements were viewed by the employers' associations with some alarm.

In industry-wide bargaining the employers are generally represented by a single organisation, affiliated as a rule to the National Council of French Employers (CNPF).

The workers are represented by a number of organisations, each of which stands for a particular brand of trade unionism and is usually affiliated to a confederation which is recognised by the Government as being a representative body, viz. the General Confederation of Labour (CGT), the General Confederation of Labour-Force ouvrière (CGT-FO), the French Democratic Confederation of Labour (CFDT), the French Confederation of Christian Workers (CFTC), and the General Confederation of Executive Staffs (CGC).[1]

[1] The CGT was founded at the end of the last century and is the oldest of the trade union confederations. Its philosophy is based on the Marxist doctrine of the class war and some of its leaders are Communist party members. The CGT-FO came into being in 1947,

In the same occupation any employee can choose between several trade unions in accordance with his personal preferences and leanings, so that in the same workshop one operative may be a member of the CGT union for the industry, while another may belong to the CFDT union, etc. The law preserves the freedom of any worker to join or leave a trade union, by prohibiting such practices as the closed shop or the deduction of union dues by the employer, and French trade unionists do not represent the clear-cut, organised, stable group suggested by the English word " membership ".

The fiction is maintained that the trade union organisations taking part in the negotiations between them represent all the workers concerned, even though it may be obvious that some in fact have relatively few members. During the negotiations each organisation can hold out for any points to which it attaches special importance. Tactical ingenuity may take other forms as well, since refusal on the part of one or even two trade union federations to sign an agreement in no way affects its validity (at most it may affect its chances of being extended by the Minister of Labour [1]).

Under the 1950 Act an agreement applies to all firms affiliated to the employers' organisations signing it and to all workers employed in those firms, whether they are trade unionists or not. In other words, a trade union organisation which has taken part in the negotiations is at liberty to refuse to sign the agreement, even though it has been accepted by the other organisations, and to denounce its shortcomings instead. This has no practical consequences for the wage earners, since they all benefit by it if they happen to be working in a firm affiliated to the signatory employers' organisation.

Intermittent bargaining

In some countries where collective bargaining is the keystone of industrial relations, agreements are generally concluded for a specified period, e.g. two or three years. Trade union acceptance of a contract covering such a long period is usually secured by sliding-scale clauses or provision for progressive wage increases.

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when the anti-Communists split off from the CGT. Although its philosophy is basically socialist, it pursues a policy of collective bargaining. The CFDT is the former French Confederation of Christian Workers, which in 1964 severed all denominational links and adopted a markedly anti-capitalist line. The CFTC consists of trade unionists who have retained the Christian connection. The CGC comprises executives, foremen, commercial travellers, salesmen, technicians, draughtsmen and senior clerical workers.

Gérard Adam calculates that the CGT has 1,500,000 members, the CFDT 600,000, the CGT-FO 500,000, the CGC 200,000 and the CFTC 100,000; the degree of unionisation would seem to be somewhere between 20 and 25 per cent. See G. Adam, F. Bon, J. Capdevielle, R. Mouriaux: *L'ouvrier français en 1970* (Paris, A. Colin, 1970), p. 16.

[1] The Minister of Labour may, by order, extend a collective agreement to all establishments in the geographical area and occupation covered by the agreement, thereby making it applicable to firms that do not belong to the signatory employers' organisations.

In France the usual practice has been to conclude national and regional agreements for one year in the first instance. However, since it would be a pity to allow such complex settlements (which the employers' and workers' organisations have sometimes taken years to hammer out) to last such a short time, there has generally been a tacit understanding to extend the agreements when they expire. Legal support for this practice came with the ruling of the 1950 Act that, unless otherwise stated, a fixed-term agreement would remain in operation after expiry in the same way as an agreement for an indefinite period. In other words, if the parties cannot agree on the changes to be made, the initial agreement remains in force.

Subsequently, of course, it can be denounced by the trade union organisations or a demand for renegotiation submitted. But denunciation does not usually stop it from being observed by the employers formerly subject to it. As for a demand for renegotiation, if it is made as and when prescribed by the collective agreement, the other party is certainly under some sort of obligation to negotiate; but there is no certainty that the negotiations will be successful and if they fail, the entire collective agreement, although disputed on individual points, will continue in force.

Thus, whatever the uncertainties and results of subsequent negotiations, the agreement itself goes on. It underpins the negotiations, which occur at irregular intervals and may prove abortive. Any account of collective bargaining in a given industry would show how sporadic bargaining sessions are and how often they fail. During these years, therefore, collective bargaining in France has been an erratic phenomenon; this is in sharp contrast to the situation in other countries where it is concentrated into short spells of intensive negotiations which are known in advance and recur at regular intervals. It is obvious, on the other hand, that there is a connection between the intermittent character of bargaining and the permanence of agreements—the knowledge that agreements will continue makes the failure of negotiations less serious.

Bargaining and action

When it is known with certainty that an agreement will expire at a given time, that new negotiations will be required for a better settlement and that every scrap of support will be needed to support the new claims, it is only natural that, for the trade union, the bargaining period is also the time when strike action may be most necessary. It forgoes the right to strike during the life of the agreement, knowing that thereafter it will be able to mobilise all the workers within the bargaining units. There is an obvious link between the fixed duration of the agreement, the renunciation of strike action for a given time and the union's relationship with the workers, whose sole representative it is.

These conditions clearly do not exist in France, as is clear from the above remarks on the practice of intermittent bargaining and the existence

of a number of separate trade union organisations. The French unions in any case value the surprise element of direct action and have always been opposed to any statutory regulation of the right to strike. Collective agreements usually confine themselves to stating that in the event of dispute, the parties will meet to exchange views. But this conciliation procedure may not take place until the strike has broken out.

In other words, clauses of this type are quite different from the " labour peace " undertakings given by unions, whereby they forgo the right to strike during the life of the agreement over any of the questions covered by it. According to leading commentators on the 1950 Act [1], such an undertaking would be limited in scope because there would be nothing to stop the members of the signatory organisations from withdrawing their labour to secure a change in the agreement; it would merely prevent a union from taking active steps to instigate the strike, which would have to break out spontaneously.

But even though the only obligation on the union is to stand aside, this amounts to washing its hands of members' demands and refusing to back up their actions. For a trade union such an attitude is risky, especially when the workers have a choice between several unions. For some confederations especially, it would mean forgoing a feature of their strategy to which they attach cardinal importance, viz. the ability, while collective bargaining is going on for the industry as a whole, to take action in the factories in support of their members' claims, especially for higher wages.

This aspect of union strategy is due to the limited impact of industry-wide bargaining (which only lays down minimum pay scales) on the wages actually paid by large firms. Action at the plant level, which may take the form of general stoppages, rolling strikes, etc., brings pressure to bear on the nearest decision-making centres, namely the individual employers, who, under industry-wide agreements, are left a good deal of discretion in settling actual wage rates. These concessions at plant level can then be used to strengthen the union's case in the industry-wide bargaining.

Such, greatly over-simplified, are a few of the features that might have struck a foreign observer of French industrial relations during the fifteen years following the passing of the 1950 Act. As can be seen, the system was not restrictive; it safeguarded a number of freedoms and gave trade union organisations in particular a wide choice of tactical options.

The tense used in the previous paragraph might suggest that these practices are now a thing of the past. In fact, however, they are permitted by current legislation and, within the French system of industrial relations, continue to form a hard core where sociology and law overlap. Nevertheless, as will be seen, some of these practices have been challenged in recent years.

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[1] See, in particular, Michel Despax: *Conventions collectives* (Volume VII of the *Traité de droit du travail* published under the direction of G. H. Camerlynck) (Paris, Dalloz, 1966), pp. 271-276.

II. Before May 1968: signs of change

In the years following the passing of the 1950 Act, a network of nation-wide collective agreements covering a large part of the economy was somewhat laboriously built up. By 1960 there were 189 national collective agreements in force. In the metalworking industry the collective agreement for the Paris area was negotiated in July 1954 and, by the end of 1955, seventy-four agreements had been negotiated covering more than 80 per cent of the labour force.[1]

The intermittent character of collective bargaining did not prevent gradual additions or improvements from being made to most of the key agreements on a variety of questions, e.g. holidays with pay, payment for public holidays, supplements to social security benefit in the event of sickness or maternity and redundancy compensation. The authorities played a far from negligible part in these developments, labour inspectors, for example, often acting as chairmen of the committees in which collective agreements were worked out and thereby playing the role of conciliators.

A second period opened in 1960 and culminated in the stabilisation plan introduced by the Government in 1964; during these years bargaining slackened and in some industries even came to a halt. The employers' organisations attributed this to the pressures brought to bear on them by the Government, either directly (as early as 1960 the Prime Minister at the time urged the National Employers' Council not to grant wage increases exceeding 4 per cent) or indirectly. Whatever the reason, trade union demands to reopen negotiations had no effect, which proved that the employers' organisations could refuse to bargain, both in law and in fact. One of the results of this slackening was the growing gap between minimum wage rates (laid down in the schedules attached to collective agreements) and actual rates.

During a third period, beginning around 1965, collective bargaining was resumed to some extent. The workers made a number of social gains in some of the major agreements, e.g. payment of wages by the employer within certain limits for days lost through sickness, especially in the Paris metalworking industries and the chemical industry. More regular negotiations over wage scales were resumed with the aim of progressively closing the gap between negotiated and actual wage rates. However, in the case of the agreement for the Paris metalworking industries, the wage schedules were not signed by the CGT and the CFDT. It was during this third period that certain new trends emerged. Since they foreshadowed subsequent developments, they deserve some mention: first, collective bargaining was extended to employment questions and it was discovered

[1] Olivier Drague: *Le statut de l'ouvrier métallurgiste* (Paris, Librairies techniques, 1966) p. 90.

that they lent themselves to novel forms of treatment; second, government encouragement to negotiate became more explicit and pressing; third, the trade union organisations sought to widen the scope of negotiations and to bargain with the National Employers' Council over a number of questions on a multi-industry basis.

Employment questions and the social agreement for the Lorraine iron and steel industry (1967)

Because of the seriousness of the employment problems created by industrial conversions, mergers and modernisation, a National Employment Fund was set up in 1963 under the Ministry of Labour to provide various forms of assistance to workers affected by industrial change.

Collective agreements at first did not go very far in dealing with this question, and confined themselves in the main to providing for redundancy compensation—often, however, for salaried staff only. The first agreement of any significance was concluded for the sugar industry in September 1966, but it can now be seen, looking back, that it was the " social agreement " for the Lorraine iron and steel industry, signed in July 1967, that has served as a model for the settlement of employment questions by collective bargaining. This warrants some description of its contents and also an attempt to define the type of relationship it created among the firms it covered and between these firms and the State.

The preamble lays down the principle that, generally speaking, the employment problems facing the iron and steel industry in Eastern France should largely be solved through natural wastage, which amounts to a request to the iron and steel firms to improve their employment forecasting. Since it is acknowledged that all employment problems cannot be solved in this way, the agreement makes provision for other steps to be taken by managements, e.g. early retirement of workers over the age of 60, transfers within the same plant, transfers between firms by mutual agreement and with the consent of the workers concerned and, if the worst comes to the worst, termination of the employment relationship with a job being found elsewhere. The order in which these measures should be taken is not laid down in as many words, but is plainly suggested by the order in which they are listed in the agreement. Special importance is attached to keeping the works councils informed, and dismissals involving more than 100 wage earners must be notified to them six months beforehand (three months if due to economic reasons and not to reorganisation).

As regards the operation of these measures, the agreement does not merely define the obligations of each firm towards its employees—it also defines its obligations towards the employees of other firms. If, for example, a firm after discharging its workers over 60 years of age then has to dismiss a number of workers under that age limit, it is agreed that,

should there be any difficulty in finding alternative employment for them, neighbouring steel works or—if necessary—the other plants covered by the agreement, will dismiss their workers over 60 years of age in order to create the necessary vacancies. In the event of such an agreed transfer between two firms, a worker normally keeps his grade and seniority and if not, he receives appropriate compensation. Of course, as Jean-Daniel Reynaud points out [1], each firm is at liberty to carry out the agreement in its own way. Even so, these rules are designed to create a link between the firms covered by the agreement and to make each firm accept a concept of the employment market as wide as the bargaining unit itself. A joint committee was set up under the agreement to keep a check on employment trends in the Lorraine iron and steel industry. In short, the social agreement is a constructive experiment in collective bargaining for a particular industry at the regional level. This is perhaps not unconnected with the fact that the bargaining unit consists of a handful of large firms, which constitute a fairly homogeneous group.

The dovetailing of the measures provided for in the social agreement into the schemes operated by the State constitutes another new feature. Although the Government gave initial encouragement, it did not interfere in the negotiations once they had begun. Nevertheless, the clauses of the agreement show that the Government was never far from the negotiators' minds, since they naturally made the most of all the forms of aid available, not only from international bodies such as the European Coal and Steel Community, but also from such national agencies as the National Employment Fund (for redundancy compensation, special early retirement allowances, etc.) and agreement was reached as to the way these facilities should be used. In other words, the Government not only gave its encouragement or acted as a conciliator, but was involved as a source of finance. Without actively taking part in the negotiations, it was not entirely absent either. The negotiators could not do without it and at a given point in the bargaining, they had to make sure that the proposed spending of publicly controlled funds was in fact approved by the Government. Thus the negotiations were direct in that there were no third parties, but the Government nevertheless stood in the background.

Government encouragement to negotiate and the trade union demand for multi-industry bargaining

The two other novel features of the years preceding 1968 are closely linked and cannot be examined separately.

Government encouragement to negotiate became direct and explicit after ordinances were issued in July 1967 with the aim of promoting an active employment policy, with ample funds to back it up. On 3 August

[1] Jean-Daniel Reynaud: " La convention sociale de la sidérurgie lorraine ", in *Droit social* (Paris) No. 4, Apr. 1969, pp. 219-227.

1967 the Prime Minister sent a letter to the leaders of the employers' confederations and the national representative trade union confederations. Referring to the recent ordinances, he expressed the Government's hope that the general principles laid down therein would be supplemented by collective agreements containing additional safeguards, and he urged the employers' and workers' organisations to carry out a joint examination of five questions, viz. the appointment of joint employment committees (like those already in existence in iron and steel and in the metal-working industry in certain areas); higher benefits for the unemployed; adequate notice of redundancies; the procedure to be followed in the event of mergers or concentrations; and compensation for partial unemployment.

Although the invitation was sent to the confederations, it did not necessarily mean that the negotiations should be held on a multi-industry or national basis. The National Employers' Council, which gave a cool reception to what it regarded as interference in contractual relationships, refused to negotiate except on the traditional industry-wide basis. For their part, the trade union organisations, especially the CGT and the CFDT, felt that in view of the disappointing results of industry-wide bargaining, the encounter should take place at the top, i.e. the level from which mass movements invoking working class unity could be set in motion. Disagreement on this point lasted until May 1968.[1] The reader will recall how a wave of unrest which began among French students in that month quickly spread to industry and by 20 May, between 8 and 10 million workers were on strike.

When, at the end of the month, the leaders of the trade union confederations held a meeting with the representatives of the National Employers' Council and the Association of Small and Medium Enterprises at the Ministry of Social Affairs (in the rue de Grenelle) in the presence of the Prime Minister, Mr. Pompidou, and the Minister of Social Affairs, they felt that at long last they had secured the inter-industry bargaining they had been demanding. Indeed the Grenelle " statement " (statement and not agreement because it was not signed by the trade union organisations) provided *inter alia* that the National Employers' Council and the trade union federations would meet to discuss various aspects of employment and vocational training.

III. Collective bargaining after " Grenelle " (May 1968 to November 1970)

Even leaving out of account the spate of agreements which marked the return to normal after the events of May 1968, the dominant impres-

[1] Although a multi-industry agreement on compensation for partial unemployment was signed in January 1968.

sion of the period from then until November 1970 is one of a remarkable expansion in collective bargaining:

(1) It was extended to cover new subjects such as hours of work, salaried status and profit-sharing [1], and dealt with various aspects of employment and vocational training on a much wider scale than the social agreement for the Lorraine iron and steel industry. Each question was the subject of special negotiations, resulting in a series of specific, quite distinct agreements. The subject of an agreement came to the fore and was used to describe it, e.g. employment, training and salaried status agreements.

(2) It also took place at levels other than that traditionally used for collective bargaining, i.e. the industry. The employment agreement (February 1969) and the vocational training agreement (July 1970) are nation-wide instruments negotiated by the National Employers' Council and the five nationally representative trade union organisations. They cover between 8 and 9 million wage earners. The question of salaried status also led to meetings at the top (e.g. the joint declaration of April 1970 and the recommendation on maternity benefits issued in July 1970). Simultaneously, profit-sharing agreements at the level of the undertaking became far more common and it seems likely that plant-level agreements were negotiated more frequently. Everything suggests therefore that the mere fact of tackling a question separately and on its own made it possible to break out of the traditional framework (industry-wide bargaining) and to decide the question of coverage on its merits.

(3) It was introduced in sectors where it was virtually unknown (civil service and nationalised enterprises set up by statute and therefore—unlike Renault—excluded from the 1950 Act).

Some of these developments were directly due to government initiative (e.g. the ordinance on profit-sharing dated July 1967 and Mr. Pompidou's letter of 3 August 1967) or to trade union demands dating back to before 1968 (e.g. for multi-industry bargaining). The events of May and June 1968 and the " Grenelle " meetings broke the deadlock and started things moving. Jean-Daniel Reynaud has indeed noted the paradox of this " half-successful revolution which caused general consternation, yet had no effect on the questions at issue, or, in certain cases, on negotia-

[1] Salaried status as defined by the Government and implemented in the agreements, is designed to give wage earners the same social benefits as monthly-paid employees. As regards profit-sharing, the ordinance of 17 August 1967 making it compulsory to give wage earners a share in the benefits of industrial expansion, provides for special participation funds to be established on their behalf calculated as a proportion of the net profit for tax purposes. These funds can be administered in a number of ways, e.g. through the distribution of shares, deferred saving, etc., the method employed in each case being normally agreed upon between the management and workers' representatives. The ordinance applies to all establishments with over 100 wage earners.

tions that had already begun ".[1] However, these observations do not apply to some of the latest developments—the agreements on salaried status and those for the nationalised industries.

Of course, efforts had already been made to reduce the difference in status between office staff and manual workers in a number of firms and even in certain industries, but the question of salaried status rarely figured among trade union claims before 1968. It is likely that the process would have been slower if the Government, acting on Mr. Pompidou's statement, had not helped to crystallise the interest of both sides of industry in this objective as a result of which they were more willing to respond to the Government's invitation to negotiate. By September 1970 agreements had been signed in metalworking, building and civil engineering, chemicals and coal mining, covering a total of between 4 and 5 million workers. Even though the agreements for the nationalised industries ultimately dated back to trade union proposals made in 1963, they nevertheless marked a conscious departure from the former procedure, known as the " Toutée procedure ", of which more will be said below.

In other words, after " Grenelle " there was a good deal more collective bargaining in France. The social crisis of May 1968 and trade union insistence both had a good deal to do with it, but there was also a change in the employers' attitude, encouraged by the emergence of new men and a government policy of introducing collective bargaining into the nationalised industries (and even the civil service), which in turn fostered it in the private sector as well.

If our purpose were to draw up a social balance sheet, it would mean examining the contents of all these agreements. But if the aim is rather to detect the forces at work in the collective bargaining process, two new developments attract attention, since they are at variance with previous practice. These are the growth of nation-wide and multi-industry bargaining, and the introduction of bargaining in the main nationalised industries. On the other hand, these recent trends should not be allowed to overshadow developments at the industry level, where collective bargaining has traditionally taken place, and in the private sector.

IV. Multi-industry agreements and redistribution of roles between the Government and the " social partners " (1969-70)

The multi-industry bargaining provided for in the Grenelle statement led to two nation-wide agreements, the first covering job security (February 1969) and the second, vocational training (July 1970).

There is no need to dwell on the job security agreement here since it adopts the same approach as the social agreement for the Lorraine

[1] Jean-Daniel Reynaud: *Les événements de mai et juin 1968 et le système français de relations professionelles* (mimeographed), p. 7.

iron and steel industry and therefore requires no special comment.[1] Like that agreement it provides for joint employment committees to be set up, defines the procedure to be followed and the period of warning to be given to works councils when redundancies occur, and lays down degressive scales of temporary compensation for workers who are downgraded.

It marks an improvement over the Lorraine agreement in that it defines in greater detail the procedure to be followed in order to soften the impact of company mergers and reorganisations on the labour force; in addition it emphasises the need to include forecasts of employment consequences in the planning of operations of this kind. It does not go as far as the Lorraine agreement as regards the warning period or the rates of degressive compensation, thereby reflecting the limitations of a multi-industry agreement. Similarly, the arrangements to co-ordinate the efforts of the companies covered by the regional agreement are inevitably missing from the multi-industry agreement.

Like the Lorraine agreement, this scheme provides for very extensive use of the available state compensation and training facilities. Significantly, the negotiators suspended their talks at one stage to hold a meeting with the Minister of Social Affairs, at which they asked for clarifications about the working of the Vocational Training Benefits Act of 30 December 1968, which had just been passed, and the conditions in which the National Employment Fund would intervene. As a result of the Minister's statement, the negotiations, which at one time seemed to be deadlocked, were resumed and when the agreement was finally signed, the statement was included in an appendix. This showed plainly enough that the bargaining process also had the effect of clarifying the Government's own intentions and commitments.

But this connection was already obvious in the case of the Lorraine agreement and therefore had nothing to do with the fact that bargaining was on a national and multi-industry basis. On the other hand, the relationship between the " social partners " and the Government in the conclusion of the vocational training agreement suggests a new form of bargaining at that level.

The national multi-industry agreement on training and further training (July 1970)

Title I of the agreement, which comprises a preamble and two parts, deals with the *initial training* of young workers. Where general and theoretical training are concerned, the agreement is designed to facilitate admission to existing courses (attendance, now required by law up to the age of 17, will henceforth continue until completion of the 18th year;

[1] The reader wishing to find out more about this agreement and the way it was negotiated should refer to an article published in *Droit social* (Paris), Sep.-Oct. 1969.

training will take up 320 hours a year as against 200; and the trainees will be able to attend during working hours without loss of pay, whereas previously most of the courses were held on Saturdays). As regards vocational training itself, which lasts for anything from one to three years and leads to a recognised qualification, the agreement lays down the principle that whenever the training is provided by employers or employers' associations (and not in state training colleges) it is preferable to set up joint centres " operated by a group or association of employers ". Whether the centres are run by individual employers or joint bodies, workers' representatives will sit on their boards of management, the responsibilities of which are defined. The agreement leaves it to industry-wide collective agreements to prescribe scales of pay for apprentices, while setting minimum standards which must be observed.

Title II contains clauses dealing with *further training*. It draws a distinction between wage earners affected by redundancy and those still in employment.

A worker who is declared redundant can, if he wishes to take a course of training, apply for leave of absence during the period following receipt of warning (given in accordance with the employment agreement of 10 February 1969) and during his actual period of notice.[1] His wage is paid in full until the period of notice expires. If his course of training is longer than this, he becomes entitled to an allowance at the same rate as his former earnings, payable by the joint unemployment insurance agency (the National Union for Employment in Industry and Commerce, or UNEDIC). The training period may not exceed one year.

For workers still in employment, the principle is laid down that each is *entitled* to apply for leave of absence to take a full- or part-time course of training.

The leave of absence allowed is equal to the length of the period of training, subject to a maximum of one year in the case of a full-time course. The agreement lays down the conditions that must be fulfilled by applicants (at least two years' service with the employer and more than five years to go before the normal age of retirement), the proportion of workers who can be absent at any given time on courses of this kind (2 per cent), how a scale of priority is to be established among applicants and the minimum interval between two courses of training taken by the same individual. Finally, the agreement regulates the payment of trainees, which depends on whether the course is run by the firm (in which case the wage is paid in full) or is freely chosen by the employee. In the latter case, it is only when the course is held by a body approved by the joint

[1] The warning period required under the employment agreement varies with the cause and extent of the redundancy. For example, if the redundancy is due to a closure and affects more than 300 individuals, three months' warning must be given. Under an ordinance issued in 1967, a further two months' notice must be given to any worker with two years' service or more.

employment committee covering the employee's firm that an allowance is payable, viz. full pay for four weeks, with such reductions thereafter as the joint employment committee may decide.

This analysis, though brief, shows how the negotiators (some of whom had represented their confederations during the earlier bargaining over job security) set out to make use of official schemes for the provision and encouragement of vocational training. The approach is the same as that described earlier in connection with the Lorraine agreement and the national agreement on job security. Just as these two agreements would not have been possible without the passing of the 1963 Act setting up the National Employment Fund, so the 1970 agreement is the outcome of the Vocational Training Act of 3 December 1966 and the Vocational Training Allowance Act of 31 December 1968. Most of the training courses covered by the agreement will be given in centres that have concluded a convention with the Government under the 1966 Act and receive financial aid as a result. Allowances payable to trainees under the agreement take account of the forms of official aid available under the 1968 Act.

Even more novel is the fact that the agreement lays down the conditions in which workers still in employment can obtain leave of absence to take a course of training, i.e. the agreement not only takes advantage of the facilities provided by law, but actually regulates the operation of the Act of 3 December 1966, which introduced the principle of entitlement to leave but stated that detailed regulations would be issued in a subsequent decree. This was in fact never published and the agreement serves in its stead. What could be more natural [1] than that arrangements making allowance simultaneously for employees' wishes and the operating demands of industry should be worked out jointly by representatives of wage earners and managements? Indeed, the initiative was encouraged by the Government.

But the text of the agreement makes it clear that the new role of the employers' and workers' organisations is a dynamic one and that their interest in giving effect to the law extends also to its content. The first clause expresses the hope of the signatories that the legislation on vocational training courses for young workers will be amended, and suggests specific changes. On the subject of finance for vocational training, the parties declare themselves to be " fully aware that, taken in conjunction, the arrangements embodied in this agreement raise the general problem of finance, which cannot be solved by the parties alone but will involve consultation with the public authorities ". In other words, they are advocating that the whole system of financing vocational training should be recast.

[1] It will be noted that in a related field, the Act of 23 July 1957 allowing workers to take unpaid leave to take trade union training courses was in fact followed up by an order of the Minister of Labour prescribing the maximum number that could be released according to the size of the firm.

These suggestions arose naturally out of the construction placed by the architects of this major agreement on the nature of their role, namely to question the present system of vocational training, which does not meet the needs of either industry or individuals, and to outline a comprehensive policy. Such an ambitious undertaking could not be carried out if the public authorities themselves were spared from criticism and if no suggestions could be made about their sphere of responsibility. But it seems likely that the suggestions were in fact welcomed by the Government and in no way surprised it. After all, the legislation in need of reform dates back to 1919, and the Government's own attempt to overhaul the system of financing vocational training had run into difficulties. The negotiators themselves helped to break the deadlock, and collective bargaining was found to be a means of achieving a consensus that had eluded the Government's own proposals.

Salaried status: joint recommendation on the reform of maternity insurance

The negotiations on the introduction of salaried status call for the same comments. They are being held on the traditional industry-wide basis, but this does not exclude national and multi-industry meetings.

The first of these gave rise to a joint statement (20 April 1970) in which it was agreed that " details of the introduction of salaried status will be settled at the industry level ". It was also agreed to hold another meeting in an effort to find an answer to the problem of maternity leave. The point is that in industries employing a high proportion of women, it would be an expensive proposition to grant full pay during maternity leave to all female staff as is already done in the case of office staff. This problem had to be tackled first if salaried status was to be extended as rapidly in these industries as in the others.

The meetings held for this purpose led to the signature of an agreed protocol (2 July 1970), which was unusual in that it was not operative, since it merely spelt out the changes that should be made in the maternity insurance scheme, namely a maternity allowance for manual workers at the rate of 90 per cent of the assessable wage instead of 50 per cent and the levying for this purpose of a maximum over-all contribution at the rate of 0.20 per cent of assessable wages. Of course, this implied that the employers agreed to accept the proposed increase in contributions. In December 1970 the Government announced, to nobody's surprise, that it had accepted the proposed amendment and would make appropriate changes in the law; this was done in a decree issued in January 1971.

A new type of relationship between the " social partners " and the State has thus resulted from these inter-industry agreements. The traditional roles are redistributed in the sense that the State recognises that employers' and workers' organisations, being directly affected by certain

legislation, are well fitted to decide how it should operate and that when changes are desirable they can be introduced more readily if they are actively sought by the parties concerned than if they are imposed from above.

What has been established under the name of " concerted action " (*concertation*, in French) amounts, in fact, to a form of participation in the State's political authority. This need be no cause for surprise when it is remembered that the organisations taking part represent from 8 to 9 million wage earners, as well as the managements employing them, and are therefore more representative than any trade union or political party on its own. The agreement, which was facilitated by the fact that part of the cost would be borne by the Government, is a striking acknowledgement of their representative character and greatly strengthens their hand in dealing with the public authorities.

V. " Progress agreements " and the return to normal in industrial relations (1969-70)

Whereas the reallocation of roles just mentioned seems mainly to have been an unforeseen by-product of the enlarged scale of collective bargaining, " progress agreements " are the outcome of a conscious political determination to promote collective bargaining in the nationalised industries and to define the rules governing relations between the signatories.

Collective bargaining was not completely unknown in the public sector. In 1965 a procedure (known as the " Toutée " procedure from the name of the member of the Conseil d'État who had advocated it in a report requested by the Government) was introduced in four of the largest industries—electricity and gas, railways, coal mining, and the Paris transport authority.

The " Toutée " procedure involved three stages. At the end of each year the total wage bill for the year was assessed; next, the Government decided on the amount by which this wage bill could be increased during the coming year; finally, the ways in which this increment was to be distributed (by an increase in the basic wage, bonuses of various kinds, or additional payments to certain grades) were selected. The trade union organisations took part in the assessment, were consulted before the Government made its decision, and negotiated with the managements over the distribution. But after some time, they came to the conclusion that consultation had no practical effect and that they were bargaining with managements whose hands were tied since the final decisions were taken elsewhere by the appropriate government departments. As a result, their interest in the procedure dwindled and, with the Grenelle statement, vanished altogether. Nevertheless, the need to make the assessment did

help the participants to clarify a hitherto very confused issue, to agree on certain concepts (such as the definition of the total wage bill) and to work out a method of analysing data for the purpose of the wage policy. In these respects, there had been an unqualified gain.

The Government of Mr. Chaban-Delmas, who was appointed Prime Minister in June 1969, decided to make a clean break with this procedure and to grant greater autonomy to the nationalised industries. For example, it gave up its claim to decide the permissible increase in the wage bill for each of these industries every year. In submitting his programme to the National Assembly in September 1969, Mr. Chaban-Delmas declared:

> New wage-fixing procedures will be worked out for the nationalised industries in conjunction with the trade union organisations and will be introduced in 1970. They will be designed to give the workers in the public sector a share in the benefits of national expansion and in the progress of their own industries. In this way, progress agreements covering periods of several years will be negotiated for each industry, covering among other things improvements in working conditions and ways and means of ensuring that service to the public remains efficient and reliable.

On the latter point, the Prime Minister announced the Government's decision to regulate the right to strike in the nationalised industries. The relevant legislation at the time consisted mainly of an Act dated 31 July 1963, under which five clear days' notice must be given of any strike. This Act, which applied only to public services, had in any case been ignored in May 1968.

The social agreement for the electricity and gas industries

The first major agreement reflecting this shift in government policy was concluded for the electricity and gas industries (120,000 wage earners) on 10 December 1969. This "social agreement" is divided into two complementary parts: wage trends and wage fixing, and the regulation of industrial relations.

As regards wages, the rate of increase r between year $n-1$ and year n in the total wage bill is calculated by the formula:

$$r = 1+0.5\,P_n+0.15(V_n-2.5\,X_n)$$

The first two terms of the formula $(1+0.5\,P_n)$ define the employees' share in the expansion of national output, P_n being the percentage rate of increase in the gross domestic production [1] in terms of value between year $n-1$ and year n. The third term corresponds to more specific criteria

[1] French national accounts are based on gross domestic production (*production intérieure brute*), which has no counterpart in the United Nations system of national accounting. Gross domestic production is the sum of the value added in each branch of productive activity in France plus import duties and levies (minus subsidies).

and relates the wage bill directly to the performance of the industry and inversely to the size of the labour force. V_n is the percentage rate of increase in the volume of sales of electricity and gas, and X_n is the percentage rate of increase in the total number of wage index points for the labour force as a whole.

For the year 1969 the formula would have resulted in an increase over 1968 as follows:

$$r_{1969} = 1 + \frac{15.9}{2} + 0.15\,(10.2 - 2.5 \times 1.4) = 8.95 + 1.02 = 9.97 \text{ per cent.}$$

Thus, the share of the increase due to specific factors seems bound to be fairly small. The reference to the value of the gross domestic production means that if the latter rises mainly because of the growth in output, wages can also be increased even if the rise in prices is small, i.e. in such a case, the formula is more favourable to the labour force than the sliding scale. If, on the other hand, the rise in the value of gross domestic production is due mainly to price increases, the system is less favourable than the sliding scale whenever the rise exceeds 2 per cent. Should this happen, the unions would probably be compelled to denounce the agreement, which therefore is not open to the charge—levelled against the sliding scale—of fuelling inflation. As an example of the way the system works, the increase in the value of gross domestic production between 1969 and 1970 was estimated at the beginning of 1970 to be 9 per cent, which, allowing for the specific factors, should under the formula entail an increase in the total wage bill of 6.3 per cent. During the year the estimates of the value of gross domestic production were adjusted upwards and the permissible increase in the wage bill therefore went up to 7.9 per cent in November 1970. Over the same period, i.e. from January 1970 to September 1970, the price index went up by 4.3 per cent.

The agreement lays down when and how a joint committee is to calculate the increase in the total wage bill and then share it out. This distribution must first and foremost be made in such a way as to maintain the purchasing power of all employees. Next, " it must result in higher purchasing power for all, with more index points being allocated to the lowest-paid grades ". In other words, the agreement does more than simply define a formula and a procedure; it lays down what amounts to a wages policy. Under this policy, the basic wage—index figure 100—was increased by rather more than the rise in prices in 1970 (which enabled all employees to do a little more than maintain their purchasing power), while the remainder was distributed in such a way that for the lowest grades the rate of increase in purchasing power was twice as great as for the highest grades. For the former, the over-all increase in purchasing power in 1970 was 8.3 per cent, whereas for the latter it was 6.7 per cent. All in all, these arrangements clearly show that the management has

regained the ability to bargain and agree with the trade union organisations in formulating a wages policy.

The second part of the agreement consists of clauses dealing with relations between management and unions. The agreement is for a specified period, being concluded for two years with effect from 1 January 1970. " As long as it has not been denounced, it implies that there is no dispute with respect to its contents." This means that disputes can occur on points other than wages while the agreement is in force, but that disputes over wages are ruled out unless the agreement is denounced. One clause stipulates that the signatory unions (but not the management) are entitled to terminate the agreement on three months' notice, but that this period must be used " to settle without a dispute [1], and in conjunction with the general management, the issue which led to the termination ". Thus, despite the limited duration of the agreement, there is nothing to stop it being ended at any time, provided the period of notice is observed; nor, as G. Lyon-Caen points out [2], does it mean that there will not be a dispute (occurring perhaps over a point covered by the agreement) if on the expiry of this period of notice the issue has not been settled. It follows, as this author emphasises, that there is no real restriction on the right to strike, but simply a requirement to give notice and follow a conciliation procedure before taking action. This is not, however, the first time in a nationalised industry that the unions have agreed to observe a specified procedure and hold discussions before striking. The point will be reverted to later on, since it was partly because it considered that the proposed system would curtail its freedom to strike at the most suitable moment that the CGT refused to sign the agreement.

Subsequent agreements: guaranteed increases in purchasing power

During 1970 agreements were also negotiated in the other nationalised industries and undertakings—in the railways (23 February), the coal mines (2 March), and the Paris transport authority (13 October).

Unlike the agreement for the electricity and gas industries, these only covered the year 1970 and did not include " labour peace " clauses.[3] Nor did they contain any formula for expanding the total wage bill from one year to the next. Instead, they provided for a guaranteed increase in purchasing power over the year. For example, the agreements for the railways and coal mines provided for a phased increase in wages of 6 per

[1] This is without a strike.

[2] G. Lyon-Caen: " La convention sociale d'EGF et le système français des relations professionnelles ", in *Droit social* (Paris), No. 4, Apr. 1970, pp. 162-173.

[3] Although an agreement on the consequences of railway modernisation signed on 11 July 1968 contains the following clause: " the signatory parties undertake to endeavour to settle between themselves any fundamental difficulties that may arise out of the interpretation of any of the clauses of this agreement and to submit any unsettled issues to a conciliation. . . ."

cent, which, allowing for the anticipated rise in the price index of 4 per cent, gave an improvement of 2 per cent in purchasing power. Should the price index go up by more than 4 per cent between December 1969 and December 1970, it was stipulated that wages would be increased on 1 January 1971 by the difference between the actual rise in the index and 4 per cent. This " escape clause " guaranteed in other words that purchasing power would improve by 2 per cent whatever happened. Discussions on the renewal of these agreements in 1971 began in the early part of the year. In the case of the railways they resulted in a new settlement once more guaranteeing an increase of 2 per cent in purchasing power and providing for a further reduction in working hours.

This guaranteed increase in purchasing power is a characteristic feature of " progress agreements " in 1971, since an annex to the wage agreement for the electricity and gas industries signed on 9 February 1971 also provides for a minimum growth in purchasing power of 2.5 per cent in 1971. In other words the 1969 formula will only be used if it results in an increase of more than 2.5 per cent. On the other hand, the clause requiring a period of notice before the agreement can be terminated, which was one of the distinctive features of the original version, has been superseded by a less restrictive provision worded as follows: " The signatory managements and federations agree to meet to discuss any disagreement or dispute arising out of the operation of this instrument and undertake to make every effort to settle the disagreement or dispute by negotiation in order to avoid termination by the signatory trade union federations ".

But while the " labour peace " clauses are omitted or toned down, the fact remains that these wage agreements seem bound to lead to a new type of relationship between management and trade unions. For one thing, they involve frequent meetings to keep track of certain developments such as the level of prices, wages and the parameters of the electricity and gas agreement, and decide on the action to be taken; for example in October 1969, when it was plain that the rise in prices had been greater than anticipated, the railway management and unions agreed to speed up the original timetable for raising wages, thereby making use of the " escape clause ". The electricity and gas agreement allows the unions to choose between certain policies (shorter hours of work or a larger increase in basic wages, bigger rises for the lowest-paid workers or flat-rate increases all round) and even, as Jacques Delors points out [1], to concern themselves with the way the industry is run. These changes in the unions' status and powers, coupled with regular contacts and the prospect of clearly defined short-term gains, may do at least as much as the dubiously effective social peace clauses to place industrial relations on a sounder footing.

[1] Jacques Delors: " La nouvelle société: I ", in *Preuves*, second quarter 1970, p. 102.

VI. Collective bargaining in privately owned industries and firms

Multi-industry, nation-wide bargaining and the wage agreements negotiated in the leading nationalised industries are the most novel and striking developments of recent years and the clearest departure from earlier methods. It is harder to put a finger on the changes that have taken place in traditional bargaining by industry and in plant-level bargaining.

(1) As regards the former, a distinction should be drawn between negotiations over such new issues as hours of work and salaried status, and those that merely continue earlier procedures (e.g. concerning minimum wages).

Collective bargaining has coped admirably with its new objectives. According to the Ministry of Labour, between the end of May 1968 and 30 October 1969, seventy-one agreements on the reduction of working hours were concluded for entire industries, whereas before May 1968 the Ministry only had record of three agreements of this type. Most lay down a timetable for reductions in the working week and the way in which the resulting loss of earnings is to be offset. As regards salaried status, eighteen national or regional agreements were recorded by the Ministry of Labour between 20 April 1970 (the date of the joint statement by the National Employers' Council and the trade union confederations) and the end of the year. It was estimated that by this latter date, nearly 5 million wage earners were covered by the new arrangements.[1] In the case of hours of work as in that of salaried status, the impulse came from the top. At the rue de Grenelle meeting, the employers and trade union confederations reached agreement on the principle of negotiations over shorter working hours. The first nudge towards salaried status was given by the Government, but the joint statement of 20 April 1970 showed that the National Employers' Council and trade union confederations had come round to the Government's view. It is also possible that the proposal to give wage earners staff status, by relieving the negotiators of the need to think up anything new and providing them with a clear-cut objective, helped the negotiations to progress much faster.

It is harder to detect the changes that have taken place in bargaining on such traditional subjects as wages. Of course, the tempo has been speeded up, especially when an agreement allows negotiations to be reopened as soon as the cost of living rises beyond a certain point (according to an estimate from a trade union source, nearly 5 million wage earners are now covered by sliding-scale clauses); but this bargain-

[1] For details of the position in November 1970 see Monique Bellas: " La mensualisation: un bon départ ", in *Projet*, Nov. 1970, pp. 1128-1131.

ing only deals with minimum wages, which in most cases are still well below actual rates. The last collective agreement for the Paris metalworking industries (16 February 1971) was not signed by the CGT and the CFDT, which had demanded an increase of 30 per cent in wage rates instead of the 13 per cent actually granted. In the chemical industries the last national meeting (11 February 1971) did not lead to any agreement. In other words the old procedure is still in force, and this suggests that while new patterns have certainly been explored in recent years, the fundamental conditions governing the relationship between employers and trade unions have not been greatly affected.

(2) At the plant level, it is clear that agreements on a wide range of subjects are still being concluded in a small number of firms; these agreements are known and published and in some cases are found to contain innovations. For example an agreement signed by Berliet (a heavy-vehicle manufacturer with 17,000 workers) at the beginning of 1970 is reminiscent of the progress agreements signed in the nationalised industries. In drawing up a social balance sheet it might be worth including the most significant clauses of these agreements, but the fact is that they only cover a fairly small number of wage earners.

While collective bargaining at the plant level has become much commoner since 1968, it has certainly not resulted in more comprehensive agreements, but rather in more agreements on specific points. When they deal with profit-sharing, such agreements are due to a statutory obligation and so it is hardly surprising that there should be a large number of them. Indeed, the total filed under the 1967 Ordinance amounted to 5,800 by 1 December 1970, most of them having been negotiated with works councils. (Whereas plant agreements are normally concluded by managements with the representative trade unions, the 1967 Ordinance allowed profit-sharing agreements to be negotiated with these councils.) In other cases, plant agreements merely repeat industry-wide settlements on the subject while adapting them to local conditions. Between June 1968 and October 1969 the Ministry of Labour was notified of 101 plant or company agreements dealing with the reduction of the working week. There have also been many agreements on the introduction of salaried status.

There is one subject on which industry-wide agreements do not always lead to plant-level bargaining. François Sellier, in his account of collective bargaining in the French metalworking industry [1], notes that for the employers' organisations the agreement on hours of work (concluded nationally, whereas normally bargaining in the industry is conducted on a regional basis) was to be applied as it stood. By and large, when agreements are of a pioneering character (such as the nation-wide

[1] F. Sellier: " L'évolution des négociations collectives dans la sidérurgie et la métallurgie en France (1950-1969) ", in *Droit social*, Sep.-Oct. 1970.

agreement on employment, the industry-wide agreements based on it and the nation-wide agreement on vocational training) plant agreements improving on their standards are usually few and far between.

It may be that the impulse from the top has given managements the impression that there is no need for them to go any further, thereby strengthening a fairly long-standing tradition among French employers of leaving bargaining to their trade associations. On the union side, it is also possible that the immediate aim is often to secure general observation of the employment agreements (nation-wide or industry-wide) and vocational training agreements (nation-wide) before trying to add new clauses to suit conditions in particular enterprises. Perhaps, therefore, the sweeping changes introduced at the national level—and which could only be introduced at that level, as L. A. Moller has shown in the case of salaried status [1]—mean that the initiative in industrial relations must now come from above and that the time is past when major innovations foreshadowing future developments were first introduced at the plant level.

This does not mean that employers and trade unions do not agree in recognising that plant-level bargaining should play a larger part in future. The events of May 1968 revealed the importance of the factory as the place where the problems that matter to the workers are actually encountered, e.g. wages, conditions of employment, place in the industrial hierarchy, etc. At the same time that the social responsibilities of managements were thrown into relief, an Act was passed in December 1968 at long last giving official recognition to factory trade union branches. The changes in men's minds as well as in the law are such that there can no longer be any question of refusing to bargain at this level, and it is significant that a reform of the 1950 Act now in hand is designed among other things to foster the conclusion of plant agreements. But while the National Employers' Council is now far readier than formerly to accept plant-level bargaining, it still insists that it must fit into an orderly framework and that its primary function is to adapt agreements concluded for the industry as a whole. For example, in complying with industry-wide agreements on salaried status, some firms have had trouble combining their terms with existing practices, and special agreements have often been negotiated on this point. The trade unions, on the other hand, regard plant-level bargaining as an opportunity of taking industry-wide agreements one step further. So, while both approaches seem to accept the idea of bargaining " further down the line ", in fact it is not interpreted in the same way on both sides. The trade unions can still, of course, take direct action in the factories, and it may also be taken spontaneously by the workers themselves. The unions do not disown

[1] L. A. Moller: " La mensualisation: bilan des accords professionels signés à la fin de 1970 ", article due to be published in *Droit social* in March 1971 (my thanks are due to the author for communicating his manuscript).

them when this happens, but try to take over, knowing that this is the level at which demands are most closely related to needs and that direct action in the factories must supplement and so to speak counter-balance the negotiations at the top. These, by a paradoxical twist, thereby help to keep the old style of collective relations alive in the factories.

VII. The extent of the change

These remarks suggest that while major changes have occurred in recent years, they have largely taken the form of additions and innovations rather than the complete reshaping of industrial relations. In privately owned industry and firms—where the two sides confront one another more directly, the negotiating machinery is less elaborate and government influence is less pervasive—it is far from certain that the old pattern is being questioned at all. More generally, this realisation of what has not changed prompts a backward look at the effects of the most visible changes—multi-industry agreements and " progress agreements "—especially on ideologies and strategies.

The policy of " progress agreements " has forced the trade unions to reconsider more carefully the criteria that make an agreement acceptable and the social and political significance of the collective bargaining process.

Over the electricity and gas agreement in 1969, the CGT reiterated its previous standpoint. It does not rule out the signature of agreements with employers—the class enemies—but such agreements are no more than short-term compromises reflecting the balance of power at a particular time. They can be accepted as long as they entail an adequate improvement in workers' pay and conditions; at the same time, they must leave the unions free to deploy their full strength at any time and impose no restriction on the right to strike. On the ground that the electricity and gas agreement did not involve sufficient gains and also because of its opposition to the " social peace " clause, the CGT refused to sign after holding a poll of the entire labour force. It argued from the results of this poll that the majority of the electricity and gas workers were not in favour of the agreement signed by the CFDT and Force ouvrière federations, thereby casting doubt on the latter's representative character. The reason why the CGT did not sign progress agreements without " social peace " clauses concluded in other nationalised industries in 1970 was that in its view they did not grant sufficient concessions. It also seems probable that it was unwilling to give the impression by signing these agreements that it endorsed the Government's new social policy, of which they formed an essential part. It is difficult otherwise to explain why it should have signed with a private firm, Berliet, an agreement which is quite similar in many respects to the progress agreements in the nationalised industries and even includes a " social peace " clause.

Thus, while the CGT's attitude is consistent and clear-cut, each agreement is assessed with an eye to its social and political implications as well as its content. This is noted by René Mouriaux when he states that " the CGT fears that the present Government may use these agreements as a device to spread the ideology of class collaboration " and he adds: " The CGT's tactics cannot be reduced to a single formula and it is perhaps necessary to take into account not only the content of the agreements but also the direction in which they point ".[1] The fact remains, however, that in 1971 the CGT, taking the view that the agreements for the railways and electricity and gas industries marked an advance on their predecessors, finally decided to sign them.

Understandably, in this context of a government policy of encouraging progress agreements and refusal by the CGT to sign, the CFDT felt bound to justify to the labour force in general and to its own members in particular, its decision to sign most of the agreements and to define its own approach to collective bargaining. It did so at a time when it was going over to a policy of sharper opposition to capitalist society (at the Congress of March 1970). In other words, the present policy of the CFDT towards collective bargaining is not so much a response to circumstances as a new line altogether. Henceforth, the CFDT regards bargaining within the capitalist system as a reflection of the relative strength of the two sides at a given moment (conclusions published by its executive on 9 January 1970). When agreements relate to particular points, they must be for very short periods only and it must be possible to reopen the issues as soon as the balance of power has shifted in the workers' favour. Agreements must be judged solely from the standpoint of the workers' advantage and the growth of trade union power. It follows that they must be in no way allowed to restrict the unions' ability to oppose.

The determination not to be drawn, not to be tied down, is very clearly stated, therefore. It is also apparent through the formal language of the agreements themselves (although the union prefers the term " statement " to " agreement " and even more to " contract "). Moreover, if an agreement is merely a truce, the union must emphasise what remains to be done and ensure that its signature does not make the workers lose interest. This means that the agreement must be presented as part of a wider struggle; for example the signature of the vocational training agreement is described as a " fighting measure ".[2] Lastly, the fact of signing must not be falsely interpreted as signifying integration into capitalist society (" negotiation is not integration " [3]) or as an endorsement of government policy.

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[1] René Mouriaux: " La CGT depuis 1968 ", in *Projet*, Nov. 1970, p. 1089.

[2] *Syndicalisme hebdomadaire*, 9 July 1970, p. 4.

[3] Laurent Lucas: " La négociation n'est pas l'intégration ", ibid., 24 Dec. 1969, p. 1.

Even so, the idea of agreements covering a specified period and involving definite commitments is not rejected by all the trade union organisations. For example, the CGT-FO Metalworkers' Federation decided at its last congress in January 1970 that short-term commitments could be entered into by its member unions and that any points settled in such agreements could only be reopened in accordance with the prescribed procedure (i.e. for denunciation, notice and consultation as in the 1969 social agreement for the electricity and gas industries).[1] This, however, is a minority view. On the whole, the extension of " progress agreements " has not been accompanied by any new readiness on the part of the majority of unions to commit themselves—quite the reverse. This coolness is perhaps not simply a question of ideology. It is also due in all likelihood to greater awareness of attitudes among the rank and file resulting from the growing practice of holding consultations with the member unions before signing an agreement.

The growth of nation-wide or multi-industry bargaining has its drawbacks for both sides. In the trade union movement it is realised that questions like vocational training do not generate much passion and that it is hard to work up mass support for the kind of demands put forward at the bargaining table. Furthermore, since the negotiations affect all the industry federations, it is essential to keep in contact with them throughout the discussions; but since there is only room in the trade union delegation for the representatives of the main industries, there must also be regular consultations with those left out.

A similar problem faced the National Employers' Council over its links with the employers' federations, and in order to clarify the question it decided to amend its rules. Under the old rules it had no clear right to engage in inter-industry bargaining, since this was considered to be a matter for its member federations, which were entitled to argue that the Council could only represent them with their specific authorisation and if this were not given, they were not bound by the agreement. In the new rules which came into force at the start of 1970, the principle is laid down that " wages are a matter for individual employers and their trade associations ". At the same time, however—and this is the new feature—an exception is allowed: " in other fields, the French National Employers' Council may in exceptional cases and with the approval of its Permanent Assembly be empowered to negotiate and sign general agreements for all . . . occupations ". On the other hand, each federation is explicitly entitled to opt out of such an agreement before it is signed. A number of them took advantage of this right in the case of the vocational training agreement signed in July 1970. This procedure may reduce the coverage of an agreement, but it also increases the likelihood that it will be

[1] " Le contrat collectif à durée déterminée ", in *F.O. Hebdo*, 28 Jan. 1970.

something more than a catalogue of minimum standards based on what the least go-ahead industries can afford.

Because the Council now accepts nation-wide multi-industry bargaining to the extent of having thought it necessary to amend its rules, it should not be concluded that bargaining of this type will become more widespread in the future. Trade union demands to discuss various new topics at this level (union rights, hours of work, the lowering of the retirement age, etc.) were recently turned down by the Council, which still regards multi-industry bargaining as an exceptional measure, although this does not by any means rule out exchanges of views or joint statements at the top to lay down principles for the guidance of collective bargaining further down. The changes that have taken place do not therefore involve any general questioning of ideologies and strategies. The employers and trade unions are still unable to agree which subjects should be dealt with in multi-industry bargaining, the levels at which various questions should be discussed, the function of plant-level bargaining and so forth.

In the past few years the employers' and workers' organisations have managed to find new purposes and new functions for collective bargaining, together with novel ways of tackling the problems they faced. Government encouragement, as part of the policy of " concerted action " has sometimes been a great help. Nevertheless, the legal status of collective bargaining is still subject to an Act passed twenty years ago and ideologies and behaviour only change slowly. The striking creativeness of industrial relations is therefore due to the discovery and exploitation of opportunities inherent in the existing French system rather than to any departure from it. Such changes as have taken place are those that are possible within the system. This explains their limitations, without in any way diminishing their value.