

The Role of Employers' Organisations in France

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WHEN CONSIDERING the role of employers' organisations, the French are inclined to think in terms of heads of undertakings, including all levels of industrial and commercial entrepreneurs. The term "employer", which is used in French labour law to define the entity, physical or moral, that employs wage earners, does not convey exactly the same notion, since there are heads of undertakings without employees and employers that are not heads of undertakings—for example the increasingly rare employers of domestic staff. In general, French undertakings are not grouped into organisations in relation to their role as employers, as in the Federal Republic of Germany and the Scandinavian countries. The trade associations that form the basic units in the organisational framework, just as the representative body covering industry as a whole at the national level—the *Conseil national du patronat français* (CNPFF), known in English as the National Council of French Employers—are competent to deal with both "economic" and "social" questions. However, a distinction occurs at the level of the different branches of economic activity. Experience has shown that economic and technical questions require to be referred to the organisations more directly concerned, whereas problems relating to the status of workers are better handled within the framework of associations covering more broadly conceived branches of activity, such as the metalworking industry, the textile industry or the chemical industry.

The scope of this article will be restricted to the way in which "employers" are organised, that is to say to the social functions of heads of undertakings, at the risk, admittedly, of distorting the truth, all the more as the distinction between the economic and social sectors is far

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from rigid. The restriction has been made in order to respect the character of the *Review* and to facilitate the international comparative studies that seem indispensable, the attention of research workers having so far been devoted almost entirely to the other partners in the labour market.

French undertakings are grouped, in an entirely voluntary way, in local trade associations that are quite as much trade unions as those of the wage earners, the same legislation applying to both types of organisation. These trade associations, which assume widely differing forms according to the branch of activity concerned, are grouped in turn in unions or federations that make up the CNPF, which was founded on 12 June 1946 (as an association and not as a trade union).

The undertakings may also be grouped into multi-industry associations, starting with the most active local trade associations, and these in turn are brought together in a federation of regional associations which is also affiliated to the CNPF. The policy of decentralisation and regionalisation increasingly followed by the Government should strengthen these organisational structures.

The undertakings belonging to the organisations affiliated to the CNPF vary greatly in size and legal structure. A nationalised undertaking may be affiliated (indeed, it generally is) to the employers' organisation for its sector, provided that it does not constitute a monopoly, and so may small undertakings. Most of the latter are members of the appropriate trade associations, but there is a separate organisation, the General Confederation of Small and Medium-sized Undertakings (PME), which, with a view to the more effective defence of the interests of this type of establishment—nearly always a personal or family business—is no longer organically linked with the CNPF.

Large undertakings that call on public investment have also formed their own group while remaining members of their trade associations. No distinction is made in regard to French companies belonging to an international group. Agricultural undertakings, on the other hand, have for various reasons formed entirely separate organisations, the most representative of which is the National Federation of Farmers' Associations.

There are also many associations of varying legal structure to which heads of undertakings—and not the undertakings themselves—belong on account of their religious beliefs (Christian employers, for example) or a common outlook. These reflect ways of thinking and in no way challenge the representativity of the CNPF or the industry-wide federations belonging to it, in which some of their leaders play an important role.

On the whole, then, it can be said that the way in which French employers (unlike the wage earners) are organised reflects a sense of unity, which does not, however—as is only natural in a country as diversified as France—exclude divergences and contrasts, and is the result of com-

pletely freely taken decisions on the part of the undertakings, since membership remains entirely voluntary at every level.¹

The functions of the employers' organisations

Heads of undertakings, individualists by nature, have probably a weaker spirit of association than other social groups. In the years following the First World War, one of the few authors to study the employers' movement, who had the advantage of knowing it from the inside, wrote the following:

Workers have everything to gain and nothing to lose by forming groups and acting in unison. Employers, on the other hand, force on themselves a discipline that may interfere—momentarily—with certain manufacturing processes. Joint decisions, whatever precautions may be taken, are always a restriction on the liberty that is regarded as the essential element of production. Members of employers' associations must be taught, very slowly and gradually, to accept the idea that the restrictions on the liberty of the individual are imposed by circumstances and are, in the last resort, in their own clear interest.²

The notion of employers' organisations may also appear to clash with a certain tradition of liberalism. Did not the celebrated Le Chapelier Act of 14-17 June 1791 forbid members of the same trade to form associations in defence of "their so-called common interests"?

The beginnings of the employers' organisations

Even before the Act of 24 March 1884, which established freedom of association in France for employers as well as for workers, a certain form of employers' organisation had been tolerated. As early as 1808 a Master Carpenters' Society was authorised in Paris. In 1821 the Sainte-Chapelle Group brought together the various specialised activities of the building trade and by 1848 it comprised 11 employers' associations. As regards the other trades, the National Union of Commerce and Industry, which was founded in 1858, comprised 55 employers' associations by 1869. The first general employers' organisation, the Central Committee of Employers' Associations, was formed in 1867 shortly after the easing under the Second Empire of the legislation against associations. All these were still Parisian bodies, bringing together only small industrialists and businessmen, and far from representative. It was the uniting of a major industry, however, that was the aim of the Ironworks Committee, founded in 1864 on the initiative of Eugène Schneider, who became chairman, and remaining in existence till 1940.

¹ In France the Chambers of Commerce and Industry are public establishments run by organs elected by all the industrialists and businessmen. Their social functions are very limited.

² Etienne Villey: *L'organisation professionnelle des employeurs dans l'industrie française* (Paris, Alcan, 1923).

What was the real part played by these organisations during the nineteenth century? Their existence was hardly a threat to the established order, for their activities were social rather than directly concerned with the defence of the interests of their trade. The Ironworks Committee itself, although its founder wanted to endow it with functions heralding those of a modern employers' organisation, went little further than providing its members with information and documents. The members, indeed, were so much divided on questions of manufacturing and foreign trade that the discussion of these matters had to be abandoned. As to what were to be known as labour questions, they simply did not arise. In any case, the Committee met only four times a year.

André François-Poncet has given a lively description of these early manifestations of the modern employers' movement in his book on Robert Pinot, one of its founders:

The members were far from representing the members of their trade or industry as a whole. The subscriptions were insignificant and the annual budget was laughable. Generally, these associations even lacked premises, a registered address of their own; they had no records, no statistics, no library. . . . Once a month members exchanged impressions, harmless opinions, reflections more often than not of a melancholy turn. It was decided at long intervals to approach a ministry. There was an annual dinner. And that was about all. To be chairman of an employers' association was regarded as a supplementary chore that one was well rid of. There were few men accustomed to think for the group, to watch over its interests, to represent it in the outside world, to plead its cause each day before the authorities and public opinion. With a few exceptions there were no permanent secretaries. Where the office existed it was regarded as being of secondary importance; it was a sort of soft job, badly paid and entrusted to men who made it almost a duty to be shy and retiring.¹

The defence of the interests of the industry

The situation changed at the turn of the century. In 1899 the new Association of Railway Rolling-Stock Manufacturers invited Robert Pinot, who was director of the Musée social, to be secretary-general. It is no exaggeration to say that this was the real start of the movement that was to lead to French heads of undertakings joining together in organisations for the defence of the direct interests of their respective industries.

In 1901 the Association of Railway Rolling-Stock Manufacturers, the Ironworks Committee and other organisations founded the Union of Metal and Mining Industries (UIMM), with Robert Pinot as its first secretary-general. The same year the Federation of Textile Manufacturers' Associations was created. The year 1904 saw the birth of the National Federation of Building and Public Works and 1907 that of the Federation of Electricity Associations, and these are only examples. Organisation at the multi-industry level proved more difficult, and neither the Alliance for Trade and Industry nor the Federation of Industrialists

¹ André François-Poncet: *La vie et l'œuvre de Robert Pinot* (Paris, A. Colin, 1927).

and Businessmen, founded in 1896 and 1903 respectively, seems to have been very representative or very effective.

In fact the heads of undertakings began to organise when it became clear that their common interests seemed to be threatened. With the end of the century, indeed, came the end of a certain neutrality of the State in respect of economic and social questions. Thus the beginnings of labour law can be traced back to 1890: the setting up of the Labour Commission in 1891 was followed by the adoption of the 1892 Conciliation and Arbitration Act, the 1898 Industrial Accidents Act and the "Millerand Decrees" of 1899.

The General Confederation of Labour came into existence in the same period, in 1895 to be precise. The number of strikes remained small till 1900 and then increased considerably. The nature of strikes changed even more: they were no longer practically spontaneous reactions by the workers but were becoming organised and co-ordinated. This was the time when the myth of the general strike was arising, when the First of May began to be celebrated.

In other countries a similar defensive reaction to workers' trade unionism rather than to the beginnings of government intervention in social matters produced the same effects. In Germany the great Crimmitschau strike in Saxony and the accompanying violence led to the creation of two multi-industry organisations, which were to combine in 1913 to form the Confederation of German Employers' Associations. In Sweden the creation of the Employers' Confederation in 1902 was a direct reaction to the creation of the Confederation of Trade Unions and the wave of strikes that marked the event. In the United Kingdom the first multi-industry organisation, founded in 1913, had the significant name of United Kingdom Employers' Defence Union.

As has often been observed, there is no doubt at all that the original aim of employers in organising "seems to have been usually defensive rather than any type of co-ordination".¹ It was a reaction against state interference, which, although it can be seen today as having been extremely modest, appeared at the time as a threat to free enterprise. It was also a reaction against the combination of workers, which often assumed a revolutionary aspect.

It is obvious that the defence of interests common to various trades and then those of the undertakings as a whole was one of the things that led employers to organise. This defence has assumed new forms as our civilisation has developed. Discreet approaches to statesmen and senior civil servants are no longer enough. Public opinion must be influenced, and this implies the deliberate use of every means of mass communication. The CNPF has recently established an Information Office, whose func-

¹ Guy J. Puységur: "Employers' associations in Europe and North America", in *International Labour Review*, May 1951, p. 508.

tions include not only maintaining relations with the press and with radio and television networks, but also helping the increasingly numerous persons who have to speak on behalf of the undertakings, whether regularly or occasionally, to master all the necessary techniques of expression. In short, it has become a matter of presenting a dynamic image of the undertakings, of making them known, for example by opening their doors to the public, and of communicating their point of view in the manner suited to the audience.

The techniques used by what the sociologists call pressure groups are familiar. The term, if not understood pejoratively, reflects, indeed, one aspect, but only one, of what happens in practice. Other functions of trade associations have developed which are still further removed from the notion of individualistic liberalism embodied in the *Le Chapelier Act*, in particular that of representation.

Representation

In France the first manifestation of the tripartite formula appeared long ago. This was the Labour Commission, which functioned from 1891 to 1939. Its employer members were nominated—in the absence of any specific organisation—by the chambers of commerce and by the employer members of the conciliation boards. However, it was the employers' organisations that nominated the employer members of the National Labour Council when it was set up by the Government in 1920—a practice that has been followed ever since.

The creation of the ILO proved to be the most striking confirmation of tripartism, and the presence of an Employers' delegate at the Geneva Conference proved to be the most striking illustration of the representational role of the employers' movement. It was, moreover, the need to nominate Employers' delegates for the first time that provided the opportunity of bringing together the leaders of the employers' organisations of the time and led to the creation of the General Confederation of French Producers. For a long time to come, however, the handling of the principal labour questions remained the almost exclusive responsibility of the industry-wide federations.

Nineteen thirty-six was undoubtedly an important year in both the history of the French employers and the social history of France. The Matignon Agreements had been negotiated on the employers' side by the President of the General Confederation of French Producers, a representative of the UIMM, a representative of the Paris branch of this body and the President of the Paris Chamber of Commerce. For the first time the Government had entered into a dialogue with employers' and workers' representatives at the national level. The transformation of the General Confederation of French Producers soon after into a General Confederation of French Heads of Undertakings (CGPF) was an expres-

sion of the desire to broaden the composition of the organisation and to equip it for a new role. The President of the new organisation, C. J. Gignoux, said the following year that the problems arising were collective problems. "Whether one likes it or not", he added, "they must be dealt with in the same way, that is to say collectively."¹

This opened the way to corporatism. In 1940 the Vichy régime dissolved the CGPF and the workers' confederations and in 1941 it attempted, through the Labour Charter, to impose its own organisation on employers and workers. The system, which was never, indeed, applied very consistently, collapsed with the Liberation. Since then France has had a liberal and pluralist system in which the representation of collective interests plays an important part. This system is very similar to that of the other countries of Western Europe and it would be tempting to call it "representative democracy" if the term had not another meaning for specialists in constitutional law.

The idea of representation finds its most obvious expression in the Economic and Social Council. This institution, which was provided for by the 1947 and 1958 Constitutions, is the successor to the National Economic Council, which was set up by decree in 1924 and whose existence was confirmed by an Act of 1936. According to the ordinance of 29 December 1958 to set up the Economic and Social Council, this body, "by representing the main branches of economic and social activity, shall promote co-operation between the various social groups and ensure their participation in the Government's economic and social policy". The members of the Council, "representatives of industrial, commercial and handicrafts undertakings", are appointed in a personal capacity on the proposal of the representative organisations, for example the CNPF or the PME. Draft legislation on economic and social matters is referred to the Council, and it is consulted on numerous questions, in particular the successive government Plans.

Participation in the formulation of the Plan is a still clearer demonstration of the representativity of the employers' organisations.² The various committees concerned include a substantial number of employers' representatives, who are appointed in a personal capacity but with the agreement of their organisations. Against the background of a market economy wide open to the world and in the process of becoming integrated economically in a European whole, the Plan cannot take the form of specific directives. Its achievement depends largely on private initiative. It is rather, in fact, a framework, a growth model showing the correlations between the decisions taken by the authorities and the evolution of the economic situation.

¹ C. J. Gignoux: "L'organisation du Patronat français", in *Bulletin de la Société d'encouragement pour l'industrie nationale*, July-Aug. 1937.

² See Jean-Jacques Bonnaud: "Participation by workers' and employers' organisations in planning in France", in *International Labour Review*, Apr. 1966, pp. 337-361.

It would be tedious to list all the commissions, committees and working groups in which representatives of employers' and workers' organisations play a part. There are many in all government departments, particularly the Ministry of Labour. There are also a number of regional representative bodies, the most important of which are the Regional Economic Development Boards (CODERs). The social security system operates on the basis of autonomous funds for the different contingencies concerned. The executive boards of these funds have taken the form of joint bodies since the entry into force of the ordinance of 21 August 1969 and their members are appointed by the employers' and workers' representative organisations. As a result, over 2,000 heads of undertakings participate in running the social security scheme, and this implies a complicated task of co-ordination, training, and technical assistance for the CNPF.

Two characteristics are common to nearly all these patterns of representation. With some exceptions, in particular as regards the social security funds, the representative bodies have only advisory as opposed to executive functions. And they are kept entirely independent of political representative bodies, which are elected by universal suffrage. In 1969 a proposal to include representatives of the various branches of economic activity in the Senate and the regional assemblies was rejected by referendum. In any case the members of the bodies in question are generally appointed in a personal capacity and do not formally engage the responsibility of the organisations proposing them.

But it is perhaps not so much in national bodies as in collective bargaining that the representative character of the employers' organisations is most apparent. It has long been observed by theorists that collective agreements have something of the nature of both contracts and regulations. Their signatories have a sort of delegated legislative power. In France these agreements are generally concluded at industry level and are thus evidence of a certain self-government within the industry, or what the Germans call *Tarifautonomie*. Thus French employers' organisations, like those of the other countries of Western Europe, have a very different role from those of countries such as the United States, whose role is much less representative.

The system of collective agreements has developed much more slowly in France than in the neighbouring countries. They remained uncommon until after 1936, indeed until after the passing of the Act of 11 February 1950, which followed the interruption of the war and the consequent era of government control.¹ The negotiating party on the employers' side is normally the organisation for the branch of economic activity concerned,

¹ For a description of the French system of collective agreements, a subject outside the scope of this article, see: Yves Delamotte: "Recent collective bargaining trends in France", in *International Labour Review*, Apr. 1971, pp. 351-377.

whether at the national, regional or departmental level. The statutes of the CNPF expressly lay down that "wages are a matter for individual undertakings and their trade associations". They add, however, that "in other fields the CNPF may in exceptional cases and with the approval of its Permanent Assembly be empowered to negotiate and sign general agreements for all or practically all branches of economic activity. Those branches wishing to be excluded from the scope of any such agreement shall announce their decision before it is signed."

In fact, what was exceptional has become fairly common in recent years, and the CNPF has concluded important agreements with the workers' organisations whenever it has become obvious that certain problems could be properly solved only in a wider framework than that of a single industry.

Some of the agreements entered into apply direct to the undertakings, for example those concerning the retirement pension for executive staff (14 March 1947), wage earners' supplementary retirement pensions (15 May 1947), supplementary allowances for unemployment and partial unemployment (31 December 1958 and 21 February 1968 respectively), and dismissed workers of over 60 years of age (27 March 1972). Sometimes a multi-industry agreement has been supplemented by industry-wide agreements in certain branches, an example being provided by the agreement of 10 February 1969 on job security. Lastly, in some circumstances there has been only a simple statement of intent, all the rules for its application being left to the industry, as with the agreement on salaried status (20 April 1970).

The function that an organisation has of representing its members presupposes even more than that of defending their interests that the views it expresses reflect their true feelings. Any study of the organisations in general shows that a democratic structure alone does not always ensure adequate contact with the members, despite the appointment by election of the officers and of the members of the deliberative bodies. Maintaining regular communication between the representative organisations and the undertakings is a constant preoccupation, and a large part is played by the presidents of associations or of special committees, who are generally heads of undertakings, but this inevitably raises problems for those who accept the increasingly heavy responsibilities. Important questions are studied at meetings where the officials of the organisations can obtain the opinions of affiliates and of undertakings of all sizes, as expressed by their leaders or by specialists.

Since 1969 a new form of meeting has been tried, the national forum, which enables several thousand heads of undertakings to examine a selected topic. This is studied for several months in the various industries and regions on the basis of outlines prepared by working parties. The findings are collated at a large assembly organised in a provincial town. Besides influencing public opinion the national forum enables the

common attitudes of heads of undertakings to questions of general interest to find expression.

The internal organisation of the branch of activity

I have dealt up to now with the external activities of the employers' organisations; they are, of course, the most obvious, but there are others relating to what might be called the organisation of the branch of activity. These have nothing to do with the revival of a guild system that has been dead for nearly two centuries or an attempt to share the economy among cartels, but it remains true that the undertakings, especially the small and medium-sized ones, without abandoning one whit of their independence, do expect certain services of their organisations.¹ They must be provided with information and documents. In a country where social legislation is copious and involved, the legal sections of the employers' organisations have to guide personnel departments through the labyrinth of legal obligations deriving from regulations and agreements, keep up to date with court decisions and give advice in the case of disputes. National and international statistics must be made available to those who determine wage policies. Undertakings must also be kept abreast of trends of thought on work organisation and personnel management, and made aware of successful and unsuccessful experiences in France and elsewhere.

Employers' organisations cannot confine themselves to theoretical research. Heads of undertakings, like all who are active in economic life, come under the law of continuous education. Their organisations must provide them with the means of common study and reflection. On the initiative of the CNPF a Research and Study Centre for Heads of Undertakings (CRC) was set up in 1954. This has initiated general studies and training activities, which are expanding rapidly.

The work of keeping heads of undertakings and managers up to date is not a monopoly of the central organisation. The industry-wide federations carry on an important part of it. For example, a specialised department of the Metal Industries Vocational Training Association, sponsored by the UIMM, organised 26 study sessions and 20 lectures in various provincial towns during 1971 and has started 38 study groups for the exchange of experiences.

An industry does not consist only of heads of undertakings. Many of the general services established by the employers' organisations are intended for the whole staff. This is particularly true of vocational training. There is hardly a federation that has not organised a network of training centres. Moreover, the oldest employers' technical schools were

¹ For practical reasons, mainly connected with tax questions, some of these general services are performed by associations that are legally separate from the trade associations.

founded as long ago as the end of the nineteenth century. The part played by employers' organisations in training, which is one of the most urgent concerns of the French employer, will be taken up again further on.

One must also go back a long way to find the beginnings of the social work initiated or administered by heads of undertakings. As regards housing, for example, Charles Gide observes in his book *Les institutions de progrès social*, which appeared in 1921, that "the employers took the lead in this field. It might even be said that to begin with workers' housing existed only thanks to the employers." The same is true of health and leisure arrangements and food co-operatives. The introduction of the first family allowances, during the First World War, was also due to the employers. Although family allowances became compulsory under an Act of 1932, the scheme continued until 1945 to be administered by equalisation funds set up by the employers. These bodies had developed rapidly after the First World War under the impetus of a Family Allowances Committee bringing together nearly all of them, in which an essential part was played by the employers' organisations and in particular the UIMM.

Some of their functions have been taken over by the social security institutions and other public or semi-public bodies. Others are exercised by joint bodies, whose development is one of the least-known features of the French social system. An example is provided by the supplementary retirement pensions paid in addition to the social security pensions. The first scheme, set up in 1947, covered engineers and managers. Other schemes have been set up since, and now almost all employees in industry and commerce are covered. The State has absolutely no part in financing or administering the schemes in question.

As to the construction of housing, employers are legally obliged to invest in this 1 per cent of their wage bill for each financial year. To avoid restricting labour mobility the investment is generally made on a multi-industry basis. The employers have accordingly set up local bodies, federated in the National Multi-Industry Housing Union, which either build housing themselves or give financial assistance to other bodies, such as the Low-Rent Housing Offices.

The main fields of action

Article 2 of the statutes of the CNPF, as revised in 1969, defines the purpose of the organisation as follows:

- to determine, apply and publicise a development policy for industrial and commercial undertakings, whatever their form or size, for the benefit of the public, all who work in the undertakings, the investors and the consumers;

- to establish the general conditions of freedom and efficiency that are most conducive to this end;
- to undertake with its affiliates concerted action to promote the economic and social progress of the country.

This text reveals a double commitment. First of all, the employers are committed to a policy of economic expansion. In the highly industrialised countries this choice is questioned today. Voices that often seem to speak with authority have for some years been alarming public opinion about the negative effects of industrialisation: over-consumption of natural resources, pollution, inflation and so on. It would be possible, then, to be tempted by a complete reversal of the policy followed since the war: to seek to reduce growth to zero, to substitute the notion of "gross national utility" (or, according to Tinbergen, "gross national welfare") for that of a constant increase in gross national product and to stabilise the population. The view of the French employers is exactly the opposite. It is true that France is an advanced country by world standards but it lags behind some of its neighbours. At present it is experiencing a high level of population growth. It seems obvious in these circumstances that only vigorous expansion can provide jobs for the young and the means of correcting the negative effects of industrialisation that are undeniable and of financing the social facilities that are essential. More generally speaking, a slowing down of economic expansion in the developed countries could jeopardise the progress of the developing countries, for which the real or hypothetical dangers of over-industrialisation are still very distant.

The second commitment relates to the institutional framework of economic life. In comparison with the other countries of Western Europe, France is still marked by a high degree of government control. The continuity of state intervention irrespective of the prevailing political régime or the party in power reflects the persistence of a national attitude whose origins can probably be traced, as Tocqueville has said, to the former monarchy. But France is now engaged in a process of European integration with partners much more accustomed to private initiative—even when their governments are socialist—in a setting of economic liberalism. Thus the French employers' efforts for a reduction of the constraints placed on undertakings are completely counter to the accepted national attitude.

Successful industrialisation implies choices in the social field. For heads of undertakings, as employers, a social policy is one element of manufacturing costs: they cannot fail to pay close attention to the components of labour costs, whether direct, in the form of wages, or indirect, in the form of fringe benefits. Their second concern is to find suitable labour for their branch of activity, and this raises the problem of

training and employment policies. Lastly, undertakings cannot be properly productive unless they offer a climate of work that meets the needs of modern man, in other words, unless they have solved the problem of social relations at the workplace. These three problems are of equal concern to employers: they form three inseparable aspects of a social policy, and to have such a policy is essential for the achievement of the economic development programme.

Wage policy

It would be naïve to think that the attitude of heads of undertakings consists strictly in endeavouring to reduce the cost of labour to the minimum. Without offering adequate and increasing remuneration, undertakings would not be able to find the labour they need. The employers have two main preoccupations, however, in respect of the cost of labour: to ensure that it does not prejudice their competitive position on the international market and to be able to predict its evolution in order to establish their manufacturing costs as firmly as possible. Moreover, undertakings cannot dissociate themselves from the need to keep the economy as a whole in balance. In fact the Government has recently drawn the attention of undertakings to their responsibilities in this regard.

Thus in establishing a wage policy the first task for employers is to compare the national level of expenditure on wages with that of their principal competitors on the international market. This is far from easy. While the available data show clearly enough the evolution of such expenditure over periods of time, they are much less useful for comparisons in space, in view of the different methods of preparing statistics. The European Economic Community publishes many figures worked out from common bases for its member States, but with a considerable delay that makes them difficult to use in practice. In any case, the experience of recent years shows that these data—or at least those concerning wages—change at a rate that varies appreciably from country to country. To take the matter further, it may be wondered whether the pattern of wages in the various countries—especially the distribution between salaried employees and wage earners—does not distort the results. It thus comes down to making estimates of doubtful accuracy that fluctuations in the rates of exchanges render even more uncertain.

Labour costs comprise elements linked to the market and collective agreements—mainly, but not exclusively, wages—and elements linked to regulations—such as social security contributions. The direct influence of the employers' organisations on the second group is slight. They may have a part in administering the institutions, but they have no effective influence on rates of contribution. It is therefore the first group that will be dealt with here.

France, like other countries, has been attracted by the idea of an incomes policy. After an initial attempt in 1963, efforts were made when working out the Fifth Plan (1966-70) to arrange for regular consultation of the representatives of employers' and workers' organisations on the distribution of the national income. This indicative income programming was reflected in the Plan by projections of the results but there was no indication of the means available to the authorities for achieving these results. The experiment was a complete failure and does not seem to have had any influence on trends in wages. The Sixth Plan (1971-75) has abandoned all ambitions in this direction, and in any case the workers' trade unions categorically rejected the idea of this attempt at "wage control".

Moreover, only in exceptional circumstances¹ have there been centralised consultations on wages between the social partners in France. The Scandinavian pattern aroused interest but has not been copied. Nor has the "concerted action" practised in the Federal Republic of Germany been transposed to French institutions, despite its voluntary nature. The employers are hostile to it—and in any case their organisation is not legally empowered to commit its members in the field of wages. It may be wondered what are the reasons for this attitude, which seems to be out of line with the collective bargaining policy actively followed by the CNPF.

There is one fundamental reason. Wages are an indispensable element of the management of undertakings and it is essential to maintain the autonomy of management. Countries where centralised bargaining is practised have to pay for it by a serious wage drift. It seems, therefore, that it is rather at the level of the industry that a certain amount of co-ordination is called for and that the dialogue between employers and workers must be initiated. Besides, a centralised wage policy presupposes a discipline in respect of collective agreements that has not attained in France the level of the country's northern neighbours. It is to be feared that summit consultations would merely be one more element in the round of bargaining and aggravate the inflation in wage costs. Two of the most influential workers' confederations, moreover, regard the collective agreement as a mere measure of the relative strength of the two sides at a given time, a conception that seems inconsistent with a general joint incomes policy.

Wage policy is considered, therefore, to be a matter for the industry and for the undertaking, and in this field the CNPF restricts itself to liaison services and providing information. Minimum wage scales are reviewed periodically by the employers' and workers' organisations in the branch of activity concerned. The review, which is independent of the renewal of collective agreements, may or may not lead to an agreement.

¹ The Matignon Agreements in 1936 and the Grenelle Protocol in May 1968.

If it does not, the employers' organisation may make a unilateral recommendation to its members. It is commonly said that this procedure does not commit the undertakings to very much, because real wage rates are often well above the minima, but in certain industries the wage agreements provide for increases in real wages and the practice seems to be spreading. Furthermore, increases in the minima have an undoubted effect on trends in real wages on account of a drift that, although it is not identified in statistics, can be evaluated by the experts.

From the employers' point of view, the reduction in actual hours of work as it is demanded by the trade unions—that is to say with no reduction in pay—is equivalent to an increase in the hourly cost of labour. Under commitments entered into in May 1968 the employers' organisations agreed to start negotiations on the matter, but in the traditional setting of the French system of collective bargaining—in other words at the industry level.¹ These negotiations have generally led to a programme of phased reductions.

Employment policy

Industrialisation also implies the adoption of measures in the field of employment. The modernisation of the French economy and its exposure to international competition lead inevitably to changes. For the workers these changes often mean a change of job, a change of residence, and a period of unemployment. Industrial change is, of course, facilitated by greater mobility of the labour force. This explains the French employers' attitude to employment, which is in line with their fundamental commitment to rapid economic growth.

A modern employment policy includes social measures for unemployed workers, better organisation of the labour market and, above all, a determined attempt to improve the quality of the labour force through training.

Before 1958 the state unemployment assistance scheme had not yet been freed of the notion of charity. It was based on the payment of allowances at a flat rate, financed entirely out of public funds. This is the background to the conclusion on 31 December 1958 of a multi-industry agreement between the CNPF and the main workers' confederations. The scheme established by this agreement guaranteed to wage earners the payment for a year of special allowances amounting to 40 or 35 per cent of their former wages. The scheme is financed through the payment of contributions amounting at present to 0.40 per cent of wages, 0.32 per cent being paid by the employer and 0.08 per cent by the workers. The funds are administered by the Associations for Employment in Industry

¹ It should be noted, however, that for the metalworking industries these negotiations were conducted at the national level, whereas those concerning wage scales are conducted at the regional or local level.

and Commerce (ASSEDICs), set up on a regional multi-industry basis and jointly run by representatives of the employers' and workers' organisations. The activities of these associations are co-ordinated by the National Union for Employment in Industry and Commerce (UNEDIC), which has a national equalisation and guarantee fund. The participation of the State in this scheme clearly shows the new type of relations characterising French social institutions. The scheme was initially approved under the ordinance of 7 January 1959, which provided for its application to all undertakings in the branches of activity covered by the agreement, irrespective of whether they belonged to the representative organisations concerned, and permitted certain general and special fiscal provisions to be turned to its advantage. Then the ordinance of 13 July 1967 made it compulsory for all employers¹ to belong to an ASSEDIC. Though this legislation may have resulted in some official supervision of the financial management of the scheme, it did not affect the way in which the scheme was organised or jointly run by the employers and workers. Furthermore, following an agreement between the Government and the UNEDIC, it made it possible for public assistance allowances to be paid through the ASSEDICs.

This system was later extended. A multi-industry agreement of 21 February 1968 established supplementary allowances for partial unemployment. These allowances, which are entirely financed by the undertakings, have been raised several times. A special problem arose in respect of wage earners dismissed after the age of 60, who had difficulty in finding new jobs before reaching retirement age, which in France is 65. Negotiations started on the initiative of the CNPF led, on 27 March 1972, to a new multi-industry agreement assuring such workers of payments that by 1974 will be equivalent to 70 per cent of their gross wages and giving them a special status distinct from that of the unemployed. These special arrangements are administered by the ASSEDICs and the UNEDIC.

All these measures, however, only palliate the social consequences of unemployment. Analysis shows that unemployment is largely due to the faulty operation of the labour market. The public placement services have been undergoing a complete reorganisation since the setting up of the National Employment Agency in 1967. This is a public body and the employers' and workers' organisations have no part in running it. They are merely associated with it through their participation in various advisory bodies, the most important of which are the departmental employment committees. The employers' organisations are closely interested in the modernisation of the public employment services and their most authoritative spokesmen have urged the undertakings to address their requests for labour to these services. The National Employment Agency,

¹ Other than employers of only domestic staff or agricultural wage earners.

by adopting a more dynamic approach, can overcome certain prejudices, although supply and demand are often still co-ordinated through private channels. The placement services of the employers' organisations still play an important role in some cases, working in close collaboration with the Agency. As regards managerial personnel, a multi-industry agreement of 18 November 1966 set up an Employment Association for Executive Staff, which is jointly administered and has been officially recognised as a correspondent by the Agency.

For heads of undertakings an employment policy also implies concerted action with the workers' organisations. Contacts were established for this purpose at the end of 1967. After the May 1968 crisis the dialogue was reopened and led to the important agreement of 10 February 1969. This text, which has certain affinities with the "rationalisation" agreements concluded in some industries in the Federal Republic of Germany, lays down in particular definite periods of notice that must be observed in informing works councils of collective dismissals, a point on which the law has been vague. It also provides safeguards, covering in particular the maintenance of wages, degressive scales of temporary compensation and rights acquired through long service, in the event of internal transfers due to mergers or to substantial concentration or modernisation measures ("recasting").

The agreement sets up employment committees for individual industries at both the national and regional levels, as appropriate, and for all industries at the regional level. Their function is to facilitate an exchange of information on the employment situation and to consider the steps to be taken in conjunction with the various authorities. The employers' and workers' organisations have thus entered on a joint policy in relation to the Government's employment policy so as to ensure the most effective use of the resources made available by the State (various resettlement aids at the national level—for example the National Employment Fund—or at the level of the European Community).

Vocational training

All these measures would be of little avail if they were not backed by a vocational training policy, whether aimed at training before taking up a job or while on the job in accordance with the now familiar idea of continuous education. Here again the general framework is laid down by a multi-industry agreement, which was signed on 9 July 1970. The importance of this agreement resides in the fact that it recognises that each worker is entitled to obtain leave of absence to undergo further training, and in some cases to continue to be paid his wages in full or in part, provided that certain conditions are fulfilled to avoid disrupting the operation of the undertaking. The joint employment committees have an important part to play, particularly as regards determining which are the

training courses of interest for particular industries, for which certain financial guarantees shall be provided.

Most of the provisions of the agreement of 9 July 1970 were taken over or confirmed by an Act dated 16 July 1971. It is perhaps unfortunate for the future of collective bargaining in France that this legislative action was taken so promptly and prevented the social partners from bearing the responsibility for negotiated solutions. The Act, moreover, obliges the employers to devote a certain part of their wage bill (0.80 per cent at present) to training costs.

Whatever the scope of the concerted action, it remains true that the success or failure of this training policy will depend largely on the undertakings. The French employers were conscious of this when they devoted their first "forum", in October 1970, to "manpower training in the modern world". The conclusions reached during the discussions have been published as a white paper, which consists, in the main, of observations on the general and technical educational systems—pointing to the need for better preparation for occupational life and closer links between the universities and industry—and on continuous training, which "should constitute an important element among those taken into account in determining the general policy of the undertaking", implying the necessity for a genuine training plan at that level.

The employers' organisations are accorded a double role in the white paper: to advise on and take specific measures for the setting up of training centres, either for individual industries with a view to specific technical instruction or at the multi-industry level for broader training, for example in management or distribution techniques or methods of expression. They must also maintain contact with the public services to make sure that the respective training systems are complementary and that both are adapted to technological change and the real needs of industry.

At the industry level the federations have established machinery that takes into account the peculiarities of each sector of the economy. While the large undertakings continue to develop their own ventures and administer them themselves, the local trade associations act as a link between the undertakings and the national organisations and are thus able to assist the former in drawing up their training plans and to make available to them their own facilities or those of public or private regional institutions. The Paris branch of the UIMM, which is the largest primary association of France since the undertakings belonging to it employ over 700,000 workers, has set up a body (the AFORP) through which it administers apprentice training centres, adult training and upgrading courses, retraining and refresher courses and even advanced courses in spelling. Most of the trade associations carry on similar activities. There are also many technical institutes and schools sponsored by the industry-wide federations, examples being the Building and Public

Works Technical Institute and the French Tanning School, the latter founded in 1899. In this connection mention should also be made of the part played by such bodies as the Association for Vocational Training in the Metal Trades (AFPM) or the Association for the Expansion of Vocational Training in Transport (AFT), to name just two among many.

Conditions of work

To be fully successful an employment policy must be supplemented by an effort to make industrial work more attractive. French labour is already abandoning certain jobs for the tertiary and administrative sector. This trend endangers the process of industrialisation, and it cannot be arrested merely by providing rates of pay ensuring a regular improvement in purchasing power. An effort must also be made to meet certain fundamental aspirations of the worker at his workplace. This is a responsibility that falls directly on the undertakings. How can their organisations help them?

One thing is fundamental: this is to ensure the physical safety and the health of the worker in his job. A dialogue between employers' and workers' organisations is actively maintained in many bodies providing for tripartite or joint consultation, the most important being the executive boards of the sickness insurance funds covering employment injury, which have a national account for financing research and supervisory activities. The National Research and Safety Institute for the Prevention of Employment Injury, founded in 1947 under a different name, is administered on a strictly joint basis. While continuing its traditional work in the field of studies, documentation and dissemination of information, it has recently set up at Nancy an important research centre with very modern facilities. The joint structure of these institutions enables them to maintain close contact with both the undertakings and the health and safety committees required to be set up to represent the staff in undertakings with more than 50 employees.

The employers have considered the question at length in the CNPF and its affiliated organisations and worked out a plan of action based on the notion that safety is not just a matter for specialists but must be taken into account in the organisation of work by those responsible for production. This notion finds its fullest reflection in ergonomics, that is to say in the adaptation of work to man, which makes it possible to improve safety, production and the climate of work all at the same time.

To put agreed principles into practice the employers' and workers' organisations must reach those responsible for the management of undertakings. Congresses, symposia, competitions, publications and missions all have a part in mobilising the opinion of heads of undertakings, but the main responsibility in this respect, because of their direct contact with the undertakings, falls on the local trade associations, the basic units in

the organisational framework, which are supplied with information and all they need by their federations.

Another aspect of the improvement of industrial workers' conditions is the start made with breaking down the rigid barriers that do not fit in with modern attitudes or modern production techniques, particularly by bringing the status of the manual worker closer to that of the white-collar worker. This is being achieved through the introduction of what is known as "salaried status", but the expression is not, perhaps, very fortunate, for the process goes far beyond the question of how workers are paid. French labour law, unlike that of other countries, makes no fundamental distinction between the status of the two classes, but numerous differences had been established by custom and confirmed by collective agreement, in respect, for example, of seniority bonuses, the payment of wages in the event of illness or accident and dismissal grants. Many undertakings had, in fact, already started the process of change and so the initiative taken in 1969 by the present Head of State was favourably received and negotiations were able to proceed fairly quickly. The implementation of the reform provides a good illustration of how collective bargaining works in France. On 20 April 1970 the CNPF and the other large representative organisations agreed on the terms of a short statement of principle that was to set off the negotiations at industry level. Before the end of the year 18 agreements had been concluded covering nearly 5 million workers, or the greater part of those concerned. Nearly every industry now has its programme for the gradual elimination of the differences sanctioned by collective agreements.

Labour relations in the undertaking

A similar approach is required to improve labour relations within the undertaking. There is no need to describe here the institutions for staff representation that have been made compulsory by law. The detailed nature of the legislation leaves little room for collective bargaining, although, as has been seen, the question of notice in the event of collective dismissal has been settled by agreement. The mere existence of the bodies in question does not solve the problem of workers' participation: they may even create a screen between workers and management, particularly in the field of information.

Aside from faithfully applying the law, the persons in charge of undertakings can help to improve labour relations by a judicious policy of staff relations. The CNPF attaches great importance to the need for information, in both directions, and to the part to be played in this respect by all levels of supervisory staff. Undertakings are kept abreast of experiments carried out in France and other countries to overcome the boredom of repetitive tasks, to increase initiative through greater delegation of authority and improving the content of work and to transform the

rigid line structure of certain types of industrial undertaking. These are hardly matters for firm instructions and even less matters for collective agreement: the role of the employers' organisations is rather to make the undertakings aware that problems exist and to encourage them to study them jointly. The second national forum of heads of undertakings, due to be held at Marseilles on 24 and 25 October 1972, had these very problems on its agenda, and this should help to create the necessary sense of awareness and to bring to the surface convincing ideas that are widely shared.

Profit sharing

The participation of employees in profits is a related question. The ordinances of 7 January 1959 and 17 August 1967 have laid down specific—perhaps too specific—guidelines, though their implementation has been left to negotiations in the undertaking. The first is not mandatory and has been applied comparatively little. The second, which deals with profit sharing based on investments, institutes a compulsory scheme. The employers' organisations have encouraged the undertakings to conclude without delay the agreements required to give effect to it and their advice has been largely followed.¹ The whole problem was also before the Marseilles forum. The fact that the legislation is so detailed makes it impossible to seek a solution adapted to the particular characteristics of each establishment, but it is reasonable to think that the formula may be expanded so as to help the worker to feel less of a stranger in his own undertaking.

Employers' international activities

This article has been confined so far to considering the basic activities of French employers' organisations in their own country, but these activities naturally extend beyond the boundaries of France. Even before the First World War the employers of various European countries had made contact with one another, and the creation of the ILO gave their early efforts an impetus that was reflected in the founding of the International Organisation of Industrial Employers. It was no accident that Robert Pinot, one of the founders of the employers' movement in France, played an essential part in the ILO during the latter part of his life, side by side with Albert Thomas, with whom he had been linked since the difficult war years by ties of mutual esteem and friendship.

The CNPF continues to take an active part in the work of the ILO and of the International Organisation of Employers, as it is now known to indicate its universality. The CNPF has also, more recently, been a founding member of various employers' bodies functioning at various

¹ By 1 December 1971 the number of profit-sharing agreements registered had reached 7,207. These affected 3,650,000 wage earners, of whom over two-thirds had received a share of profits.

levels of international co-operation, including the Business and Industry Advisory Committee to OECD (BIAC) and the Union of Industries of the European Community (UNICE). The extent to which employers participate at each level of the international community depends on the structure of the inter-state institutions. If these institutions did not exist the need for international relations would probably be no less keenly felt, and despite the development of business relations beyond national frontiers, the employers' organisations still have much to do in this field.

Conclusions

To draw any conclusions from this account of the functions of the organised body of employers in France and of its main current preoccupations, the first thing to observe is that these functions are strongly influenced by the nature of the French system of labour-management relations. The history of the development of employers' organisations in France has unfolded at the rhythm of the country's social history: the world wars and their consequences and the crises of 1936 and May 1968 have coincided with important milestones in the evolution of the French employers' movement. It has often been written that relations based on collective agreements in France have not achieved the level of stability or acceptance that they have achieved in other European countries. Too much effort has, perhaps, been devoted to seeking the equivalent of what exists elsewhere, so that not enough attention has been paid to original forms of equal representation (that would be based probably in France on institutional rather than contractual arrangements), though several workers' organisations refuse to commit themselves to a form of integration that, in their view, would weaken their fundamental challenging of the social order. Political life is also moving gradually towards representative democracy, in which a dialogue between the Government and the social groups is beginning to replace authoritarianism and the role of employers' and workers' organisations is being increasingly recognised.

In these circumstances it may be wondered whether it is really possible to generalise and attempt to define a valid international model on the basis of national experiences that are all deeply anchored in the history and traditions of the various countries. What points are there in common with employers' organisations in countries where trade unionism is still only in its infancy? Or with organisations that do not engage in collective bargaining, which is left to the undertakings? To go further, is it possible to speak of the organisation of employers at all outside the framework of a pluralist society that recognises the autonomy of the social groups?

These questions call for modesty on the part of anyone attempting to make comparisons, but they are not a cause for discouragement. Under-

takings exist in all industrialised or industrialising countries; they are in fact the basic units of economic growth. To fulfil their function they have to solve the same problems: the cost of labour, the availability of manpower, the adaptation of the work to the man. Nobody would dare to paraphrase a once celebrated pronouncement and say that what is good for the undertakings is good for the nation. It is doubtful, however, whether what is bad for the undertakings can be good for the nation. There is not really any basic opposition between the general interest and private interests. One of the functions of the employers' organisations might well be to express private interests in such a way that they would help to define the general interest.

Modern industrial societies are too complex to be governed by despotic power, in the sense in which this was understood by Montesquieu. We are no longer in the times of Pharaoh or the Inca, or even of the Le Chapelier Act. Undertakings must be allowed to express themselves through their own organisations and to play their part in concerted action, for this seems, in one form or another, to be the only modern method of government. A comparative study of the ways in which the problem is solved in the various countries would be useful, and the only ambition of the author of the present article is to have helped to set such a study in motion.
