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basic information report

A6496

# France

institutions, procedures  
and measures

## 1987

Commission of the European Communities

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On the basis of an agreement of the directors general for employment, the Commission of the European Communities has created a Mutual Information System on Employment Policies (MISEP).

The system operates with a network of correspondents from the departments responsible for employment policy in the Member States and a centralised secretariat under the overall responsibility of the Commission.

It was set up by the Commission in response to the desire expressed by the Member States' delegations in the Council to be mutually informed on developments in national employment policy measures and structures. The objective of the system is defined as "to gather, synthesise, translate and disseminate relevant information in the Member States, serving each of the responsible national ministries and agencies in their daily decision-making", and aiding the Commission in its co-ordinating role at Community level.

The "Basic Information Reports", as they are called by the correspondents, describe the structure and content of employment policy in each Member State. All reports follow the same structure and contain the same basic information which is essential to an understanding of the way employment policy is conceived and operated.

The material in the Basic Information Reports has been provided by the national correspondents and is correct as at 31 August 1987. It is intended as a guide and an explanation of national policy measures in force at that date and is not a substitute for the corresponding legal texts. It is designed to describe the policies and practices in Member States without value judgements either on the part of the Commission or the national correspondents.

While these reports will be updated periodically, further information and regular updating of measures are published in "inforMISEP", and reproduced in "Social Europe".

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## BENCHMARK DATA

### THE LAND

Area (1000 sq. km)	549,2
Agricultural area (1000 sq. km), 1985	314,9

### THE PEOPLE

		Thousands	
Resident population, 1/1/1985 (thousands)	55,062	Total labour force, 1985	24.230
		of whom Male	14.157
No. of inhabitants per sq. km	100	Female	10.073
Total increase in 1985 (thousands)	232		

### PRODUCTION

Gross domestic product, at market prices, in 1985 (billions of francs)	4.585	Origin of gross domestic product, at market prices, in 1985 :	
GDP per head in 1985 (US \$)	9.247	Agriculture	4.5
		Industry	35,4
		Construction	6,6
		Tertiary sector	53,4
		TOTAL	100,0

### ACTIVITY RATE

Total :	43,3 %	Under 25 years :	44,1 %
Male :	51,6 %	Male :	48,1 %
Female :	35,4 %	Female :	40,1 %

### TOTAL EMPLOYMENT (1985)

		Reminder 1982
Total employment : .....	21.476	21.564
in agriculture .....	1.582	1.738
industry .....	6.702	7.253
services .....	13.193	12.574

### UNEMPLOYMENT (annual average)

1985 : 2,458 M  
1986 : 2,5167 M

Unemployment rate (annual average)

1985 : 10,5 %  
1986 : 10,8 %

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## Chapter I: INSTITUTIONS

The notion of Public Employment Service brings together a set of institutions which strive to intervene in the employment field of which the following are of rank:

- \* the civil service consisting of:
  - the central administration of the Ministry responsible for employment: the *Délégation à l'Emploi*
  - SES, the "Studies and Statistics Service" of the Ministry of Social Affairs and Employment, and
  - SETE, the "External Services for Labour and Employment", made available to the Minister responsible for employment for the purposes of employment;
- \* a national public establishment: ANPE, the national employment agency;
- \* a national training association: AFPA, the association for the vocational training of adults; and
- \* a body with a paritary structure: UNEDIC, the national union for employment in industry and commerce.

There is furthermore a set of bodies which do not have managing the employment market and conditions as their exclusive purpose: education, vocational training, physical planning, decentralised units, etc. all contribute to the general interest served by the public employment service.

### LA DÉLÉGATION A L'EMPLOI (The Employment Delegation)

#### 1.1. Legal status and constitutional competence

Created by a decree of 25 June 1975, the *Délégation à l'Emploi* is charged with preparing, embodying, coordinating and implementing employment and vocational training policy. It has the general control over ANPE and AFPA and can draw on the "Studies and Statistics Service" of the Ministry responsible for employment as well as the External Services for Labour and Employment.

#### 1.2. Decision-making bodies

The Higher Committee for Employment, an advisory body which brings together representatives of the administration concerned and of employer and trade-union organisations, gives its advice on the orientation and application of employment policy.

The Délégué à l'Emploi (Employment delegate), appointed by the Cabinet on the proposal of the Minister responsible for employment, heads the *Délégation à l'Emploi*. For implementing employment policy at the local level, the *Délégation à l'Emploi* draws upon the External Services for Labour and Employment. The Labour and Employment Directorates at regional and at département level ensure six key functions as regards employment:

- the coordination of *ANPE* and *AFPA* actions
- a linking role between the central administration and local economic and social agents for promoting employment measures
- applying regulations as regards the administrative control of employment
- managing employment aids
- the responsibility for compensating workers deprived of employment within the framework of the solidarity system
- finally, the function of studies, statistics and analyses of the employment situation at their geographical level of competence.

### 1.3. Organisation chart

See next page

### 1.4. Number of personnel

On 1 August 1987 the *Délégation à l'Emploi* employed a staff of 216.

### 1.5. Operational budget

### 1.6. Cooperation and coordinated activities

In addition to those bodies over which it exercises general control, the *Délégation à l'Emploi* collaborates closely with *UNEDIC*; it operates in conjunction with other ministerial departments (Social Affairs, Economics and Finance, Industry, Women's Rights, the Delegation responsible for Vocational Training, and the Delegation responsible for Physical Planning and Regional Action), and participates in cross-departmental coordinating mechanisms on employment.

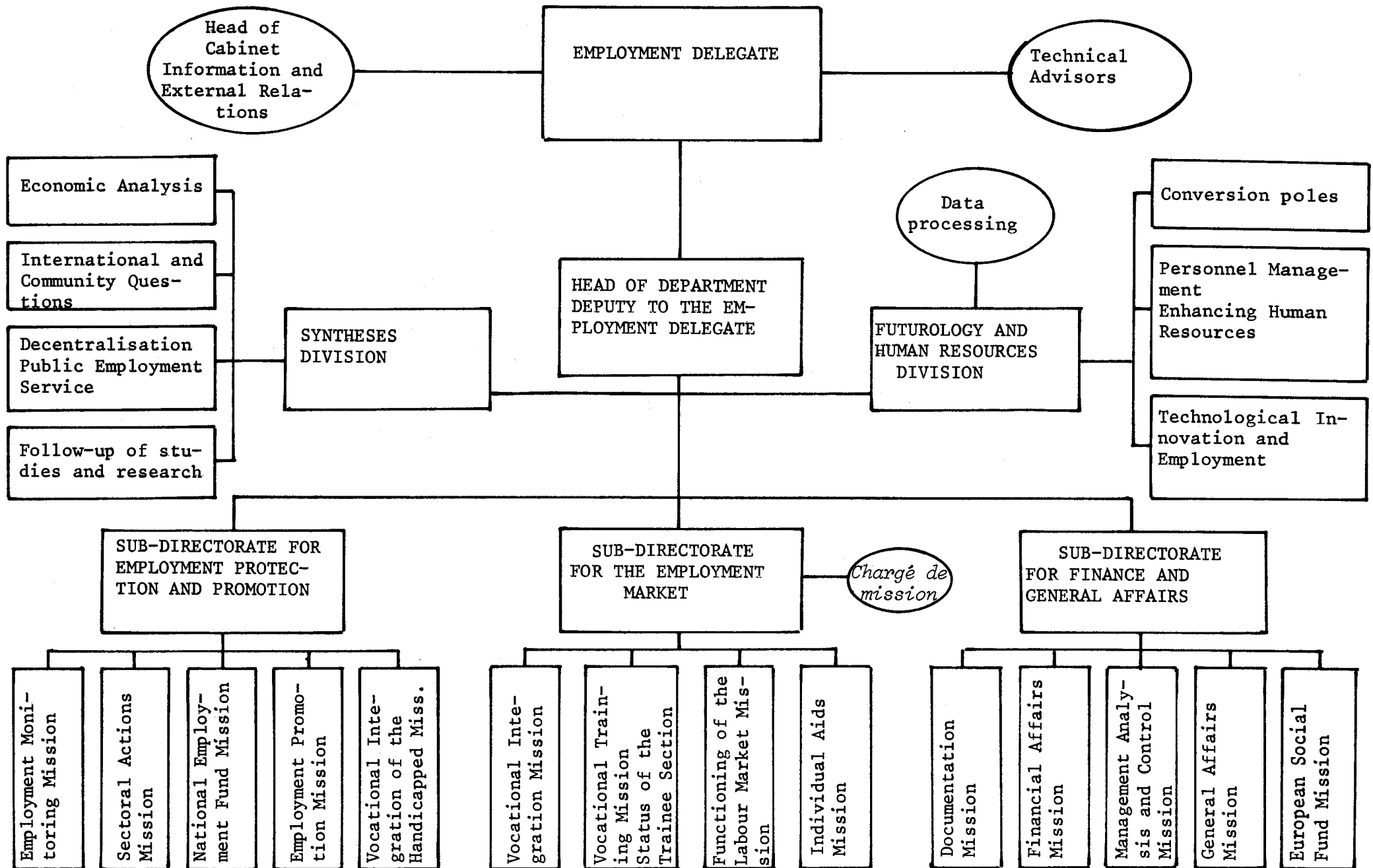
### 1.7. International contacts

The *Délégation à l'Emploi* participates in the work of the ILO, OECD, and the Council of Europe.



# DELEGATION A L'EMPLOI

(Employment Delegation)



**ANPE**  
(National Employment Agency)

**1.1. Legal status and constitutional competence\***

The National Employment Agency (ANPE) was created in 1967 by ordinance. Its remit within the public placement service was reviewed in 1986 with a view to better adapting public action to the realities of the employment market and to increase its means (cfr. Chapter II 5.5.1.). The ordinance does not change the status of ANPE. It remains a national public body having legal status, being financially autonomous but accountable to the Minister responsible for employment. However, its missions which have, until now, been defined not by law but by decree, will henceforth fall within the scope of law. In this respect the ordinance extends ANPE's remit by adding to its existing missions that of general intervention on the labour market.

To do this, ANPE :

"1° assists persons who are looking for a job, training or vocational advice so as to further their redeployment (*reclassement*) or their career advancement. To this end ANPE contributes to implementing actions which enhance vocational and geographical mobility and adaptation to jobs.

"2° assists employers with the hiring of personnel or the redeployment of their workers. It takes part in implementing public aids designed to facilitate these operations and special measures aimed in particular at small and medium-sized companies".

Agreements can be concluded between ANPE and other organisations such as set out in Article L.351.21 which lay down the conditions under which jobseekers can register with either a local office of ANPE or a local office of the organisations mentioned above (cfr. Chapter II.5 5.1.).

These agreements :

"1° provide for the possibility of representatives of these organisations to sit on the advisory or consultative bodies of ANPE

"2° ensure the coordination or joint use of the networks of facilities

"3° determine, if the case arises, the contribution expected of ANPE and of these organisations towards the reception of jobseekers, the provision of information to them and the provision of guidance and advice."

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\* - Ordinance n° 67.578 of 13 July 1967;  
- Decree n° 80.92 of 23 January 1980 modifying Book III of the Labour Code;  
- Ordinance n° 86-1612 of 20 December 1986;  
- Decree n° 86-442 of 24 June 1987, modifying Chapter 1 of Book III of the 2nd part (decrees in Council of State) of the Labour Code pertaining to the placement of jobseekers.

## 1.2. Decision-making bodies

- The National Employment Agency is governed by a Managing Board and managed by a Director General appointed by decree issued following an opinion given by the Minister responsible for employment.

At the territorial level *ANPE* is managed by regional Delegates assisted by regional Committees and *département* Delegates assisted, if required, by a *département* Committee and the heads of the local agencies.

- Tripartitism: representation of users and bringing the public employment service closer to local realities.

A tripartite Managing Board was introduced to *ANPE* in 1980 which ensured the representation of the users of the public employment service (employees, employers) and of certain administrations. Tripartite regional committees were introduced by ordinance in 1986 and, if required, tripartite committees at *département* level.

*ANPE's* Managing Board consists of :

- a president appointed by decree
- 5 members representing the employers
- 5 members representing the employees
- 5 members representing respectively the Ministers responsible for Employment, for Education, for the Budget, for Industry and for Local Authorities.

The representatives of the employers and of the employees are appointed by the employers' and employees' organisations which are the most representative at national level.

The Managing Board deliberates in particular on

- laying down the overall action thrusts of *ANPE* to carry out its mission and the development plans of its activities;
- cooperation agreements at national level with the State, the institutions and organisations set out in Articles L.351-21 of the Labour Code, i.e. in particular the private law organisation(s) which administer the unemployment benefit system (cfr. Chapter II, 4.2.);
- requests for concluding special agreements with *ANPE* stemming from public law bodies, administered jointly by employers' and employees' organisations and associations when their action exceeds the limits of the region (Art. L.311-1 of the Labour Code);
- the programme for setting up local agencies on the proposal of the regional committees of *ANPE*;
- *ANPE's* budget;
- the annual report.

Before deliberating, the Managing Board collects, should it deem it useful, the opinions of the regional and *département* committees for vocational training, social promotion and employment.

The Director General of *ANPE* who acts as its legal and civilian representative, is in charge of implementing the Managing Board's decisions and takes all decisions which do not fall within the Board's competence.

To carry out its missions, *ANPE* can draw on 25 regional Delegations, 103 *département* Delegations, 622 local agencies or antennae and 37 operational points or "staff" sections (situation as at June 1987).

### 1.3. Organisation chart (see next page)

### 1.4. Personnel

On 1 January 1987 *ANPE*'s budget provided for 11.221 permanent staff which included:

- 1.105 having managerial functions (*fonctions d'encadrement*)
  - heads of local agencies (*chefs d'agence locale*)
  - staff responsible for a mission (*chargés de missions*)
  - territorial officers (*responsables territoriaux*)
- 1.039 vocational counsellors (*conseillers professionnels*)
  - 450 officers for links with enterprises (*chargés de relations avec les entreprises*)
  - 616 vocational information officers (*chargés d'information professionnelle*)
- 3.922 placement officers (*prospecteurs placiers*)
  - 499 receptionists (*hôtesses d'accueil*)

### 1.5. Operating and investment budget

More than 75% of *ANPE*'s annual budget is provided by a State subsidy voted by parliament in the context of the finance act.

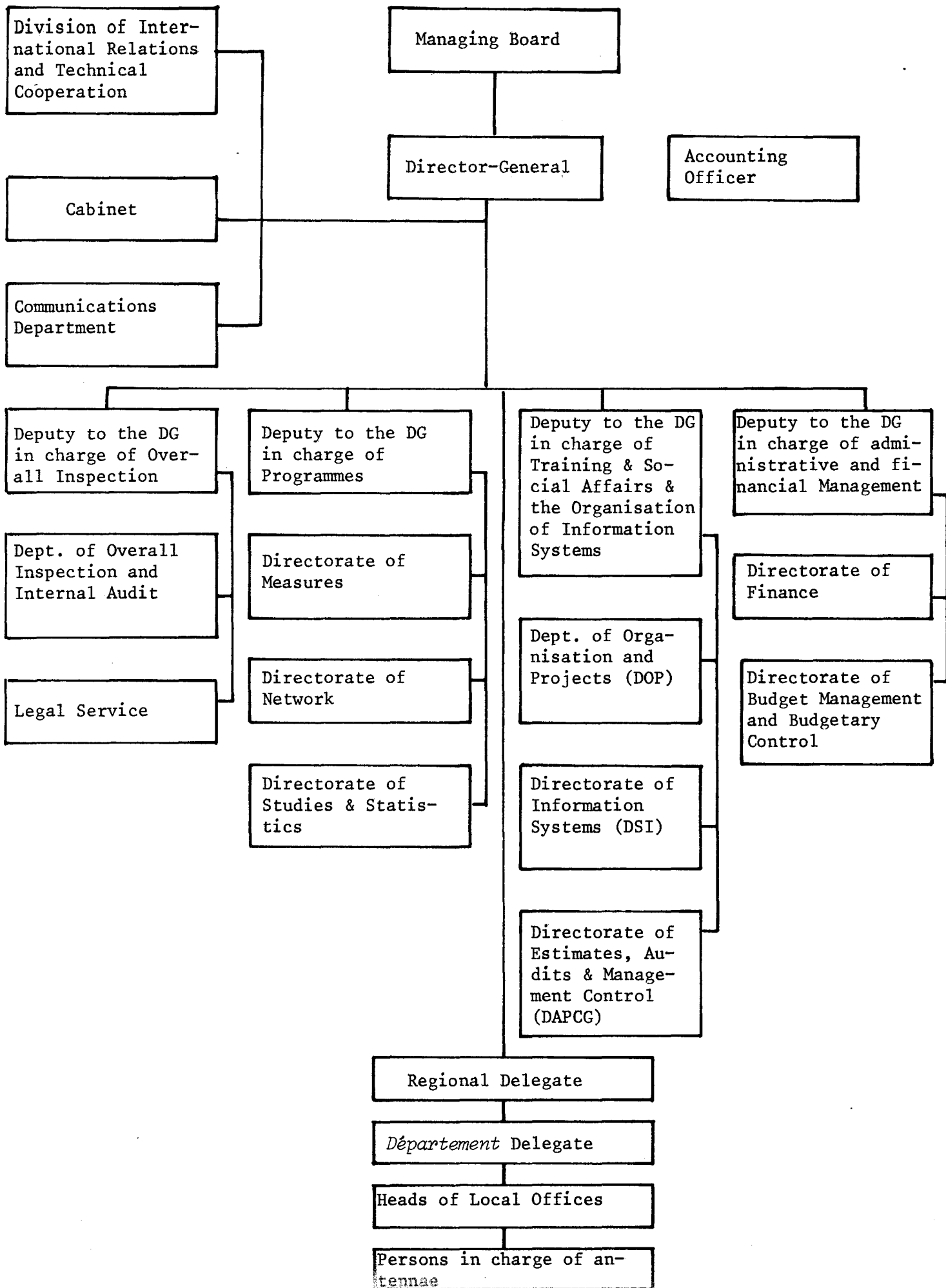
In 1986 *ANPE*'s initial budget amounted to 3.332 billion FFR. In 1987 it amounts to 3.321 billion FFR (initial endowment).

*ANPE*'s budget has increased by 52,6% over four years on account of the increase of its intervention credits for employment policy and the development of its computerisation.

### 1.6. Cooperation and coordinated activities

*ANPE* cooperates closely with the External Services for Labour and Employment of the Ministry of Social Affairs and Employment as regards the implementation of employment policy. In this context it collaborates with other partners, public or private, in particular for setting up sandwich-type training actions (*AFPA* - training organisations) or reconversion measures; furthermore, the new statutory provisions on opening up the public placement action brings *ANPE* to conclude agreements with a number of partners at local, regional or national level.

1.3. ANPE organisation chart



### 1.7. International contacts

ANPE is in charge of the implementation of cross-Community placement and all operations working towards the free circulation of workers within the European Community.

Furthermore, it contributes to various technical assistance actions falling within the scope of multilateral or bilateral cooperation, in particular in Africa and South America.

It contributes to the work of various international bodies concerned with employment problems.

### **AFPA**

(The Association for Adult Vocational Training)

#### 1.1. Legal status and constitutional competence

AFPA was created in January 1966. It is an association on which the Minister responsible for employment can draw. The Minister sets its general orientations. It has the following tasks :

- to train skilled manpower in various branches of the economy
- to facilitate the retraining (*reconversion*) of jobless workers or those threatened with redundancy, notably under contract to the National Employment Fund
- to intervene in favour of the least protected groups of the population, young jobseekers and foreign workers
- to contribute to the development of recurrent training
- finally, in the framework of international activities, to provide technical aid either through training in France of foreign trainers or through direct action abroad through the establishment of training institutes.

#### 1.2. Decision-making bodies

AFPA has a tripartite governing structure:

The General Assembly consists of 36 members split up into three colleges of equal size representing trade union organisations, representative organisations of employers and public authorities. The Assembly deliberates on all questions relating to the administration and functioning of the Association.

The Assembly elects from its members a Bureau, tripartite in membership, which assists the Director General of the Association who is appointed by the General Assembly on the proposal of the Minister of Employment.

Besides these decision-making bodies, AFPA has advisory vocational bodies:

- The Advisory Vocational Commissions (CPC) which draft opinions and proposals on development, the contents of training, and the development of training resources

- The Specialised National Sub-Commissions (SCNS) contribute to drafting and updating the programmes
- The Vocational Training Sub-Commissions of the départements (SCD) have been created within the Committees for Vocational Training, Social Promotion and Employment of the départements. SCDs give advice and make suggestions on questions of vocational training in the département and closely follow in particular the activities of the AFPA centres.

At the local level, 21 regional psycho-technical centres are entrusted with trainee guidance; 7 pedagogical and technical support centres (CPTA) are in charge of drafting programmes and training for trainers.

22 Regional Agencies have horizontal competence for the training centres (CFPA) of which there are 130.

### 1.3. Organisation chart

See next page

### 1.4. Number of personnel

AFPA employs 9800 persons (1986).

### 1.5. Operating budget

The 1986 operating budget of AFPA amounted to 3.33 billion FFR.

### 1.6. Cooperation and coordinated activities

AFPA closely collaborates with the External Services for Labour and Employment and ANPE

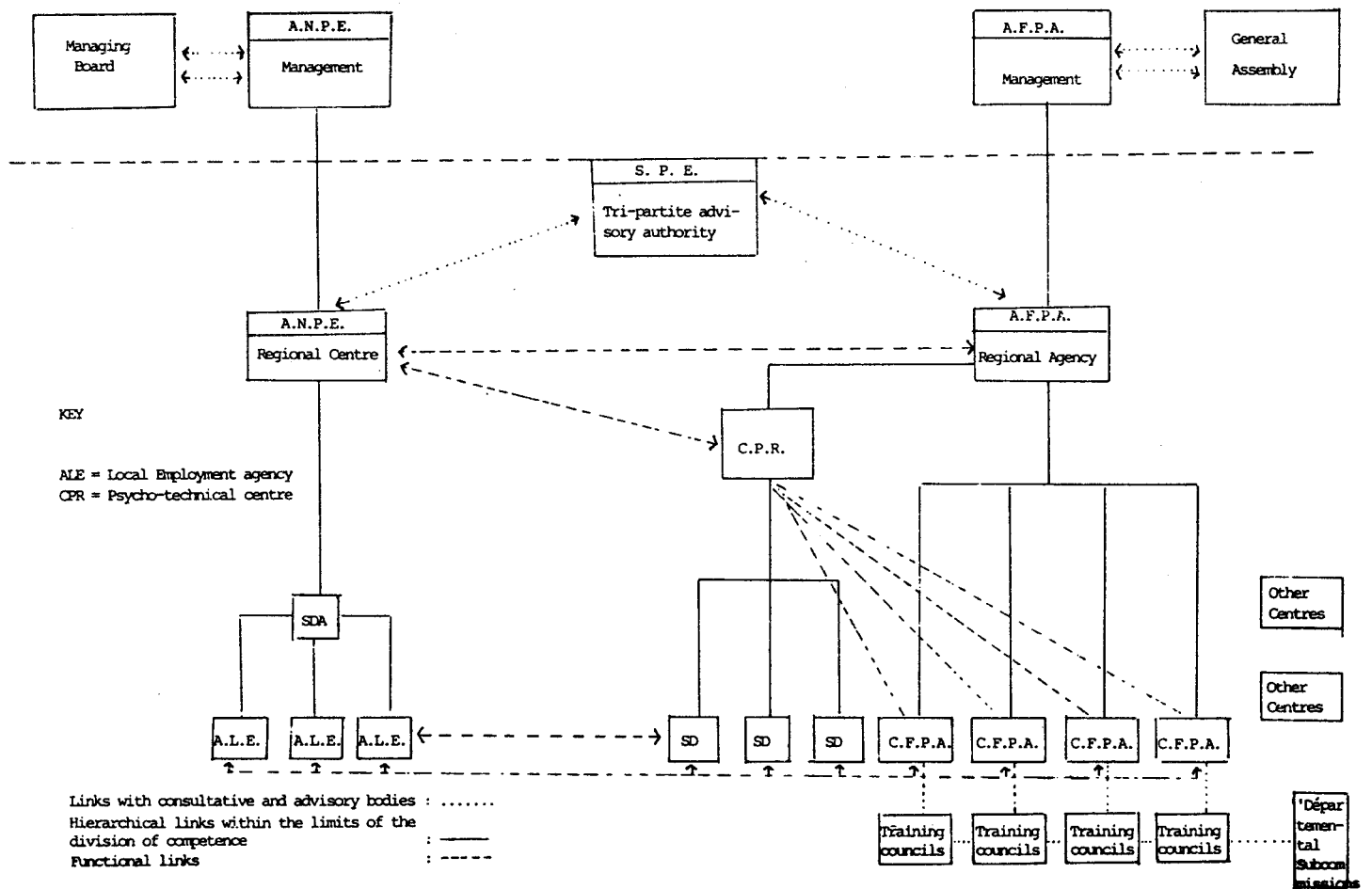
It has a formal agreement with other training associations for implementing specific training actions.

### 1.7. International contacts

AFPA is in contact with UNIDO. It carries out expert missions for the ILO and has signed an outline agreement with its vocational training centre in Turin. It has requested the European Commission that it be included in the EC reference file.

AFPA is also an active member of SATEF (society for helping technological transfer and exporting training).

# AFPA OPERATING SET-UP AT THE REGIONAL AND LOCAL LEVELS





## **UNEDIC and ASSEDIC**

### **1.1. Legal status and constitutional competence**

UNEDIC at the national level and ASSEDICs at the regional (*territorial*) level are non-profit associations which manage the unemployment insurance system.

(a) UNEDIC has the following aims:

- to provide the administrative and financial management of the system. To this end, it gives the necessary directives to the ASSEDICs, provides them with the general information they need and ensures the coordination of their activities;
- to manage the National Compensation and Guarantee Fund which ensures the financial equilibrium of the ASSEDICs;
- to ensure links and collaboration with the public employment service;
- to carry out studies and research in the area of employment;
- to undertake initiatives for reintegrating the unemployed, for vocational readaptation and for the vocational training of adults.

(b) The role of the ASSEDICs is:

- to manage an Unemployment Insurance Fund and to pay unemployment insurance benefits;
- to administer, on behalf of the State, the "solidarity allowances";
- to take employment initiatives in collaboration with the decentralised public employment services.

### **1.2. Decision-making bodies**

Stemming from an agreement between the social partners, the unemployment insurance system has strictly bipartite structures on the level of its managing and decision-making bodies.

A National Bipartite Commission examines all questions relating to interpreting the rules and their scope of application.

UNEDIC is governed by a bipartite Council which designates from among its members a Bureau whose chairman (alternating every second year between a representative of employer organisations and of trade union organisations) ensures the regular operation of UNEDIC.

The Council is assisted by two Commissions, one administrative and the other technical which have advisory roles.

The ASSEDICs have a similar management structure (bipartite Managing Council together with a Bureau).

### **1.3. Organisation chart**

#### 1.4. Number of personnel

On 31 December 1986 the total system employed 11.450 persons of whom  
1.520 were managers  
1.490 were supervisory staff  
8.440 were employees.

#### 1.5. Operating budget

In 1986 the whole of the operating budget amounted to 3.6 billion FFR.

#### 1.6. Cooperation and coordinated activities

At the national level *UNEDIC* cooperates closely with the Employment Delegation. At the local level, the *ASSEDICs* coordinate their activities with those of the External Services for Labour and Employment and the local employment agencies.

#### 1.7. International contacts

*UNEDIC* is a member of the International Association for Social Security and participates in the meetings within that framework. It also maintains more informal relationships with the corresponding bodies in the different countries of the European Community.

## Chapter II: LEGAL FRAMEWORK AND PROCEDURES

### 1. SOURCES OF LAW GOVERNING WORK AND EMPLOYMENT

- 1.1. State sources
  - Constitutional sources
  - The legislative area: laws and ordinances
  - Statutory acts
  - The Labour Code
- 1.2. Collective agreement and custom and practice source
  - Collective work agreements and collective *accords*
  - Custom and practice
  - The individual employment contract
  - Internal regulations
- 1.3. International sources

### 2. SUMMARY OF THE MAIN LEGISLATION

- 2.1. Regulations pertaining to the employment relationship
  - The open-ended employment contract
  - The fixed term employment contract
  - The temporary work contract
  - The part-time work contract
  - The intermittent work contract
  - The apprenticeship contract
- 2.2. Termination of the (open-ended) employment contract
  - Rules governing individual dismissals
  - Dismissal for economic reasons
- 2.3. Regulations pertaining to pay
  - Fixing of minimum pay
  - Equal pay for men and women
  - Collective bargaining
  - Wages of apprentices
  - Payment of overtime
- 2.4. Regulations relating to working time
  - The statutory working week
  - Modulation* of the working week
- 2.5. CHSCT - Committee for health, safety and working conditions
- 2.6. Regulations pertaining to collective agreements
- 2.7. Regulations pertaining to training, further training and retraining
  - The French system of vocational training: legislative bases
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### 3. LABOUR MARKET INSTITUTIONS AND PROCESSES

- 3.1. Employers' associations
- 3.2. Trade unions
- 3.3. Bodies for representing the personnel within the enterprise

#### **4. JOBSEEKERS AND THE LEGAL CONDITIONS OF UNEMPLOYMENT**

- 4.1. The various categories of jobseekers
- 4.2. The current system of unemployment compensation
  - The unemployment insurance system
  - The basic benefit
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- 5.3. Operational methods of placement
- 5.4. Disseminating vacancies
- 5.5. Placement of special categories

## 1. SOURCES OF LAW GOVERNING WORK AND EMPLOYMENT

### 1.1. State sources

#### 1.1.1. Constitutional sources

The present Constitution of 1958 refers to the Preamble of the 1946 Constitution which lays down a number of social rights:

- the right to work
- the non-discrimination on grounds of origin, opinions and beliefs when exercising this right
- the right to organise
- the right to strike within the framework of the laws governing it
- the right to collective bargaining and to monitor corporate management.

The Constitution also indicates (Article 34) that the fundamental principles of labour law, trade union law, and social security law are laid down by the law.

The Constitutional Council can check whether bills passed by Parliament are in conformity with the Constitution, both as regards general principles (such as the principles of equality of all citizens before the law) and the boundaries of the respective fields of the law and the regulating authority.

Checking the constitutionality of laws comes before the promulgation of laws. It can be called for by the President of the Republic, the Prime Minister, the President of the National Assembly or of the Senate or by a group of members of parliament.

#### 1.1.2. The legislative area: laws and *ordonnances* (ordinances)

In addition to the bills passed by Parliament, which set out the fundamental principles in the fields of labour law, trade union law and social security law, the *ordonnances* defined by Article 38 of the Constitution are part of the legislative area.

*Ordonnances* can be brought in when the government has obtained for a limited period authorisation by Parliament by means of an enabling act (*loi d'habilitation*) to take measures which normally fall within the scope of the law. They are taken within the Council of Ministers after consultation with the Council of State. They come into force immediately and become definite after a ratifying act having been tabled. Their provisions can subsequently only be altered by the law as regards matters which fall within the legislative field.

#### 1.1.3. Statutory acts

Council of State decrees and simple decrees. The former are issued after consultation with the Council of State. Simple decrees usually come in for highly technical issues.

Ministerial decrees are issued to extend collective agreements.

The Labour Code (*Code du travail*): It is not itself a source of law, but rather a compilation of legislative and statutory texts classified in three parts: L-D-R. The "L" part brings together legislative texts dealing with principles; the "R" part consists of provisions resulting from Council of State decrees (general regulations); and the "D" part consists of the provisions of simple decrees (technical questions, such as the rate of an allowance). Articles are given a letter (L, R or D) and a number, the same number being able to be found in each part when an issue has been the subject of the three types of texts mentioned above.

New legislative and statutory texts are integrated into the Code in the year following their publication in the official gazette (*Journal Officiel*).

## **1.2. Collective agreement and custom and practice sources**

### **1.2.1. Collective work agreements and collective accords**

These are agreements or *accords* which determine collective relationships between employers and wage-earners, notably their employment and working conditions and their social guarantees. The collective agreement is intended to deal with all these issues for all professional categories, whereas the collective *accord* is limited to one or several specified subjects of the whole.

The collective agreement or *accord* must be in writing. It is concluded between one or several trade union organisations which are nationally recognised (CGT, CGT-FO, CFDT, CFTC and CGC) and one or more employers' organisations or one or more employers taken individually. The provisions of agreements or *accords* can be more favourable to wage-earners than those of laws and regulations and cannot depart from the public order provisions of these laws and regulations. The agreement or *accord* can be extended, ie. made compulsory for all wage-earners and employers within its scope of application; this is done through a decree of the Minister responsible for employment after a substantiated opinion of the National Commission for Collective Bargaining. The scope of application of an agreement or *accord* can be enlarged (the procedure is the same as for an extension) to another territorial or occupational sector within one or several branches of activity not included in the initial scope of an extended agreement or *accord*.

Since 1982, collective bargaining has been defined as an obligation: that of negotiating at regular intervals on wages and working conditions without the negotiations necessarily having to lead to an agreement.

A National Commission for Collective Bargaining is charged with making proposals and giving its opinion. It drafts an annual report on the state of collective bargaining.

### **1.2.2. Custom and practice**

There are some long-standing customs and practices in some occupations, often, but not always, taken up in collective agreements and *accords*. Customs and practices can be mandatory, ie. wage-earners can demand their prolongation against the desire of the employer to end them unilaterally.

1.2.3. The individual employment contract (cfr.2.1. below)

1.2.4. Internal regulations (*le règlement intérieur*): Drafted unilaterally by the employer, internal regulations are only recognised as a source of law by jurisprudence in as far as they are considered as a mere annex to individual employment contracts.

1.3. International sources

By 1 January 1987, France had ratified one hundred and ten ILO conventions. It is also bound by the European Social Charter as well as the European Code of Social Security and by the regulations and directives of the EEC and, finally, by the jurisprudence of the European Court of Justice.

\*

\* \*

These various sources of labour law combine in French law along the lines of optimising the conditions for the wage-earners. Derogations from the hierarchially higher norms can only, as a rule, be in the direction of being more favourable to the wage-earner. The international rules are a minimum; the law and regulations define a floor; collective agreements can have more favourable provisions, which can be improved by an enterprise or plant agreement; and finally the ultimate level is that of the employment contract.

## 2. SUMMARY OF THE MAIN LEGISLATION

### 2.1. Regulations pertaining to the employment relationship

The contract of employment can take the form of

- \* an open-ended contract (CDI)
- \* a fixed term contract (CDD)
- \* a temporary work contract
- \* a part-time work contract
- \* an intermittent work contract, or
- \* an apprenticeship contract.

#### The open-ended employment contract (Article L-121-1 et seq.)

The CDI is subject to the rules of the ordinary law of contracts. It can be established in whatever form the contracting parties choose to adopt. When it is established in writing, it has to be drawn up in French. When the employee is a foreigner and the contract is established in writing, a translation will be made if the employee so desires. (On the termination of the (CDI) cfr. 2.2. below).

#### The fixed term employment contract (Article L-121-12 et seq.)

A fixed term employment contract (CDD) can be concluded for performing a specific task. Its purpose cannot be to permanently fill a job connected with the normal on-going activity of the enterprise. It must comprise a term which is clearly specified at the time of the conclusion of the contract. There are three instances in which no such precise term is required:

- \* for replacing an absent wage-earner or one whose employment contract has been suspended
- \* for seasonal jobs
- \* for jobs in specified sectors where it is standard practice not to make use of open-ended contracts because of the nature of the work and of the short-term nature of the job in question. These sectors have been listed and can be added to by extended collective agreement or accord.

In each of these three situations a minimum length must nevertheless be set and the contract expires with the return of the wage-earner or with the fulfilment of the aim for which the contract was concluded.

*Duration of the CDD and renewal:* The CDD can be renewed twice, each time for a duration at the most equal to that of the initial period (without exceeding two years altogether).

*Calculating numbers:* The wage-earners with a CDD will be taken into account in the total number of employees on a pro rata basis of the time they have been at work over the last twelve months. If they replace an absent wage-earner, they are not taken into account for the numbers.

*Waiting period:* To fill the job of a wage-earner whose contract has come to an end, use cannot be made of either a fixed term contract or a temporary employment contract before a period equal to one third of the duration of this contract has elapsed, "including renewal".



No recourse during strikes: Under no circumstances can a wage-earner with a CDD or a temporary employment contract be called upon to replace a worker whose employment contract has been suspended because of an industrial dispute

**The temporary work contract (Article L-124-2)**

A user can call on the services of a wage-earner of a temporary work agency "to carry out a non-lasting task called an assignment". The "objective of the temporary work contract cannot be to permanently fill a job connected with the normal on-going activity of the user enterprise".

*Term of the contract:* The assignment must comprise a term clearly specified at the very moment of concluding the contract making the services available. The three cases of exemptions are the same as those for CDDs.

*Renewal and duration:* The temporary work contract can also be renewed - but only once - for a length of time at most equal to that of the initial period. The conditions for the renewal must be provided for from the very beginning of the contract or be the subject of a codicil to this contract which must be put to the wage-earner concerned before the expiry of the contract. The total duration of the contract, including renewal, cannot exceed 24 months.

*Calculating the numbers:* Wage-earners are taken into account on a pro rata basis of their presence during the 12 preceding months. However, these wage-earners are excluded from the total headcount when they replace an absent wage-earner or one whose employment contract has been suspended.

**The part-time work contract (Article L-212-4-2, L-212-4-3)**

Part-time work is understood as being hours worked of at least one fifth less than the statutory working hours or the collectively agreed working hours in the sector or in the company.

Part-time workers are workers whose monthly working hours fall short by at least one fifth of the working hours resulting from the application, over the same period of time, of the statutory working time or the collectively agreed working time in the sector or the enterprise.

Part-time schedules can be applied after consultation with the works council or, where this does not exist, the employee delegates; the opinion is passed on to the labour inspectorate within a time period of fifteen days.

In the absence of any personnel delegates, part-time work schedules may be applied subject to prior information of the labour inspectorate.

An employee's refusal to work part-time constitutes neither a fault nor a ground for dismissal.

Part-time workers enjoy the same rights as those conferred on full-time workers by law, company- and plant-level collective agreements and accords.

Their working hours and years of service in the company being taken into account, their remuneration is proportionate to that of an employee having the same skills who holds an equivalent job in the plant or company and works full time.

As regards determining the rights connected with length of service, the duration will be calculated for part-time workers as if they had been employed full-time.

The part-time employment contract is a written contract: it mentions among others the employee's qualification, the elements of pay, and the weekly or, if the case arises, the monthly working hours. It mentions the organisation of hours over the days of the week or, if the case arises, over the weeks of the month. Furthermore, it lays down the conditions for a possible modification of this distribution of which the employee has to be notified at least seven days prior to the date on which the modification will become operative.

The employment contract also determines, in the framework possibly provided for in a collective company- or plant-level agreement or *accord*, the limits in which overtime may be worked in excess of the contractually agreed working hours.

As regards calculating the numbers employed, part-time workers are taken into account on a pro rata basis of their hours of work.

**The intermittent work contract:** (Article L-212-4-8 to L-212-4-11)

This is an open-ended employment contract which provides for periods worked to be alternated with periods not worked at regular or irregular intervals. Implementing these contracts is through agreement with the social partners at either company or sector level.

The contract must be in writing. It must contain the following elements:

- \* the employee's qualification;
- \* the elements of pay;
- \* the annual minimum hours of work of the employee;
- \* the periods during which the employee will be working; and
- \* the organisation of hours within these periods.

The hours over and above the annual hours fixed in the contract cannot exceed one quarter of this time. In cases where the nature of the activity does not enable the periods of work and the organisation of the hours within these periods to be clearly specified, the collective agreement determines what adaptations are necessary. This covers in particular the conditions under which the employee can refuse the dates and the schedules being proposed to him/her.

Workers on intermittent work contracts enjoy the same rights as full-timers subject to, as regards collective agreement rights, specific modalities provided for by extended collective agreement. As regards rights connected with length of service, periods not worked are taken fully into account.

**The apprenticeship contract** (Article L-115-1 to L-119-5)

The apprenticeship contract is a special type of employment contract by which an employer commits himself, besides paying a wage according to the conditions laid down by law, to ensure that a young worker is given vocational training to be delivered partly in the company and partly in a training centre for apprentices; in return, the young worker commits himself or herself to working for the employer for the duration of the contract.

*Duration:* Two years, sometimes three, and, by way of exception, reduced to one year in certain sectors.

Entry to apprenticeships is reserved to the 16 to 25 year olds and, by derogation, to young people of at least 15 years of age having completed the first cycle of secondary education.

The apprenticeship contract is described in detail in Chapter III (F-vi.J3).

## 2.2. Termination of the employment contract (open-ended contract)

### A. Rules governing individual dismissals (laws of 13.07.73 and 30.12.1986)

A distinction can be drawn between rules of form and of substance.

The table overleaf summarizes the rules applying when the dismissal is neither collective nor economic. The French system is characterised by the fact that the rules relating to form (aimed at increasing the guarantees of employees) and those relating to substance (setting out the contents of their rights) differ as regards their level of constraints which depends on two thresholds: a length of service threshold of the employee, generally fixed at one year, and a size threshold of the enterprise, set at 10 employees.

Although they are not always compulsory, the stages of the dismissal procedure are as follows:

- a registered letter to summon the person to a preliminary interview
- an interview during which the employer must set out the genuine and serious reasons for the contemplated dismissal; at this interview the employee is entitled to be assisted by a person from amongst the staff of the enterprise
- a letter of dismissal, registered with recorded delivery, which cannot be sent before the day following the interview
- the possibility for the employee to ask, by registered letter, for the reasons for his/her dismissal
- the requirement for the employer to reply within ten days.

The substantive rules relating to dismissals have been drawn up over time. First, they hinged around the notion of "abuse of rights" which resulted in restricting the discretionary power of unilateral termination on the part of the employer (as a result of the application of the usual rules of civil law relating to contracts). Subsequently, a genuine and serious reason was required, a requirement strengthened by the possibility, provided for by the law of 1973, for the judge to check the genuine and serious character of the reasons alleged by the employer. This requirement is based on recognising the employee's right to job security.

In cases of dismissal employees are entitled to :

- \* a minimum period of notice defined by law: two months for more than two years service, otherwise one month. In practice, collective agreements and usages are often more favourable to employees. Not observing the period of notice opens up the right to a special compensation distinct from all other allowances.
- \* a dismissal allowance, the amount of which is based on the real wage, including fringe benefits, and on the employee's length of service with the enterprise. At the same time as providing the dismissed employee with compensation, this allowance is intended to protect employment by the financial dissuasion it exerts on the employer.

RIGHTS OF THE DISMISSED EMPLOYEE  
ACCORDING TO HIS LENGTH OF SERVICE AND THE SIZE OF THE ENTERPRISE

Rights of the Employee	Enterprises normally employing fewer than 11 persons			Enterprises normally employing more than 10 persons			
	Length of service of the dismissed employee						
	Less than 6 months	6 mths to 2 years	2 years and more	Less than 6 mths	6mths to 1 year	1 year to 2 years	2 years and more
Procedure prior to dismissal	YES	YES	YES	YES		YES	YES
Registered letter of dismissal	YES	YES	YES	YES	YES	YES Cannot be sent less than one clear day after the date foreseen for the preliminary interview	YES Cannot be sent less than one clear day after the date foreseen for the preliminary interview
Statement of genuine and serious reasons by the employer	YES, at the written request of the employee					YES By registered mail sent at the latest 10 days after presentation of the registered letter of the employee (in turn sent at the latest 10 days after the date on which he left the job)	YES By registered mail sent at the latest 10 days after presentation of the registered letter of the employee (in turn sent at the latest 10 days after the date on which he left the job)
Length of notice	Collective agreements or usages	1 month	2 months	Collective agreements or usages	1 month	1 month	2 months
Legal compensation for dismissal	NO	NO	YES	NO	NO	NO	YES
Irregular or unfair termination of contract ° irregularitiy in form	Compensation according to the wrong suffered			Compensation according to the wrong suffered			Allowance: a maximum of 1 month's wages
° lack of any genuine and serious motive	Compensation according to the wrong suffered			Compensation according to the wrong suffered			Reinstatement or allowance: a minimum of 6 months' wages

Should the dismissal take place for a cause which does not meet the requirements of the law ("genuine or serious reason"), the court can propose that the employee be reinstated in the enterprise, maintaining his/her acquired rights. Should one or the other party refuse, the court grants an allowance which cannot be less than the wages of the last six months; this allowance is distinct from the dismissal allowance as such. The law also provides for the employer at fault having to pay back to the bodies concerned the unemployment benefit paid to the dismissed employee from the day of his/her dismissal to that of the court's verdict. These provisions, brought in by the law of 1973, do not apply to employees in enterprises employing fewer than 11 persons. These persons can, however, claim compensation in cases of unfair dismissal, the compensation being calculated on the basis of the wrong done.

The regulations relating to dismissal are rounded off by rules extending special protection to certain categories of employees: to employee representatives on account of their union activity, to *conseillers chefs du travail* or company doctors on account of their professional activity or to pregnant women on account of their state.

#### B. Dismissal for economic reasons (redundancy)

The law of 30 December 1986 concerning dismissal procedures abolishes the procedure (which had been in existence since 1975) for prior authorisation when declaring redundancies. It replaces it by procedures of notifying the competent public authority and, in certain cases, of informing it subsequent to the event (*a posteriori*).

The new law was preceded by an agreement between the social partners. It takes up, in the main, the arrangements laid down in this agreement for redundancy procedures.

The new law distinguishes three cases :

- Individual redundancy. In these cases, other than the matters outlined under 2.2.A, the procedure has to include informing the competent public authorities of the dismissal made. This is thus a matter of providing information subsequent to the event, which has to be done within eight days after sending the letter of dismissal.

- Dismissal of 2 to 9 employees in a period of 30 days. In this case, in addition to the matters set out under 2.2.A, the law lays down that the enterprise must inform and consult the *comité d'entreprise* (works council) or the staff representatives on the proposed reduction in numbers and the implementing provisions. The nature of the information which the enterprise must disclose is described in the law. The enterprise must also inform the competent public authorities of the declared dismissals.

- Dismissal of 10 or more employees in a period of 30 days. The employer must:

- \* inform and consult the works council or, in its absence, the staff representatives on proposed redundancies and measures envisaged to avoid dismissals or limit their number and to facilitate the redeployment (*reclassement*) of employees made redundant.

The employer must furthermore study and, within the time span spelt out below, give a substantiated response to the suggestions put forward by the works council.

When the redundancy takes place in an enterprise employing at least 50 persons, the works council must hold two meetings separated by an interval of at most 7 days if the dismissal concerns fewer than 100 employees, 14 days if it concerns between 100 and 250 employees, and 21 days if it concerns more than 250 employees. Collective agreements can extend these intervals.

\* notify the competent public authorities of the proposed dismissal at the earliest the day after the date foreseen for the first meeting of the staff representatives.

The authorities check that the staff representatives have been informed, brought together and consulted, that the regulations for drawing up the social measures envisaged to reduce the number of dismissals and facilitate the redeployment of the persons dismissed have been respected and that the measures will actually be implemented.

The public authorities have to make these checks within 14 days when the number of dismissals is less than 100, 21 days when it is between 100 and 250, and 30 days when it is equal to or more than 250.

When the public authorities uncover any irregularity in the procedure, they send written notice to the employer setting out the nature of the irregularity, a copy of which is sent to the staff representatives. The employer is bound to reply and to send copy of his reply to the staff representatives.

Should the employer be late in replying, the time period foreseen for notifying the persons concerned of their dismissal (see below) is extended until the date of sending this reply.

\* notify the employees concerned of their dismissal within a time period starting from the moment of notifying the public authorities which cannot be less than 30 days when the number of dismissals is less than 100, 45 days when the number is between 100 and 250, and 60 days when it is at least equal to 250. These periods can be extended by collective agreement.

The Labour Inspectorate has the right to reduce the notice period applicable in companies where there is an appropriate collective agreement.

From now on the settlement of disputes over redundancy for economic reasons (individual or mass redundancy) will belong to the scope of the *conseils de prud'hommes* (conciliation boards).

## 2.3. Regulations pertaining to pay

### 2.3.1. Fixing of minimum pay

The law of 2 January 1970 brought in the *salaire minimum de croissance* - SMIC (statutory minimum wage) which guarantees the lowest-paid workers their purchasing power. The guarantee is ensured through indexing the SMIC to the

movements of the national consumer price index. Each year the government fixes the new rate after consulting the National Commission for Collective Bargaining.

#### 2.3.2. Equal pay for men and women

Every employer has to ensure equal pay for men and women where they do the same job or work of equal value (Article L-140-2).

#### 2.3.3. Collective bargaining

Pay is one of the elements of annual negotiations between the social partners at sector level on the one hand and company level on the other (Article L-132-12 and L-132-27).

#### 2.3.4. Wages of apprentices (L-117-10)

A minimum wage is fixed for every 3 months of training. It is equal to a certain percentage of the *SMIC* determined by decree, ranging from 15% for the first six months of the apprenticeship, to 45% for the fourth six months and to 60% for the third year.

#### 2.3.5. Payment of overtime

Cfr. 2.4. below on the regulations relating to hours of work.

### 2.4. Regulations relating to working time

2.4.1. The statutory working week is 39 hours (ordinance of 16.01.1982). The effective daily working hours per employee cannot exceed 10 hours except for exemptions laid down by decree. The effective maximum working week is 46 hours spread over 12 weeks and 48 hours over one week.

Overtime hours worked over and above the statutory working week give rise to increased pay:

- \* 25% for the first eight hours (from the 40th to the 47th hour)
- \* 50% for the following hours (from the 48th hour onwards).

An annual quota of overtime hours is allowed after simple information of the Labour Inspectorate, the works council or, if the company does not have a works council, the employee representatives (the quota is fixed by decree at 130 hours).

A higher or lower quota of overtime hours can be fixed by an extended collective agreement or *accord*.

Hours worked over and above the statutory or collectively agreed quota and within the limits of the statutory weekly maximum need prior authorisation from the Labour Inspectorate after consulting the works council or, if there is none, the employee representatives.

Furthermore, the law provides for

- \* 20% compensatory time-off for quota overtime over and above 42 hours;
- \* 50% compensatory time-off for overtime over and above the statutory or collectively agreed annual quota.



2.4.2. The law of 22.06.1987 provides for *modulation* (overtime offset) of the working week over all or part of the year without the hours worked over and above 39 (within the annualised limit) giving rise to bonuses, compensatory time-off or being counted towards the annual overtime quota. In other words, hours worked in excess of 39 per week will be compensated by hours not worked under 39.

*Modulation* can be put into effect not only by an agreement or *accord* extended to the entire sector but also by a company agreement or a plant-level agreement. However, to come into force the company- or plant-level agreement must not have been opposed by the non-signatory trade union(s) which have received more than 50% of the votes cast in the most recent workplace elections.

The *modulation* must be compensated for by a clause which the signatories of the agreement have to agree to ("reduction of working hours or any other compensation, in particular financial or training").

If the average working week calculated on an annual basis exceeds 39 hours per week actually worked, the excess hours are paid for at the latest at the end of the annual period defined in the agreement. They open up the right to increased pay of 25% and 20% compensatory time-off.

The law of 22.06.87 also brings in a second possible way of calculating overtime using the *cycle de travail* (work cycle). The cycle is a short period of time expressed as a multiple of one week, during which working time is organised on a fixed and repetitive basis; only hours exceeding the average of 39 hours a week over the course of the cycle are considered as overtime.

However, this approach is only possible in three cases:

- in continuous operations (as is already provided for in certain decrees implementing the 40 hour working week which are temporarily retained)
- in cases authorised by decree
- when recourse to cycles is envisaged by a collective agreement extended to an entire sector. In this case the agreement will set the maximum length of the cycle.

## 2.5. Committees for health, safety and working conditions

Such committees (C.H.S.C.T.) are set up in companies employing at least 50 people (Article L-236.1). Their tasks are described under point 3.3.4' below.

## 2.6. Regulations pertaining to collective agreements (Art. L.131-1 et seq)

The purpose of a collective agreement is to deal with all matters relating to conditions of work and employment and social guarantees for all occupational groups concerned.

The collective agreement or *accord* is a written act concluded between:

- on the one hand, one or several trade union organisations recognised as being representative at the national level or affiliated to these organisations or who have proved their representativity in the scope of application of the agreement or *accord*;
- on the other, one or several employers' organisations or any other employers' grouping or one or more employers taken individually.

The collective agreement or *accord* can comprise provisions which are more favourable to wage-earners than those of laws and regulations in force. They cannot depart from the public order provisions of these laws and regulations.

Collective agreements and *accords* set out their geographical and occupational scope of application. The scope of occupational application is defined in terms of economic activities.

The collective agreement or *accord* is concluded for a fixed time or for an indefinite time period. Failing stipulations to the contrary, the fixed term agreement or *accord* which expires continues to operate as an indefinite agreement or *accord*.

When an agreement or *accord* is concluded for a fixed duration, this period cannot exceed five years.

The signatories can give notice of the agreement or *accord* according to conditions which have to be laid down in the agreement itself.

## 2.7. Regulations pertaining to training, further training and retraining

### The French system of vocational training : the legislative bases

1. The 1971 law sought to extend to all wage-earners the benefits of an agreement concluded directly between trade union and employers' organisations one year previously, in 1970, on a new right given to wage-earners: the right to recurrent training during working time, whether this be for the needs of the enterprise or for personal motivations (individual training leave - *CIF*).

The law has an institutional provision characterised by "interministeriality" and joint consultation between the social partners. It further specifies the division of obligations financed by the State and by enterprises:

- enterprises with 10 or more wage-earners are required to devote a minimum percentage (0.8%, raised to 1.1% in 1976) of their paybill to the training of their employees.
- the State takes on the training of the unemployed, training of very long duration and training aimed at correcting the effects of the school system (programmes for young people).

For CIFs the State and enterprises have a joint agreement.

## 2. Its effects

The law has had considerable effects: the numbers of persons demanding their right in this matter rose from 600.000 in 1972 to 3 million in 1982 (ie. one wage-earner in seven). But at the same time its application brought out some weaknesses:

### a) A very unequal distribution

- according to the level of initial training of the persons concerned: managers benefited much more than those having lesser qualifications
- according to branches of industry
- according to the size of companies: large companies devoted much more than their statutory training contribution (from 5% to 10%), considering training to be a productive investment.

On the other hand, smaller firms have been less sensitive to the value of a training policy, and they have hardly the funds for setting up a training policy. For them, the statutory contribution of 1.1% was, in the end, seen as an additional tax.

b) The individual training leave, which represented an important social achievement has remained relatively undeveloped: 60.000 persons in 1982. Many factors contributed to this state of affairs: lack of information, precarious employment situation and, finally, difficulties in finding replacements. This has been particularly true for small firms which in fact hold an important place in France, since firms with fewer than 50 persons employ 45% of the wage-earners.

c) Finally, on the overall level the State was unable, due to a lack of instruments for carrying out analyses, to target its financial effort on well-chosen priorities.

## 3. The reform of the law : the law of 24 February 1984 (*Journal Officiel* of 25.02.1984)

### 3.1. Its framework

As for the 1971 law, the 1984 law is based on joint consultation with all the social partners. It takes up the main part of the contents of the two agreements between the employers and the trade unions: the one dealing with CIF and the other with the vocational training of young people.

It also takes into account the statutory rights as regards collective bargaining within the company (the so-called "Auroux law" of 13 November 1982) and occupational equality between men and women (law of 23 July 1983).

Finally, it integrates the new division of competences between the State and the regional (territorial) authorities following from the decentralisation which took place in the area of vocational training on 1 June 1983 (cfr. 4 below).

3.2. The main points of the reform meet four main objectives:

a) To develop individual training leave (CIF). The definition of *CIF* has not been changed (maximum length: one year, full-time); authorisation for absence has been made more flexible; however, the essence of the innovation is in the financing.

The employers-trade unions supplementary agreement (*avenant*) of 21 September 1982 was aimed at giving a new impetus to the *CIF*. By this agreement it was decided to reserve a part of the statutory 1.1% (set at 0.1% of the paybill) to finance *CIF* and to entrust paritary collecting bodies approved by the State and created at the level of either the industry or the region with the management of the earmarked funds.

The law took up the provisions of this agreement and enlarged them for the benefit of the wage-earners of firms which, employing fewer than 10 wage-earners, are not required to pay the 1.1%.

The collecting bodies receive their funds from both the 0.1% of the firms subject to the statutory contribution and agreements with the State or the regions according to the amount and quality of the training provided as well as the number of wage-earners belonging to the firms which are not contributing.

Once they have accepted the proposed *CIF*, the mutual financing bodies reimburse:

- the wage-earner for the training costs which he has covered,
- the firm, for the percentage of the pay it continues to pay the wage-earner as well as, if the case arises, its contribution to training expenses.

Furthermore, for firms with fewer than 50 wage-earners, the body also reimburses the firm for all or part of the end-of-contract allowance of the wage-earner taken on to replace the person who has taken *CIF*.

b) to enable a training policy to emerge, particularly as regards two aspects:

\* within firms : the 1971 law provided for a simple consultation with representatives of the wage-earners. In this respect, the aim of the reform of the 1971 law is for the training policy carried on both at branch level (there are some 40 branches) and at the level of the individual firm to be the subject of an in-depth debate. To this end, it brings in the obligation for the social partners to negotiate (but not to reach an agreement on) the definition of a "training plan" within one year.

At the branch level, this negotiation deals with priorities, recognition of qualifications acquired, the resources which trade union representatives can draw on to perform their tasks in this respect, and the conditions for the reception and integration of young people. It also spells out the periodicity of the agreement concluded.

The same points are taken up at the firm level (of at least 50 employees), but more specific areas are also dealt with: the size and distribution of financial resources earmarked for training and implementation of the CIF.

Finally, the works council must be regularly consulted on the thrusts decided upon as regards vocational training in view of employment trends, investments and technologies. Each year it is required to give its opinion on the implementation of the training plan defined.

\* between the State and firms : the law opens up a new possibility as regards the compulsory participation of employers by substituting, in specific cases, a qualitative objective for the simple quantitative objective of the annual 1.1%.

Commitment agreements (*accords d'engagement*) signed between the State and a firm or group of firms will henceforth enable training objectives to be set over several years by taking notably into account the vocational integration of young people and the occupational equality between men and women.

c) to ensure the vocational integration of young people who are leaving the school system unqualified, by means of training by "alternation".

These provisions are based on those of the agreement in this field signed by the social partners on 26 October 1983. They are the result at the same time of the growth of awareness of the very considerable difficulties which unskilled young people have in entering employment and the achievements of programmes brought in for these people over the last few years.

On the basis of this law, three types of training were brought in so that all young people between the ages of 18 and 25 can complete their initial training:

- SIVE: Traineeships providing initiation into working life. They last between 3 and 6 months and enable young people to discover working life while at the same time having the benefit of being guided by an external body. The young people have the status of a "vocational trainee" (ie. pay and social contributions being covered by the State) but the firms top up their pay.

- Qualification contracts (*contrats de qualification*): These are a particular type of employment contract signed with an authorised firm, lasting between 6 and 24 months, at least 25% of which consists of training outside the firm. The purpose is to enable a young person without a diploma or skill, to obtain a recognised diploma or qualification.

Pay varies according to the age and the seniority of the young person within the contract, by analogy with the apprenticeship system which is behind this approach.

- Adaptation contracts (*contrats d'adaptation*): These are normal employment contracts lasting at least 12 months. They consist of at least 200 hours training enabling the young person to acquire the necessary skills for adapting to a job based on a previous qualification.

d) to improve knowledge of the provision of training

Without questioning the pluralist and liberal character of the provision of training (the mere declaration of its existence has been maintained as the criterion for creating a training body), the law seeks to facilitate monitoring the proper use of funds earmarked for recurrent vocational training. These amount to some FFR 30 billion per year, half coming from the State and public authorities and half from firms.

Thus every training provider must be exempt from conviction on a criminal charge. But before each programme he must inform the prefecture of the region (representing the State which keeps the overall control) of the programmes, fees and the method of "validating" the results of the programmes. Similarly, each trainee must receive in writing before the programme all the information required on its contents, the expected outcome and the way in which it is organised.

These legal provisions, backed up by penal sanctions enable the State to better carry out its monitoring role and to avoid specific actions whose lack of serious character or excessive cost would too often discredit the whole of the policy being carried out in this field.

#### 4. Decentralisation

The new division of competences between the State at the central level and "territorial authorities" (the regions, *départements* and municipalities) was instituted by the law of 7 January 1983.

Vocational training was the first area in which its application was effective from 1 June 1983.

The broad outline is as follows:

- Apprenticeship and recurrent vocational training are the competence of each of the 22 regions, ie. those elected to the Regional Council. This Council is thus in charge of drawing up, according to the socio-economic situation of the region, an annual programme to this end.

- The Region has complete freedom to allocate the funds earmarked to one or other of these areas. The only limits are the identical guarantees due to all citizens (eg. pay of trainees).

To carry out this policy, each Region has to have an administrative service dealing with the areas which fall within its competence.

- The State defines the legislative and statutory framework. It retains its competence for financial control over all areas both at the national and regional levels.

Furthermore, the State retains its direct responsibility in various areas of training:

- actions which come under various technical ministries as well as AFPA (which trains some 100.000 persons each year - cfr. Chapter I);
- actions which cannot be linked to one specific region either because they fall within the scope of "national solidarity" (refugees, convicts, juvenile delinquents, and the disabled) or because of national recruitment (14 apprenticeship centres in very specialised areas);
- actions having a general bearing on operations which are a matter of national priority:

- \* programme for the social and vocational insertion of young people by traineeships,

- \* sectoral policy deals with five areas: electronics, automated manufacturing, agro-food industries, building and public works and foreign trade.

\*

\*      \*

Harmonisation between interventions by the Regions and those by the State is foreseen and encouraged. It is carried out through such bodies as the regional committees for vocational training.

It is implemented notably within the framework of "State/Region contracts" for the whole of the period of the IX Plan (1984-89). During this time these contracts will enable common priorities to be defined leading to coherence in action carried out with the help of co-financing arrangements (usually in equal parts) to which each partner subscribes.

At the national level, concerted exchanges take place between the different regions and the State through a Coordination Committee for Recurrent Training and Apprenticeship, consisting of representatives of the State, persons elected by the regions and the social partners.

## **2.8. Regulations pertaining to discrimination**

The law of 1 July 1972 makes unlawful the refusal to hire (or the dismissal) on grounds of origin, belonging or not belonging to an ethnic group, a nation, a race or a specific religion. A law of 27 April 1956 prohibits the taking into account of trade union membership or activity in recruitment for employment. The equality of men and women ensues from the preamble of the Constitution of 1946, to which the 1958 Constitution refers, and from legislative and statutory provisions: law of 22 December 1972, decree of 27 March 1973, various protective measures for women as such or as mothers (eg. prohibition to dismiss a female worker during pregnancy and during the

periods of suspension to which she is entitled extended by four months), law of 13 July 1983 which inserts into book 1 of the Labour Code a new Chapter III (Articles L.123-1 to L.123-7) entitled "Occupational equality between men and women".



### 3. LABOUR MARKET INSTITUTIONS AND PROCESSES

#### 3.1. Employers' associations

Approximately 90% of French companies are affiliated to the *Conseil National du Patronat Français (CNPF)*, the French employers' confederation, and its related sectoral organisations. The *CNPF* deals with general business and economic issues, as well as employment and personnel management matters. The *CNPF* sometimes negotiates on major issues related to working conditions, but not on wages. Wage negotiations are handled by the sectoral confederations. State-owned companies do not belong to the *CNPF*, and there is no special body established for the purpose of negotiating with employees in the public sector, either the employees of state-owned industrial companies or in the administrations.

The *CNPF* embraces 83 sectoral employers' associations of various types in manufacturing, commerce, and services, as well as 163 regional associations on *département* or local levels. The largest sectoral association is the *Union des Industries Métallurgiques et Minières (UIMM)*, the metalworking employers' federation, whose 15,000 member companies employ 2.7 million persons.

Besides the *CNPF* there is also the *Confédération Générale des Petites et Moyennes Entreprises (CGPME)*, targeted more specifically on the owners of small and medium-sized enterprises.

#### 3.2. Trade unions

##### 3.2.1. Principles

The principle of trade union freedom is enshrined in the preamble to the French Constitution. This results in

- the freedom to establish a trade union, on the sole condition of not contravening the provisions of the Labour Code;
- the freedom to belong to a trade union, or not to belong to one, irrespective of sex, age or nationality;
- the freedom to withdraw from a trade union at any time.

At the enterprise level, Article L.412-2 of the Labour Code forbids any employer to take into consideration the question of belonging to a trade union or carrying out trade union activities in making decisions about in particular hiring, conducting work and the division of labour, vocational training, promotion, pay, the provision of social benefits, disciplinary measures and dismissal.

According to Article L.414-1 of the Labour Code, the sole purpose of trade unions is the study and defense of the rights as well as of the material and moral interests, both individual and collective, of the persons they are statutorily intended for. According to Art. 411-2 of the Labour Code, trade unions or associations can be freely constituted of persons carrying out the same occupation, similar or related trades contributing to establishing specific products or to the same profession.

Representative trade unions either on the national level or on the enterprise level enjoy certain privileges, in particular as regards trade union rights within the enterprise (trade union sections, trade union delegates, etc), elections of representatives of the personnel and collective bargaining.

The trade unions affiliated to the following trade union confederations are representative by right: *C.G.T.*, *C.G.T.-F.O.*, *C.F.D.T.*, *C.G.C.* and *C.F.T.C.*

According to Article 412-6 of the Labour Code, each representative trade union can decide to set up a trade union section within the enterprise which ensures the representation of the material and moral interests of its members.

No conditions as regards staffing, form or advertising are required.

### 3.2.2. Representativity of trade unions

There are three main instruments for determining the membership of each of the five trade union confederations which are representative at the national level:

- the results of elections to *comités d'entreprise* - works councils; however, these results only concern enterprises with more than 50 employees and do not provide figures for trade union representation within public administration.

- the results of elections to *conseils de Prud'homme* - conciliation boards; however, these do not concern public employees and the last elections were held in 1982;

- the results of elections to the managing boards of the *Caisses de Sécurité Sociale* - social security funds; however, these concern not only all employees but also all those who are insured: pensioners, the unemployed, students, mothers of families, those personally insured, etc.

The table presented below sets out trends in the results of the elections to works councils between 1978 and 1986.

	1978	1980	1982	1984	1986	Differences 1986-1984
C.G.T. ....	38,6	36,5	32,3	29,3	27,1	-2,2
C.F.D.T. ....	20,4	21,3	22,8	21,0	21,2	+0,2
C.F.T.C. ....	2,7	2,9	2,9	3,8	3,8	-
C.G.T.-F.O. ....	10,0	11,0	11,7	13,9	14,4	+0,5
C.F.E.-C.G.C. ....	6,6	6,0	7,0	7,1	7,5	+0,4
Other trade unions	5,1	5,0	4,4	4,8	5,0	+0,2
Non unionised <sup>1</sup> ...	16,3	16,8	18,4	19,7	21,1	+1,4

<sup>1</sup> Elections to works councils are, in casses of a second round, open to lists submitted outside any trade union label.

### 3.3. Bodies for representing the personnel within the enterprise

There are four such bodies:

#### 1') Employee representatives (*délégués du personnel*)

Article L-421-1 of the Labour Code provides for the election of employee representatives in all establishments with at least 11 employees.

Article L-422-1 of the Labour Code lays down the task of the employee representatives:

- \* to submit to employers all individual or collective complaints relating to labour regulations;
- \* to refer all complaints and observations concerning these regulations to the labour inspectorate.

The Labour Code also requires that they be informed or consulted on a certain number of issues concerning the future of the enterprise, in particular when dismissals are being envisaged.

#### 2') The works council (*comité d'entreprise*)

Article L-431-1 of the Labour Code lays down that works councils are mandatory in enterprises employing at least 50 wage-earners (in all their plants).

According to Article 431-4 of the Labour Code, the purpose of the works council is to ensure the collective expression of the wage-earners, allowing the permanent consideration of their interests in decisions relating to the management and economic and financial development of the enterprise, to work organisation, to vocational training, and to production techniques.

It drafts, on its own initiative, and examines, at the request of the company head, any proposal likely to improve the working, employment and vocational training conditions of the wage-earners as well as their living conditions within the enterprise.

The interests of wage-earners carrying out their jobs outside the enterprise or within dispersed units must be taken into account.

Article L-431-5 of the Labour Code specifies that the decision of the employer is preceded by consultation with the works council.

To enable it to draft reasoned opinions, the works council must be able to draw on exact and written information provided by the employer and on the reasoned response of the employer to its observations.

Moreover, in application of Article L-432-8 of the Labour Code, the works council organises and monitors the management of all social and cultural activities within the enterprise, or participates in their management.

On economic and vocational issues, the works council gives opinions and expresses wishes (except where there are expressly contrary provisions), its

role being only advisory. The employer must report on, and give reasons for, the follow-ups to these opinions and wishes.

On the other hand, as regards social and cultural activities it is the works council which takes the decision.

The works council consists of the employer or his deputy and the elected representatives of the personnel. The ballot is in two rounds, using weighted proportional representation. In the first round only trade union organisations can submit lists. If the number of those who vote is less than half of the electors enrolled, there is a second round which is open to lists other than those submitted by the trade union sections.

### 3\*) Trade union delegates (délégués syndicaux)

Article L-421-11 of the Labour Code lays down that each representative trade union which sets up a trade union section within an enterprise having at least 50 employees can appoint one or more trade union delegates to represent it towards the employer within the following limits:

- from 50 to 999 wage-earners	1 delegate
- from 1,000 to 1,999 wage-earners	2 delegates
- from 2,000 to 3,999 wage-earners	3 delegates
- from 4,000 to 9,999 wage-earners	4 delegates
- more than 10,000 wage-earners	5 delegates

In enterprises employing fewer than 50 wage-earners the representative trade unions can designate an employee representative as a trade union delegate, for the duration of his term of office. This mandate does not open up the right to an additional *crédit d'heures* (paid time-off) unless stipulated in a conventional provision. The time which is available to the employee representative for exercising his own mandate, can be used under the same conditions for exercising his function as union delegate.

### 4\*) The CHSCT: the committee for safety, health and working conditions

CHSCTs are set up in establishments employing at least 50 wage-earners (Article L-236-1 of the Labour Code).

The labour inspectorate can impose the creation of a CHSCT in establishments employing fewer than 50 persons when such a measure is necessary, in particular because of the nature of the work, the lay-out or the equipment of the premises.

The task of the CHSCT is to contribute to protecting the health and the safety of the wage-earners of the establishment and those at its disposal through an external enterprise, including temporary workers, as well as improving working conditions, in particular with a view to facilitating access of women to all jobs and to respond to problems connected with maternity. It is also entrusted with ensuring that the legislative provisions and legal regulations pertaining to these matters are carried out.

The CHSCT is consulted before any important re-arranging decision is taken modifying safety and health conditions or working conditions and in particular before any significant change in work stations resulting from changes in

tooling, in product or in work organisation, before any changes in work cycles and productivity standards whether or not they are linked with pay.

The employee representatives on CHSCTs can draw on a *crédit d'heures* (paid time-off) and targeted training.

### 3.4. Workforce thresholds

#### 1. Modulations in the requirements of labour law according to the size of the enterprise

The fact of crossing certain thresholds as regards number of employees triggers or increases legal or financial requirements for the employer. The existence of certain thresholds corresponds to a certain adaptation of the law to the size of the enterprise, there being a reduction of the administrative and financial burdens for small enterprises.

The table (next page) presents requirements which are conditional upon the crossing of the thresholds of 10 and 50 employees, these thresholds being the most significant as regards the new requirements they imply for enterprises.

#### 2. Reducing financial burdens linked with the threshold of 10 employees

This is the first threshold the crossing of which implies substantial financial consequences for the enterprise, since it brings in the requirement to pay compulsory contributions for building, vocational training and transport.

Article 2 of the revised finance law for 1986 (*Journal Officiel* of 12 July, 1986) laid down a new approach for "smoothing out" this threshold, which takes the place of various mechanisms for mitigating the effects of exceeding the limit of 10 wage-earners which had been brought in in 1979 and 1983.

The 1983 approach provided for a degressive reduction over 5 years, to be applied to the amount of the wages on which the calculations of the three above mentioned contributions are based. This approach is being maintained for the contributions for transport. For the other two contributions (building and vocational training levy) the 1986 approach laid down a degressive system:

- total exemption for three years
- reduction of 75% in the 4th year, 50% the 5th and 25% the 6th year.

OBLIGATIONS LINKED TO WORKFORCE THRESHOLDS

This table is limited to the main requirements linked to the thresholds of 10, 11 and 50 employees.

Employees	Obligations
10	<ul style="list-style-type: none"><li>- Social security contributions; monthly (and not quarterly) payments if the workforce is more than 9 on 1 January.</li><li>- Contribution to the <i>Fonds National d'Aide au Logement - FNAL</i> (National fund for housing aid) (0,10% + 0,13%); the additional 0,13% is applied on wages of enterprises having a workforce of more than 9.</li><li>- % for building and % for training; liability if the average number of employees during the calendar year is at least equal to 10 within the <u>enterprise</u>.</li><li>- transport payment; liability if the average quarterly workforce is greater than 9 within the <u>enterprise</u>.</li><li>- works doctor; visit by the doctor to sites with workforces of at least 10 for more than 2 months and less than one year.</li></ul>
11	<ul style="list-style-type: none"><li>- Employee representatives; mandatory if the workforce of the <u>plant</u> is at least 11 for twelve months during the preceding three years</li><li>- Disabled; hiring requirement if the workforce of the <u>plant</u> is more than 10.</li><li>- Overtime; modalities of compensatory time-off in enterprises of more than 10 employees when hours are in excess of 42.</li></ul>
50	<ul style="list-style-type: none"><li>- Monitoring employment; statement of movements of personnel of the <u>plant</u> by the <i>Direction Départementale du Travail</i>.</li><li>- Works council (<i>Comité d'entreprise - CE</i>), Safety, health and working conditions committee (<i>Comité d'Hygiène, Sécurité et Conditions de Travail - CHSCT</i>), the trade union delegation; mandatory when the workforce of the enterprise (plant for the <i>CHSCT</i>) is at least 50 for twelve months, en non-consecutive, for the three preceding years.</li></ul>

#### 4. JOBSSEKERS AND THE LEGAL CONDITIONS OF UNEMPLOYMENT

##### 4.1. The various categories of jobseekers

As soon as they are registered at *ANPE*, jobseekers' requests for employment are filed in a specific statistical category.

This classification is made according to a combination of three criteria which correspond to the situation of the jobseeker: the situation as regards employment, the availability and the type of contract sought.

Thus, five categories are defined from the viewpoint of concepts of the labour market and in accordance with the international definition of unemployment:

\* category 1: persons without work, who are immediately available and are seeking permanent full-time work;

\* category 2: persons without work, who are immediately available and are seeking permanent part-time work;

\* category 3: persons without work, who are immediately available and are seeking work of restricted duration or temporary or seasonal work (including work of very short duration);

\* category 4: persons without work, who are not immediately available and are seeking full or part-time, temporary or permanent work;

\* category 5: persons with work, who are looking for other work (temporary or permanent, full or part-time).

It should be noted that only jobseekers belonging to statistical categories 1, 2 and 3 are required to renew their requests.

##### 4.2. The current system of unemployment compensation

The system of unemployment compensation introduced on 31 December 1958 was modified on 1 April 1984. The system brought in on that date is legally based on the *ordonnance* n° 84-198 of 21 March 1984 issued by virtue of the enabling law of 20 December 1983. This *ordonnance* sanctions the separation of the unemployment compensation system into an unemployment insurance system, financed by employee and employer contributions, and a solidarity system covered by the State. It confirms the draft agreements concluded between the social partners (for the insurance system) and between the social partners and the State (for the solidarity system).

The new agreement between the social partners on unemployment insurance concluded on 19 November 1985 (which set out the new regulations for the period from 1 April 1986 to 31 December 1987) has not affected this division<sup>1</sup>.

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<sup>1</sup> The statutory modifications which came in on 1 April 1986 are described in some of the notes below.

### The unemployment insurance system

The agreement between the social partners of 24 February 1984 set out the implementing provisions of the unemployment insurance system for the period between 1 April 1984 and 31 March 1986.

As regards revenue, the reform was accompanied by an increase in employees' contributions: 1.92% of the wage compared with 1.72% from 1 July 1983, and the introduction of a supplement of 0.5% of the amount of the wage between the social security ceiling and the retirement pension ceiling of *cadres*. Employers' contributions were maintained at the rate fixed on 1 July 1983: 4.08%<sup>2</sup>.

As regards expenditure, the main alterations to the system concerned:

- the abolition of the special allowance (paid to persons made redundant) and training allowances;
- the reduction in the maximum duration of compensation (including extensions) which a beneficiary of the system is entitled to;
- the abolition of the waiting periods (*délais de carence*) following the payment by the employer of a dismissal allowance higher than the statutory allowance;
- the redefinition of the conditions of entitlement and the rates of the basic benefit;
- the way of calculating the reference wage (*salaire de référence - SR*);
- first-time jobseekers and other beneficiaries of lump sum allowances are no longer covered by the system, being transferred to the solidarity system.

The unemployment insurance system comprises two allowances:

- \* the basic benefit paid to jobseekers proving a sufficient length of membership of the system;
- \* the end-of-entitlement allowance paid to jobseekers who have exhausted their entitlement to the basic benefit.

#### The basic benefit (*allocation de base*)

For the basic benefit, the reform of April 1984 took up the main provisions of the decree of 24 November 1982, in particular that introducing a link between the maximum duration of receiving the benefit (taking account of possible extensions) and the duration of membership of the system. But in addition to having reduced the maximum durations of compensation, the reform has, compared with the decree, innovated by making the rate of benefit vary according to the duration of membership and the length for which the benefit has been received.

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<sup>2</sup> Since 1 November 1985 the rates have been raised respectively to 2.31% for the employee's contribution (plus conceivably the supplement of 0.5%) and to 4.27% for the employer's contribution. Of this 6.58%, 2% are earmarked for *l'Association pour la gestion de la structure financière*, the association for the management of the financial structure, which is entrusted with managing the resources' guarantees.



Other modifications have concerned the maximum and minimum amounts, both of which have been reduced.

Thus, those in receipt of benefit who can prove to have been in membership for more than six months draw, for a specified period of time according to their age and length of membership, the basic benefit at the normal rate (42% of the SR + a fixed amount<sup>3</sup>). On the other hand, these same persons receive, during extension periods, the benefit less 15% for those less than 50 years of age (during the six months of extension) and less 10% for the 50-55 year olds (during the first nine months of the extension and less 19% subsequently)<sup>4</sup>.

For these categories the modifications concern:

- reducing the maximum from 80% to 75%
- reducing the daily minimum to FF 95 (on 1 April 1987 the basic benefit amounted to FF 109.65)
- fixing the floor rate of replacement at 60% of the reference wage<sup>5</sup>
- modifying the amount of the fixed part (on 1 April 1987 = FF 45.55).

Those in receipt of benefit whose length of membership is comprised between 3 and 6 months only have a right to an allowance called an exceptional basic allowance (ABE) at a reduced rate (30% of the SR + a fixed amount) with a minimum daily amount within the limits of 56.25% of the reference wage.

#### **End-of-entitlement allowance (*allocation de fin de droits - AFD*)**

AFD is paid to jobseekers who have used up their rights to basic benefit provided they prove having been in membership of the system for at least 6 months.

The maximum duration of benefit depends on the proved duration of membership: it varies from 6 to 18 months; possible extensions are granted by the paritary commissions of the ASSEDICs<sup>6</sup>.

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<sup>3</sup> From 1 April 1986 the proportional amount was reduced from 42% to 40%.

<sup>4</sup> From 1 April 1986 compensation was extended by 3 months for benefit recipients over the age of 50 and by 2 months for the others (in this last case, the maximum duration of the extension of the basic benefit was reduced by one month).

<sup>5</sup> from 1 April 1986, this rate was reduced to 57%.

<sup>6</sup> On 1 April 1987 the AFD at the simple rate amounted to FF 66.80 per day and at the increased rate at FF 92.60 per day.

### The solidarity system

The system of solidarity benefits brought in on 1 April is governed by the decree of 29 March 1984. The unemployment benefits of the solidarity system are intended for those persons who are excluded from the unemployment insurance system because of inadequacies in their work references (insufficient contributory employment) or their having exhausted their rights. They replace the former *allocations forfaitaires* (lump sum allowances) and *aide de secours exceptionnel* (exceptional help aids).

#### The integration allowance (*allocation d'insertion*)

The integration allowance concerns young persons looking for their first job, single women with children, ex-prisoners, etc. It is granted for a maximum duration of one year per period of 6 months. There are three different rates of daily allowance<sup>7</sup>.

#### The specific solidarity allowance (*allocation de solidarité spécifique*)

The specific solidarity allowance is paid, after means-testing, to the long-term unemployed leaving unemployment insurance who can prove five years of dependent employment<sup>8</sup>.

This allowance is given for 6-month periods, without any limitation of duration (possibly until reaching retirement), provided that the beneficiary continues to fulfil the conditions of entitlement (looking for a job, means, etc).

### 4.3. Monitoring the jobseeker

#### 4.3.1. Reference texts

- *Ordonnance* n° 86-1286 of 20 December 1986 concerning the placement of jobseekers.
- Decree n° 87-442 of 24 June 1987 concerning the placement of jobseekers.
- Article L.311.5 of the Labour Code, as modified by law n° 87-588 of 30 July 1987 on miscellaneous social provisions.
- Circular DE87/44 of 17 July 1987 concerning the public placement service and the reform of *ANPE*.
- *ANPE* instructions concerning the management of jobseekers' files of 13 December 1985, approved by the Managing Board of 23 October 1985.

The *ordonnance* 86-1286 of 20 December 1986 as well as decree 87-442 of 24 June 1987 concerning the placement of jobseekers, completed by the ministerial circular of 17 July 1987, confer on *ANPE* the control of managing the register of jobseekers: registration, renewal of the application and deletion from the register.

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<sup>7</sup> On 1 April 1987 the integration allowance amounted to FF 41.40 per day for young persons, FF 87.40 for women and FF 43.70 for others.

<sup>8</sup> On 1 April 1987 the specific solidarity allowance amounted to FF 64.50 per day, the enhanced specific solidarity allowance to FF 92.60 per day (for the more than 55 year olds with 20 years of contributory employment and for the more than 57½ year olds with more than 10 years of contributory employment).

In fact, *ANPE*, which ensures the public placement service (Art. L.311.1) and at which every worker seeking a job is required to register (Art. L.311.2), is responsible for maintaining the register of jobseekers (Art. R.311.3.1) and hence for registration and deletion. The necessary links for carrying out this task with the external services of the Ministry of Social Affairs and Employment for monitoring job search are dealt with by ministerial circular of 17 July 1987. This latter lays down that "*ANPE* is entrusted with assessing the calibre of the jobseekers in order to concentrate its efforts and services on persons genuinely seeking work, training, or guidance or information in the vocational field".

The responsibility of *ANPE* in this field is thus set out in a precise regulatory framework, laid down in the texts referred to.

By the end of 1987 *ANPE* will proceed to completely updating the directive of 13 December 1985 on the management of the jobseekers' register which, following examination by the Managing Board, will be the subject of a new edition which takes account of the whole set of new legislative and regulatory texts.

Being specifically a matter of deletions and their consequences, the situations which have to be investigated can henceforth be grouped under three headings:

- deletions from the register by *ANPE's* own decision(s);
- deletions brought about by a decision of the Commissioner of the Republic (*DDTE*) as regards the replacement income;
- the consequences of a deletion on the conditions for re-registering at the public placement service.

#### 4.3.2. Deletion by *ANPE's* own decision

Sources: Article R.311-3-4; L.311-5 modified

These decisions concern all registered jobseekers, whether or not in receipt of benefit. They bring about the deletion from *ANPE's* register.

*There are three types of reason for deletion*

- refusal by the jobseeker without any legitimate reason to take up a job falling within his field of specialism, or compatible with his former training and paid at a rate of pay normal for that job and that geographical region;
- refusal by the jobseeker to follow training laid down under 1 and 3 to 6 of Article L.900-2;
- failure to answer a summons by *ANPE*.

*Two procedures are envisaged:*

#### Failure to answer a summons by *ANPE*

*ANPE* sends a reminder to the jobseeker who has not responded to a summons by *ANPE*; should he/she not respond to the second summons, he/she is automatically deleted from the register and informed of the situation. He/she is suspended from re-registering for 1 to 3 months.

Other cases (refusal of a job; refusal of training; non-justification of positive steps towards finding employment).

The procedure is triggered following the appraisal of the head of the local agency who, as a first step, invites the jobseeker in question to comment on the reasons for his/her refusal. Where there is no valid justification, the file is handed over to the *département* ANPE delegate who, if necessary, will impose the penalty of deletion from the register for 1 to 3 months. The jobseeker is informed accordingly and can, in the first place, exercise a right of *recours gracieux*<sup>1</sup> and then has further right of appeal to the Administrative Court (*recours contentieux*<sup>2</sup>).

The *recours gracieux* is brought before the ANPE *département* delegate. The appeal is then submitted to a *département* Commission composed of the *département* Director for Labour and Employment, the Head of the *département* Service for Labour and Social Protection in Agriculture and employers and employees. There is an equal number of employers and employees. They are appointed by the Commissioner of the Republic on the proposal of the most representative employers' and employees' organisations. The opinion of the Commission is binding for the *département* Delegate.

4.3.3. Deletions induced by the representative of the State (Commissioner of the Republic or, by delegation, the DDTE -- the *département* directorate of labour and employment).

This type of deletion only concerns jobseekers in receipt of benefit and deals with suspending compensation.

Deletions can be pronounced following systematic monitoring carried out by the external services of the Ministry of Employment (search for fraud as regards the unemployment insurance in particular) or following the deletion from the jobseekers' register triggered by ANPE (cfr 4.3.2. above). The suspension of compensation can be of a different duration from the duration of deletion from the register, without being able to exceed 3 months.

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<sup>1</sup> *recours gracieux* is one of the two types of administrative appeal. In this case the claimant appeals to the author of the contested decision (whereas in the case of *recours hiérarchique* the claimant would appeal to the authority which is hierarchically above the one which took the contested decision).

<sup>2</sup> Appeal brought before the jurisdiction of administrative courts.

## 5. MATCHING LABOUR SUPPLY AND DEMAND

### 5.1. Legislation and regulations as regards placement (Article L.311 of the Labour Code)

#### a. Opening up the *SPP*, the public placement service

The regulations concerning the *SPP* were modified (*Ordonnance* of 20 December 1986 and decree of 24 June 1987) to adapt the service to the current economic context. There are four main objectives:

- extend the actions of the placement service;
- facilitate action by local authorities in the employment field;
- adapt the public placement service to local realities; and
- encourage closer links between *ANPE* and *UNEDIC*.

To achieve this, instead of the placement monopoly brought in by the *ordonnance* of 24 May 1945 and assigned to *ANPE*, there is a controlled opening-up of the *SPP*.

#### Bodies contributing to the *SPP* (Article L.311-1)

*ANPE*'s action is the pivot of the *SPP*. It is strengthened by the action of other bodies which are authorised to make placements provided that they have concluded an agreement with *ANPE* or have been approved by the State.

These bodies are public establishments, bodies managed jointly by employers and trade unions and associations. Such bodies which become correspondents must respect the principles of the *SPP* : no charges, permanence and equality of treatment among the users.

#### Role of the *communes* (Article L.311.9 of the Labour Code and L.311-10 and L.311-11)

In areas where *ANPE* does not have an office, the mayors are in charge of collecting employment requests from jobseekers and forwarding them to the competent local office. Furthermore, if they have an agreement with the State and *ANPE* to do this, *communes* are allowed to receive vacancies and undertake placement for jobseekers who are subject to the authority of their administration.

More broadly, local authorities, in addition to placement, contribute to the social and vocational integration of jobseekers by launching training, information or reintegration activities, under conditions defined by agreement with the State and, if necessary, *ANPE*.

Finally, to carry out all these actions, mayors can have access free of charge to the list of jobseekers domiciled in their *commune*. How this list shall be communicated is defined by the Commission for Computerised Data and Freedom, thereby maintaining the necessary guarantees and administering their confidentiality.

### Closer links with UNEDIC

The *ordonnance* specifies that agreements can be concluded between *ANPE* and *UNEDIC* to combine their separate actions for jobseekers and to determine the conditions in which persons who are looking for employment can register either at *ANPE* or at *ASSEDIC*, with *ANPE* remaining responsible for keeping the register of jobseekers.

Similarly, an agreement between *ANPE* and *UNEDIC* can specify the ways in which the social partners who participate in the management of the *ASSEDICs* can participate in *ANPE's* decision-making or advisory bodies which are to be established throughout the country.

#### **b. Disseminating and advertising vacancies**

"Directors of publication are required to inform the *département* directorates of labour and employment (*DDTE*) and *ANPE* services of the vacancies which they are asked to publish at the same time as they publish them and under the conditions laid down by decree. In cases of anonymous job vacancies, the *DDTEs* and *ANPE* services can, on simple request from their side, obtain from the publisher information concerning the employer (ie. the name and address). This information can be used for possible applicants for the vacancy published" (Article L.311-4).

#### **c. General rules concerning placement**

- Placement is free of charge.

- Every worker looking for a job is required to register at *ANPE*; every employer is required to notify *ANPE* of any vacancy within his enterprise. This requirement only concerns vacancies which the enterprise intends to fill through external bodies or through external means of information.

- Approved bodies can participate in placement but are not responsible for managing jobseekers' files or job vacancies, which are the exclusive responsibility of *ANPE*.

### **5.2. Registration procedure**

How to register at *ANPE* is laid down by Articles L.311-5 and R.311-3-1 of the Labour Code, with further details being provided by ministerial instructions and *ANPE* instructions.

Thus, registration requires that a precise procedure be followed focused on three conditions:

- **First condition: personal appearance at *ANPE***

The worker has to come forward personally and physically and has to expressly request his registration. For this, he has to provide documents which enable *ANPE* to check his identity (name and domicile).

**- Second condition: declaration of seeking a job**

The worker has to fill in a form (F 19) which he signs under his penal liability (Art. 153 of the Criminal Code and Art. R. 365-1 of the Labour Code). The information provided helps in processing the application for employment. Some of the information has also administrative purposes: that on civil status, profession, availability for work and type of job sought.

**- Third condition: formalisation of the application for employment**

The request to be registered is formalised by a form of application for employment which the worker takes from *ANPE*, fills in, signs and returns to *ANPE*. When he hands back the form he receives a registration card (F 08).

*ASSEDIC*, the body entrusted with the possible compensation of the worker, is immediately informed of his registration at *ANPE* by the recording on the common register, instituted by the agreement of 25 July 1983.

**5.3. Operational methods of placement**

**a. Types of matching**

Bringing together labour supply and demand is carried out by a *prospecteur placier* (placement officer) within the local agencies according to their respective criteria: level of qualifications, location, wages, etc. Such matching can be carried out:

- by matching files of job vacancies and jobseekers within a "resources' exchange" (*centrales ressources*) - such matching then takes the form of the jobseeker being summoned; or

- during the professional interview between the jobseeker and the placement officer by looking into vacancies on the basis of the characteristics of the jobseeker.

The continuing computerisation of the files of vacancies and jobseekers in particular (cfr § 5.4. below) provides considerable help in the work of the placement officer. However, matching labour supply and demand remains the exclusive competence of the placement officer, or

- on the initiative of the jobseeker who, on the basis of a vacancy advertised through one of the channels used by *ANPE* (self-service, information by telephone, terminal or newspaper), applies for a job. There is then a short-listing before sending the jobseeker to the enterprise.

**b. Disseminating vacancies**

Vacancies are communicated to users by various approaches:

- **vacancies' self-service (*LSO*):** Vacancies are displayed on panels inside local agencies available for all to examine. Displays are thus made of vacancies belonging to the same employment catchment area (*bassin d'emploi*) or bordering catchment areas to which transport links exist;

- computerised transmission of vacancies (cfr 5.4. below);
- specialised vacancies' papers: some vacancies are disseminated nationally because of their special characteristics. This is the case for:
  - \* vacancies for managers (*SERNENC* papers are sent out in 2500 copies once each week);
  - \* vacancies abroad (*SEFRANE* papers).
- and the dissemination of vacancies by telephone or telecommunications: *ULYSSE* and *ODITEL* (cfr 5.4. below).

#### 5.4. Computer-aided placement

In accordance with its 1984-88 medium term plan, *ANPE* has developed a set of computerised tools for operational use with a twofold purpose: on the one hand, to provide the internal management of vacancies, demand for jobs and their matching; and, on the other, targeting on groups for applying employment policy measures.

##### a. The systems of internal management

###### Managing demand for jobs:

\* *GIDE* (*Gestion Informatisée de la Demande d'Emploi* - Computerised management of the demand for jobs): This system has been applied in conjunction with *UNEDIC* (the body managing unemployment insurance). It enables the demand for jobs (jobseekers) to be entered and managed (registration, alterations, monthly updating, deletions) in real time, from the local agencies, as well as jobseekers to be compensated by the *ASSEDICs* (the *Association pour l'emploi dans l'industrie et le commerce*). The entire *ANPE* network is equipped with this system of management.

\* *GIDE 1 bis* This is an enhanced *GIDE* file dealing with the demand for jobs by entering follow-up information (services provided in particular) and the refining of the existing information (level of training, of qualifications, of previous occupational experience, etc). The aim is to foster operational use: improving selection procedures for matching supply and demand; implementing training actions; etc. This system is at an experimental stage in 30 units. It is intended to extend it to cover the whole country in 1989.

###### Managing vacancies, relationships with enterprises and placement

\* *SITO* (*Système Informatique de Traitement des Offres* - computerised system for processing vacancies): 440 units are currently equipped with such a system. Obsolete technically (telex terminals) and functionally, it will be completely replaced by the *SAGE* system by 1988-89.

\* *SAGE* (*Système d'Aide à la Gestion de l'Emploi* - System for helping the management of employment) enables the computerisation of the management of vacancies to be carried out by the local agency: registration of the vacancy in real time, help in matching with demand, follow-up of trial placements, displaying vacancies, links in real time with units linked to the



*SAGE* system. This system will also enable *ANPE* actions for enterprises to be taken into consideration. The system is operating in four major regions of the country and will be generalised by the end of 1988.

**b. Managing the provision of training and the dissemination of job vacancies and the profiles of jobseekers**

\* The provision of training: *ANPE* is one of the main users of the provision of training. As such, it has taken charge of or participates in the setting-up of computerised systems for managing the provision of training. Moreover, it has access to regional systems set up under the aegis of the regional councils.

\* The dissemination of job vacancies and of jobseekers' profiles: *ANPE* has progressively set up or contributed to telecommunications systems intended for its partners (*collectivités territoriales* - local authorities - in particular) or the general public. Thus, in parallel with the development of local experiments for disseminating job vacancies, *ANPE* has started a service for nationally disseminating vacancies for skilled jobs (the *ULYSSE* service, which has registered some 50,000 calls per month since September 1986) and in trying out since 1986, in the Alsace region, a service for disseminating anonymous profiles of jobseekers for enterprises (*DIPROTEL*). In addition to these systems, a procedure for disseminating job vacancies by telephone (*ODITEL*) is used in several regions (with the financial support of the local authorities): by dialing a telephone number, the jobseeker is given recorded information on available job vacancies; he can ask to be matched with one of these vacancies by calling the local agency which holds it.

**5.5. Placement of special categories**

As a general rule, local agencies deal with all occupations. However, because of the problems raised by integrating or reintegrating specific categories of occupations (*cadres* - executives - and disabled workers in particular) into working life, services and agencies have been specialised. They are only competent for one category of jobseeker.

**a. Executives**

Jobseekers whose level of training and/or function meets the *ANPE* definitions of *cadres*, engineers and technicians can have recourse to one of the 18 *cadre* units (totalling 220 officers) spread throughout the country:

- 7 local agencies (4 in Paris, one each in Lille, Lyon and Marseille) which service the registration and the processing of the standard job request (*cadre* job request);

- and 11 sections (Bordeaux, Clermont Ferrand, Grenoble, Nancy, Nanterre, Nice, Rennes, Rouen, Strasbourg and Toulouse). Their activities are focused on relationships with enterprises, collecting and negotiating vacancies for executives. The majority of these sections do not handle the registration and the administrative processing of the job requests.

**b. Disabled workers**

French legislation in favour of the disabled\* has brought in a system of rights and duties which is mainly based on:

- the requirement for enterprises employing more than 20 wage-earners, the State and the local authorities, as well as their respective public establishments other than industrial and commercial to allocate 6% of their posts to disabled workers, the war-wounded and assimilated groups (Art. L.323-1 and L.323-2 of the Labour Code);

- the right of disabled persons to be (as regards their personal situation) recognised as having priority, to be guided towards a specialised reception centre as regards vocational re-education, training or employment and to be able to draw a special allowance should this be justified by their state (Law n° 75-534 of 30 June 1975).

For implementing this legislation as well as the measures to promote the employment of disabled workers decided on by public authorities, *ANPE* has brought in a special organisation and special services:

- at the regional level there is an officer who coordinates the activities of the special placement officers for the disabled (*PPTH* = *prospecteur placier travailleur handicapé*), whose competence is at *département* level. His role is to provide technical support and to act as correspondent with the external partners of *ANPE*;

- at the *département* level there is a *TH* - *travailleur handicapé* - placement officer who devotes all or part of his time to the vocational integration or reintegration of disabled workers. He participates in particular in the work of *COTOREP* - *Commission technique chargée d'orientation et du reclassement professionnel des travailleurs handicapés* (the technical commission for vocational guidance and rehabilitation of the disabled);

- at the local level, the job of the local agencies' staff is to inform disabled workers of their rights, the steps to be taken, and the openings available to them as regards training or sheltered employment, to inform and make enterprises aware of their duties and the schemes which can help them to hire disabled workers; and to match vacancies and disabled jobseekers.

To complement this structure, *ESPRs* have been created on the initiative of either public authorities or associations (*EPSR* = *Equipes de préparation et de suivi du reclassement*: rehabilitation preparation and follow-up teams). They bring together the social workers of several administrations. In addition to their common mission of integrating or reintegrating disabled workers, they provide the latter with support at the social level in order in particular to reinforce this (re)integration.

Furthermore, *ANPE* has concluded agreements with various bodies for the disabled, to wit: *APF* - the association for the paralysed of France, *LADPT* - the league for the adaptation to work of the physically handicapped, and regional cross-professional groupings for employing the disabled. All these reinforce *ANPE's* intervention capability.

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\* Reformed in 1987 by law n° 87.517 of 10 July 1987 (cfr *inforMISEP* n° 20)

Chapter III: MEASURES  
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ANPE and enterprises and promoting employment

## 1. Overall measures

### Exemptions

#### 1.1. Youth

Within the framework of an emergency plan for youth employment, measures giving exemptions from social charges were brought in for enterprises when hiring or taking in for training young jobseekers aged 16 to 25 years.

1.1.1. Ordonnance n° 86-836 of 16 July 1986 laid down three categories of exemptions:

\* total exemption from contributions for family allowances until 30 June 1987 for each recruitment of a young person between 1 May 1986 and 1 February 1987 on an open-ended employment contract or a fixed term contract of at least 3 months duration.

\* 50% exemption from employers' social security contributions for one year for each recruitment of a young person from 1 June 1986 during the three months following the completion of:

- an apprenticeship contract,
- a "qualification contract",
- an "adaptation contract",
- an "initiation into working life traineeship" (SIVP),
- a traineeship within a TUC - community work project,
- any other traineeship carried out by a young person who was a jobseeker or a "vocational training" trainee for the whole of the 12 months preceding the traineeship,
- extended military service having led to the award of a training certificate.

The contract or traineeship has to end at the latest on 30 June 1987, and the employment contract must be an open-ended contract or a fixed term contract of at least 3 months.

\* 100% exemption from the whole of the employers' social security contributions for apprenticeship contracts\*, "qualification contracts" and "adaptation contracts" in operation on 17 July 1986 or concluded before 1 February 1987. The exemption remains valid for the entire duration of the apprenticeship or "qualification contract", or for one year in the case of an "adaptation contract" (possibility for 50% exemption for the second year for "adaptation contracts" lasting more than one year).

For the "initiation into working life traineeships" in operation on 17 July 1987 or starting before 1 February 1987, there is complete exemption from employers' and employees' social security contributions for complementary allowances paid to the young persons by the host enterprises.

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\* Enterprises with more than 10 wage-earners, i.e. those which do not qualify for exemptions provided for since 1979 by Article L.118-6 of the Labour Code.

1.1.2. Ordonnance n° 86-1287 of 20 December 1986, modifying ordonnance n° 86-836 of 16 July 1986, extended the social security exemptions applying to "alternance" and apprenticeship training by deferring from 31 January to 30 June 1987 the final date for recruitment through apprenticeship, "qualification" and "adaptation" contracts as well as for *SIVP*.

It furthermore fixed the rate of exemption applicable to "adaptation" contracts concluded between 1 February and 30 June 1987 at 50%.

1.1.3. Law n° 87-572 of 23 July 1987 concerning apprenticeship (Article 18) and law n° 87-588 of 30 July 1987 on "miscellaneous social provisions" (Articles 70 and 71) further extended, from 1 July, the exemptions laid down for apprenticeship contracts, "qualification" contracts and *SIVPs*:

\* permanently as regards apprenticeship contracts and *SIVPs*

\* by extending until 30 June 1988 the final date for recruitment to qualify for exemptions for a "qualification" contract.

## 1.2. Long-term unemployed (LTUs)

Exemptions from social security contributions for enterprises hiring LTU jobseekers:

\* 50% exemption from employers' social security contributions for one year for all hirings by employment contracts of at least 6 months which are signed by 1 October 1988 within 3 months of the LTUs having finished:

- a traineeship or a scheme which is part of the programme to combat long-term unemployment. These are *FNE* (national employment fund) training periods for LTUs, *ANPE* modular traineeships, *FNE* training periods for single women, local programmes for integration into working life, so-called "complements to local resources" programmes, and new sandwich (*en alternance*) re-integration traineeships (Article L 980-14 of the Labour Code).

- any other traineeship recognised or approved by the State or a region, provided that the person concerned has been registered as a jobseeker for at least 12 of the 15 months preceding his entry to a traineeship.

## 2. Employment maintenance measures

1. Compensation for partial unemployment (F-ii.1)
  - A. Compensation system for the wage-earner
  - B. Partial unemployment agreements
2. Reconversion actions of the National Employment Fund (F-ii.2)
  - A. Training agreements
  - B. Adaptation agreements
3. Studies of economic and social audits in companies (F-ii.3)
4. Special measures designed for zones and companies in difficulties (F-ii.4)
  - Special actions in "conversion poles" (F-ii.4a)
  - Setting up enterprise zones (F-ii.4b)
  - Degressive temporary allowances (F-ii.4c)
  - Conversion leaves and agreements (F-ii.4d)



## **INDENNISATION DU CHOMAGE PARTIEL**

Compensation for partial unemployment (short-time working)

### **Aim**

To enable enterprises going through cyclical depressions to resort to partial unemployment rather than dismissal by having recourse to a temporary reduction in working hours.

### **Legal basis**

Labour Code:

- Articles L 351-25    L 352-2    L 322-11
- Articles R 351-50    R 322-7
- Articles D 351-3    D 321-11

### **Contents**

#### **A. Compensation system for the wage-earner**

This is a double system consisting of

- a financial help from the State (a specific allowance for partial unemployment) and
- a supplementary benefit borne by the employer.

The specific allowance (*allocation spécifique*) is paid for every hour below 39 hours per working week lost because of economic circumstances, raw material or energy supply difficulties (unless these are due to an industrial dispute affecting the employing firm), an incident causing loss or damage, exceptionally bad weather, a transformation, restructuring or modernisation of the firm, or any other exceptional circumstance. It is also paid for closure due to vacation to wage-earners who are not entitled to their full vacation.

The specific allowance is paid up to an annual quota, fixed for 1986 at 500 hours.

It takes the form of an hourly allowance equal to 65% of the "guaranteed minimum" as at 1 July each year and is advanced by the employer. (On 1 July 1987 the specific allowance amounted to FF 9,44/hour.)

The supplementary benefit (*allocation complémentaire*) is borne by the employer. When added to the specific allowance it ensures wage-earners with 50% of their gross hourly wage with a guaranteed lower limit.

#### **B. Partial unemployment agreements (*conventions de chômage partiel*)**

In order to prevent economic redundancies, the State may, on the basis of an agreement, shoulder part of the supplementary benefit paid by the employer when the difficulties the

enterprise is experiencing cannot be resolved in particular through a reduction or a jointly agreed-to "modulation" of working time.

This is being done in the framework of partial unemployment contracts concluded between the enterprise and the *département* director of labour and employment. The State aid is paid for each hour lost below a 36-hour working week. The rate of the State aid (80% maximum) applies to the lower limit of the supplementary benefit due by the employer, after deduction of the specific allowance.

**Financial resources**

- For the specific allowance 717 million FFR have been earmarked in the finance law for 1987.
- For partial unemployment (short-time working) agreements 228 million FFR have been earmarked in the finance law for 1987.

**Institutional support**

- National employment fund (FNE) - Chapitre 4671 - Art. 20
- National employment fund (FNE) - Chapitre 4471 - Art. 20

**Duration**

unlimited

**ACTIONS DE RECONVERSION DU FONDS NATIONAL DE L'EMPLOI**  
Reconversion actions of the National Employment Fund

**Aim**

To facilitate the reconversion of those employed in enterprises which are considering restructuring.

**Legal basis**

Articles L and R 322-1 *et seq* of the Labour Code

**Contents**

**A. Training Agreements (*les conventions de formation*)**

Training agreements aim to resolve specific employment problems raised by technical change, by redeployment of activities in enterprises or by the business cycle. These agreements can thus not be concluded to meet lasting training needs which can only be covered in the framework of the law of 16 July 1971 (Book IX of the Labour Code). In any case, intervention by the *FNE* must be justified by the urgency, temporary character and the specificity of the training action to be implemented.

A training agreement can be envisaged in three cases:

- when an enterprise, partially or completely restructuring its activities, ensures reconversion of its personnel to maintain employment;
- when an enterprise, which is planning a reduction in its workforce or is likely to wind up its activities, agrees to ensure the vocational retraining of the workers who will be made redundant and taken on in other enterprises;
- when the creation or expansion of one or more enterprises brings about an urgent need for skilled manpower which cannot be met at once by the existing training bodies (*AFPA* or approved centres).

The length of training can in theory vary between 40 hours and 3 years; in practice it varies between 120 and 1200 hours.

The financial help granted by *FNE* can cover operating expenses and expenses for remuneration through an annual agreement. Operating costs can be covered by the *FNE* to the tune of 70% at the most (except for exceptional circumstances), the remainder being covered by the enterprise.

For the remuneration of trainees two cases are distinguished:

- the trainees have an employment contract. In this case *FNE* can reimburse the enterprise 70% of the wages, the maximum rate

authorised by the regulation. However, only exceptional circumstances can lead to a rate higher than 50% being covered;

- the trainees do not have an employment contract. In this case the State pays the remuneration of the trainees directly according to the system provided for by the decrees of 27 March 1984 dealing with the remuneration of "vocational training trainees".

#### **B. Adaptation Agreements (*Les conventions d'adaptation*)**

Adaptation agreements are designed for enterprises which set up, expand or change their production and have to envisage adapting their personnel to the jobs. Adaptation agreements differ from training agreements on two key points:

- adaptation is carried out totally or partially on the job and comprises some productive work;
- adaptation does not generally lead to a change in skills.

Requests by enterprises need to be examined by the *département* director of labour and employment on the basis of two types of criteria:

##### Employment criteria

- the value of the operation for local employment: a response to an employment imbalance, employment maintenance or diversification of activities in an employment zone;
- the quality and lasting character of the jobs created or maintained.

##### Training criteria

- the inexistence of approved requisite resources, public or private, likely to meet the needs
- the value of the training. In this respect, the training of trainers is an indispensable condition for any costs being covered by the *FNE*.

The minimum length of training is 40 hours.

Financial help granted by *FNE* by means of an annual agreement covers:

- operating expenses: the percentage covered is negotiated between the enterprise and the *département* directorate of labour and employment (*DDTE*). With very rare exceptions, the maximum is 70% of the operating expenses relating to hours of training.
- the remuneration of those concerned: the trainees who have an employment contract receive their normal wages.

The *DDTEs* reimburse enterprises up to a maximum of 50% of the part of wages corresponding to the hours of training. However, the amount usually covered varies between 25% and 40%.

#### **Financial resources**

182 million FFR are earmarked in the 1987 budget for training actions undertaken by agreement. This figure only concerns contributions to the operating expenses covered in the *FNE* budget chapter.

Amounts made available for remunerations feature separately in the budget of the Ministry.

#### **Institutional support**

*FNE* (National Employment Fund) - Chapter 4474 Art. 46 § 90 (training) and § 20 (adaptation).

#### **Effects**

In 1986 330 training agreements were concluded covering a total of 10.053 trainees.

For the same year, 478 adaptation agreements were concluded covering a total of 19.600 beneficiaries.

**ETUDES D'AUDITS ECONOMIQUES ET SOCIAUX DANS LES ENTREPRISES**

Studies of economic and social audits in companies

**Aim**

- To ensure objectively the validity of certain applications for economic redundancies or requests for an agreement with the National Employment Fund (FNE) (partial unemployment, training);
- to check the validity of certain recovery projects for companies experiencing difficulties or for turn-arounds after bankruptcy petitions having been filed;
- to make economic and social sectoral analyses;
- to study the industrial and social problems of an employment catchment area (*bassin d'emploi*) which is in a particularly difficult situation in order to initiate measures for industrial and social reconversion;
- to carry out technical studies on the problems of production and work organisation linked with the reduction of working time.

**Legal basis**

**Contents**

These studies are designed to verify, if necessary, the effective existence and the bearing of the alleged economic difficulties.

They are decided on in agreement with the enterprise, either solely on the initiative of the ministry of employment or in conjunction with other departments or parties concerned.

They can be carried out at the local or central levels by experts chosen jointly by the parties requesting the studies.

**Financial resources**

6,8 million FFR have been earmarked in the 1987 budget.

**Institutional support**

The National Employment Fund (Chapter 4474 Art. 83)

**Duration**

The measures were launched in 1982. No limit has been fixed for their application.

F-ii.4

#### **SPECIAL MEASURES DESIGNED FOR ZONES AND COMPANIES IN DIFFICULTIES**

- Special actions in "conversion poles" (F-ii.4a)
- Setting up enterprise zones (F-ii.4b)
- Degressive temporary allowances (F-ii.4c)
- Conversion leaves and agreements (F-ii.4d)

F-ii.4a

#### **ACTIONS SPECIFIQUES DANS LES POLES DE CONVERSION**

Special actions in "conversion poles"

In a certain number of sectors characterised by both high geographic concentration and the scale of industrial change to be faced, the government decided at the beginning of 1984 to bring in special measures. These implied speeding up interventions and fostering the concentration of actions.

The industries selected were coal mines, steel, shipbuilding, motorcars and the telephone industry. Conversion poles are located in nine regions in which the eligible industries can draw on existing procedures for encouraging company start-ups (CIDISE, FDES and FIM loans, industrial policy credits, physical planning premia, and agricultural guidance premia) at the most favourable rates. The ceiling on aid from the State resulting from combining the different procedures can, in the conversion poles, be raised to 60% of the investment being made. For these procedures a regional committee on aids replaces the different committees concerned and the files are handled within a period of two months.

Furthermore, the law of July 8, 1984 on the development of economic initiatives aims at fostering the creation and the development of enterprises, particularly through measures supporting industrial restructuring through a mechanism whereby the fiscal deficit carried over will be paid on behalf of the new company owner.

Exemptions from the trade income tax as well as special local and regional premia are granted according to the rules of the local and regional authorities.

The direct plan for action dealing with employment in the poles should enable the employment market to be followed closely and conversion, redeployment and training activities to be carried out dynamically.

The following special employment measures have been drawn up for the conversion poles:

\* Within the employment catchment area it is possible to draw on special *FNE* allowances (early retirement at 55 years linked with the recruitment of workers made redundant by enterprises of the same catchment area) and on temporary degressive allowances (compensating over a 2-year period for the loss of income of a wage-earner accepting a lower-paid job) (cfr F-ii.4c);

\* It is possible to make use of "employment-training" and "employment-guidance" contracts for all jobseekers of the catchment area with an increased contribution by the State.

\* There is the possibility for increasing the amounts of financial help for employment created by local initiatives.

\* In Lorraine, the State will make a special contribution towards financing social charges pertaining to jobs which have been created.

\* The conversion leave (*congé de conversion*) which the steel industry and the big shipyards opted for, will enable the surplus staff in these two industries to be retrained (cfr F-ii.4d).



***MISE EN PLACE DE ZONES D'ENTREPRISES***

Setting up enterprise zones

**Aim**

Foster and accelerate the reconversion of zones in trouble.

**Legal basis**

*Ordonnance* of 15 October 1986

**Contents**

To foster within zones of at the most 300 hectares per employment catchment area (*bassin d'emploi*), the setting up of new activities by offering enterprises special advantages:

- tax exemptions on profits for 10 years;
- alleviating and accelerating administrative procedures;
- designation of one single counterpart in the administration.

This is a pilot measure set up in three *bassins d'emploi* affected by shipyard closures (Dunkerque, Aubagne La Ciotat, Toulon La Legue), which can be combined with the measures applied in conversion poles.

F-11.4c

**LES ALLOCATIONS TEMPORAIRES DEGRESSIVES**

Degressive temporary allowances

**Aim**

To provide temporary compensation for the difference in wages in cases of finding work in lower paid jobs.

**Legal basis**

Art. R.322.6 *et seq* of the Labour Code.

**Contents**

To facilitate redeployment (*reclassement*) actions, the government decided to set up a special scheme of degressive temporary allowances in conversion poles and in certain branches of industry undergoing industrial restructuring.

Under agreements for temporary degressive allowances, the State contributes to the aid given by the enterprise to workers made redundant for economic reasons who accept other work for pay lower than that which they were receiving from their previous employer.

The special scheme designed for conversion poles ensures better compensation of the wage gap than the general scheme. The beneficiaries maintain a level of income corresponding to their previous nominal wage for the period required for catching up with their previous wage within a two-year limit.

**Institutional support**

FNE - National Employment Fund

**Financial resources**

1987 budget: FFR 18.2 million

## **LES CONGES ET LES CONVENTIONS DE CONVERSION**

Conversion leave and agreements

### **Aim**

Over and above in-company training carried out under agreements which are preventive in nature, "conversion policy" is focused on conversion leave (*les congés de conversion*) brought in in 1984 by branch-level agreements in the steel industry (CGPS), and ship building and repairs, and on conversion leave applying to all companies, which was brought in by the law of 5 August 1985. Finally, the law of 30 December 1986 set up conversion agreements (*les conventions de conversion*) in the context of the reform of the law on dismissals.

### **Legal basis**

Law of 5 August 1985 (conversion leave) and law of 30 December 1986 (conversion agreements).

### **Contents**

a) Beneficiaries of conversion leave in ship repairs and steel have tended to undergo lengthy training lasting 1,200 hours or more. The length of this leave (2 years) and the rate of financial participation of the State (50% of the cost) indeed enable reconversion and changes of occupation to be envisaged. The nature of the training in question and the hourly costs vary considerably. The conversion units (*les cellules de conversion*) have tended to foster long training periods within the framework of a medium-term reconversion rather than the quest for rapid redeployment.

b) Beneficiaries of conversion leave brought in by the law of 5 August 1985 are those who have undergone shorter training given the maximum duration of the leave (10 months) and of the lower average financial contribution rate of the State for training costs (30% to 35%). The aim of this type of conversion leave is in fact more a rapid redeployment and direct job search than reconversion and a change of occupation. From this point of view, training is considered as one help among others to re-enter employment, and not as an aim in itself. On the other hand, an initial phase of overall assessment is systematically carried out before any attempt at placement or training is made. The duration and the cost of training have varied very considerably, though have very rarely exceeded 600 hours. Furthermore, a not insignificant number of persons have been placed without any training having been undertaken. It should be noted that, unlike conversion agreements described under c) below, wage-earners who make use of conversion leave remain linked to the enterprise by an employment contract.

c) Conversion agreements (*Les conventions de conversion*)

Legal basis

Conversion agreements have been instituted by the central agreement (*Accord national interprofessionnel*) of 20 October 1986 and by law n° 86-1320 of 30 December 1986 (Art. L.322-3 of the Labour Code). The implementing orders n° 87-132 and 87-133 are dated 27 February 1987. The agreement between the State, AGCC and UNEDIC laying down the financial contribution of the State was signed on 17 March 1987. The first agreements were concluded at the end of March 1987.

Contents

The conversion agreement is a social measure for supporting staff reduction plans. It is general in scope, enterprises having to propose a conversion agreement to wage-earners threatened with dismissal when:

- they dismiss fewer than 10 persons;
- dismissal affects more than 10 wage-earners, if the enterprise employs fewer than 50 wage-earners or has no institution which is representative of the personnel.

In all other cases the agreement is optional, but the enterprises have to draw up a social plan.

The agreement offers wage-earners who take it up, the opportunity of undergoing training activities for 5 months and a maximum of 300 hours, designed to facilitate their redeployment. The prime contractor of such training is ANPE.

The beneficiaries of these agreements receive a special training allowance which is paid by ASSEDIC. As a counterpart, the wage-earners are not given notice of dismissal, the equivalent of which is paid by the enterprise to the ASSEDICs to finance the special training allowance.

Training is financed jointly by the State, UNEDIC and the enterprise:

- those enterprises which are required to pay the statutory 1.2% training levy, pay a lump sum of FFR 4.000 for each of their employees enrolled in training. However, enterprises with fewer than 50 wage-earners with training expenditure exceeding the statutory minimum can have this contribution reimbursed by the State.

Moreover, they pay the equivalent of the social charges pertaining to notice, excluding the social security contribution.

- The State pays FFR 2.500 per beneficiary enrolled in training.
- UNEDIC pays FFR 2.000 per beneficiary of agreements.

Since the law of 10 July 1987, it is compulsory for enterprises which are being restructured or are under judicial liquidation, to propose conversion agreements to their wage-earners whom they intend to dismiss. In such cases, the contribution to the running costs of the conversion agreements which have normally to be covered by the enterprise, is borne by the State.

As at 31 July 1987, some 4.500 persons had been enrolled. The scheme is thus in the start-up period. It is too early to be able to draw any conclusions regarding vocational training and redeployment of workers and to analyse what training has been chosen by wage-earners who have taken up such agreements.

The financial participation of the State relating to such training is chargeable to Chapter 44-74, Article 65.

3. Measures giving aid to the unemployed

Compensation for total unemployment (cfr Chapter II, 4.2)

4. Measures aimed at training, retraining and occupational mobility

1. Vocational training of adults (F-iv.1)
  - a. AFPA (F-iv.1a)
  - b. Actions agreed by the Minister of Social Affairs and Employment (F-iv.1b)
  - c. Vocational training in national (collective) centres not managed by AFPA (F-iv.1c)
  - d. Experimental training activities (F-iv.1d)
2. Actions of the FNE - the National Employment Fund (F-iv.2)
  - a. Training and adaptation actions (F-iv.2a)
  - b. Training for unemployed executives (F-iv.2b)
  - c. Training for long-term unemployed jobseekers (F-iv.2c)
  - d. Actions for the disabled (F-iv.2d)
  - e. Traineeships run by ANPE (upgrading traineeships and modular training courses) (F-iv.2e)
3. Specific actions for aiding vocational integration (F-iv.3)
  - a. Programme for 16-25 year olds (F-iv.3a)
  - b. Alternating training (F-iv.3b)

F-iv.1

**FORMATION PROFESSIONNELLE DES ADULTES**

Vocational training of adults

**a. AFPA**

F-iv.1a

The key element in the provision of adult vocational training is AFPA, the association for the vocational training of adults. It is an association which is subject to the system of the law of 1901. Since July 1984 it has been placed under the overall control of the Ministry of Labour, Employment and Vocational Training.

AFPA's main task is vocational training of jobseekers. It carries out reconversion, vocational promotion and development actions; its training courses were also opened in 1979 to wage-earners with a work contract during individual training leave.

AFPA also carries out recurrent training actions at the request of enterprises, either by running tailor-made programmes or through providing training similar to that of its purview terms. These actions are covered by an autonomous budget financed through income from services provided for enterprises.

Finally, AFPA carries out training actions within the framework of restructuring or industrial conversion, paid for by the FNE, the national employment fund.

In addition to its headquarters in Montreuil, AFPA's structure consists of 22 regional agencies established during 1982 which have been given important responsibilities in the following areas:

- relationships with public authorities and employer and trade union organisations
- development of training capacity
- development of all AFPA services
- implementation of State-Region planning contracts.

AFPA also has seven CPTAs (pedagogical and technical support centres) and 21 CPRs (psycho-technical centres) which are responsible for trainee guidance and carry out psycho-technical tests.

AFPA manages 130 vocational training centres for adults spread over 87 départements.

In 1986, AFPA had an operating budget of 3 339,9 million FFR and an investment budget of 245,2 million FFR.

AFPA has a staff of 9800.



- b. Actions conventionnées par le Ministre des Affaires Sociales et de l'Emploi. Chapitre 43.71 - Article 40 F-iv.1b  
Actions agreed to by the Minister of Social Affairs and Employment

Such actions enable private centres to be given financial support for running training aimed at either integration or vocational reintegration of wage-earners and jobseekers.

In 1986 agreements were signed which enabled 11,800 persons to be trained, of whom 9,750 completed the course. The figures for 1985 were respectively 11,200 and 9,450.

- c. Actions de formation professionnelle dans les centres collectifs nationaux non gérés par l'AFPA. Chapitre 43.71 - Article 30 F-iv.1c  
Vocational training in national (collective) centres not managed by AFPA.

Private bodies receive grants from the Ministry of Social Affairs and Employment which cover a significant part of their operating and investment costs for adult vocational training activities.

In 1986, courses given in these centres enabled 2,500 persons to be trained for a total cost of FFR 79.8M, the 1985 figures being respectively 2,600 and FFR 79.8M.

- d. Actions de formation professionnelle de type expérimental. Chapitre 43.71 - Article 20 F-iv.1d  
Experimental training activities

The policy of making agreements enables training bodies and enterprises to be helped to develop innovative training in sectors which are not covered by AFPA. These activities provide AFPA with access to new techniques and technologies without making additional outlays in investment and open up improved placement prospects by accelerating the adaptation of the training it provides to the needs of the economy.

In 1986, 8 agreements were signed enabling 374 trainees to be trained for a cost of FFR 8,799,150.

F-iv.2

**LES ACTIONS DU FONDS NATIONAL DE L'EMPLOI**

Actions of the FNE - the national employment fund

a. Les actions de formation et d'adaptation

F-iv.2a

Training and adaptation actions  
(cfr F-ii.2)

b. Les actions de formation pour cadres et assimilés  
demandeurs d'emploi

F-iv.2b

Training for unemployed executives and similar jobseekers

These actions were the subject of a circular of 21 June 1977.

Training actions must enable unemployed executives who have experienced considerable problems in being re-employed to maintain their previous skills' level in order to facilitate redeployment without downgrading.

Training courses covered by an agreement (*convention*) are for executives during their careers and are not specialised training periods.

The agreements set out the modalities for organising each training course financed by the Ministry of Labour with the help of ANPE - the national employment agency - and APEC - the association for the employment of executives, engineers and technicians, ANPE's approved correspondent.

In 1986 4,191 jobseekers started on a traineeship within the executive traineeship programme of the *Délégation à l'Emploi*, financed by the FNE. This was an annual increase of 2%.

The corresponding financial commitments amounted to FFR 66 million for training expenses, which was an increase of 5% over 1985.

c. Actions de formation en faveur des demandeurs d'emploi,  
chômeurs de longue durée

F-iv.2c

Training for long-term unemployment jobseekers

**Legal basis**

- \* Finance laws for 1985, 1986 and 1987
- \* Law of 10 July 1987 on combatting long-term unemployment

**Contents**

1. The scheme

In 1985 and 1986 the money earmarked for the FNE enabled additional training to be given to more than 35,000 jobseekers per year. The placement rate for trainees (measured 6 months after the completion of the training) has remained more or less stable from one year to the next: 43.7% in 1985 and 43.9% in 1986 (surveys directly of the trainees).

Now integrated into a set of measures which were taken in the context of the law of 10 July 1987 on preventing and combatting long-term unemployment, *FNE* training activities should cover 45,000 unemployed persons in 1987.

## 2. Aim

The training provided aims essentially at upgrading the knowledge of those concerned by means of relatively short traineeships (550 hours in 1986, 450 hours in 1987). The traineeships are organised, under the responsibility of the public employment service (*DDTE*, *ANPE*, *AFPA*) and after consultation with the social partners. They take the form of either specialised courses run for groups or individual access to pre-existing training.

There is coordination at the level of each region between the different programmes run by the State, by the *Préfets*, the commissioners of the Republic.

## 3. The beneficiaries

Priority is given to adults (over 25 years of age) who have been looking for employment for more than 12 months and for whom *ANPE* has recognised that additional training would be useful. By dispensation, young people under 25 years of age who are not first-time jobseekers can also participate in the training.

## 4. Financial aspects

The operating costs of the traineeships and possibly also the pay of the trainees are covered on the following bases:

\* *FNE* covers all or a part of the operating costs of the traineeship on the basis of an agreement signed by the *Préfet*, the training body and the *ANPE* and *AFPA* representatives.

The average intervention cost is set at FFR 20 per trainee hour. Individual aid for training is given under the same conditions, with a ceiling at FFR 12,000 per traineeship.

\* The status of the trainees, and hence their remuneration, varies according to the duration of the traineeship undertaken. When this exceeds 300 hours, they fall under the status of *stagiaire de la formation professionnelle*, vocational training trainee. Remuneration and social protection are provided by the State. When traineeships last less than 300 hours, the jobseeker continues to receive his/her unemployment benefit and is dispensed from the requirement to look for a job. The State provides social coverage for accident risk at work and occupational illness.

d. Actions en faveur des handicapés

F-iv.2d

Actions for the disabled

Individual FNE vocational adaptation agreement for disabled workers

The FNE vocational adaptation agreement was brought in by circular n° 65 of 24 October 1983. It aims to facilitate the hiring of physically and mentally handicapped workers who experience particular difficulties in getting employment and need to pass through this adaptation phase to a work station before being able to be finally recruited to a permanent job.

Since 1 January 1987 a vocational adaptation agreement can be concluded between the regional commissioner of the Republic or the regional director for labour and employment and the employer after investigation by the département director for labour and employment. It lays down that, for a maximum period of 6 months, 80% of the SMIC and of the employer's social security contributions are reimbursed to the employer by FNE.

1,500 agreements were signed in 1986.

Money earmarked in the finance bill were FFR 18M in 1986 and FFR 24M in 1987.

e. Actions de mise à niveau et stages modulaires (C.L.D.)

F-iv.2e

Upgrading actions and modular training courses (LTUs)  
(run by ANPE)

Within the framework of money earmarked for it by FNE for vocational training, ANPE has organised and directly financed training courses for some 70,000 trainees in 1986:

\* 52,000 LTUs (modular training courses)

\* 13,500 skill updating activities for enterprises which accept to hire jobseekers whose profile is not directly adapted to their needs. About 3,500 of these actions concerned LTUs.

Les stages de mise à niveau

Upgrading traineeships

The aim of these traineeships is to reduce the inadequacies between the supply and demand for labour at the local level. They take account of job vacancies notified to the local agencies which normal placement operations have been unable to fill and jobseekers with the skills and qualifications which come nearest to meeting the requirements of the vacancies in question.

Les stages modulaires

Modular training courses

Modular training courses were started by ANPE in 1985. They are designed for jobseekers who have been registered for more than one year at ANPE, and are aimed at vocational reintegration rather than training. The itinerary for integration consists of a coordinated set of complementary actions in the forms of modules: occupational assessment, re-training for employment, updating the educational and/or vocational level, modernising and adapting skills to technological change, broadening skills to enable a shift towards a

related occupation, job search techniques and support. This set of actions is aimed at increasing the employability of jobseekers and must lead to employment.

Particular attention is given to the most disadvantaged jobseekers, both as regards the time they have been without work as well as by the absence of being in receipt of an allowance and the precariousness of their financial situation. Such persons have priority access to training activities.

The job of *ANPE*, which puts on the courses, is:

- \* to determine the major groups of occupations of LTU jobseekers for whom it makes, in concert with the *DFP*, the vocational training delegation, proposals for framework cooperation agreements to the Minister (for national training bodies) and to the regional *Préfets* (for regional bodies). Should the need arise, it can call on local training bodies as well as enterprises, which have training facilities.

- \* to identify jobseekers who fall under this programme to inform them of the new opportunities, particularly during follow-up interviews after the 13th and 25th month of unemployment.

- \* to intervene in specified phases of training, in particular during the occupational assessment phase and during help in job search sequences.

At the same time, *ANPE* has to pinpoint employment opportunities, with the help in particular of employers' associations. On the procedural level, *ANPE* has to negotiate, manage and sign the framework agreements with the training support bodies.

Generally speaking, trainees will have the status of "vocational training trainee".

F-iv.3

**LES ACTIONS SPECIFIQUES D'AIDE A L'INSERTION PROFESSIONNELLE**

Specific actions for aiding vocational integration

a. Le programme en faveur des 16-25 ans

F-iv.3a

Programme for 16-25 year olds (cfr F-vi)

b. Les formations en alternance

F-iv.3b

Alternating training

Such training completes and strengthens the existing package of vocational training and aid measures for the employment of young people.

Training is geared to the 18-25 year olds and, by derogation, the under-18s, who are experiencing real trouble in entering working life, in particular those who have been registered as jobseekers for several months.

There are three schemes:

\* le contrat de qualification - the qualification contract is aimed at obtaining a vocational qualification, diploma, recognised certificate, recognition by a collective agreement;

\* le contrat d'adaptation à l'emploi ou à un type d'emploi - the contract for adapting to a job or a type of job is designed to enable young jobseekers who have already acquired initial qualifications to move rapidly into a job through supplementary training;

\* le stage d'initiation à la vie professionnelle (SIVP) - the initiation into working life traineeship aims to enable young jobseekers who are experiencing trouble to become acquainted with working life.

**Financial resources**

SIVPs are covered by the State. However, it is enterprises which finance the qualification contracts and the adaptation contracts in return for a reduction in charges: previously they were required to pay to the Treasury on account of training, a sum of 0.1% of the paybill liable to apprenticeship tax, and a sum of 0.2% of the paybill as a down payment for compulsory expenditure on recurrent training. From now on, the enterprises exempt from these payments, can make the corresponding expenditure directly according to adapted modalities. These expenditures of the order of FFR 3 billion, can be made within the framework of collective agreements between representatives of the employers and the wage-earners or, where there is no such agreement, by payment to a mutual fund or, finally, by a direct commitment of the expenditure.

## 5. Job creation measures

1. Measures dealing with working time (cfr. F-vii)
2. Promotion of employment (F-v.1)
  - Aid to jobseekers who set up their own business (F-v.1a)
  - Other employment promotion activities (F-v.1b)
    - \* Decentralised *département* allocations for employment promotion
    - \* Development of peripheral employment
    - \* Measures authorising limited work for the unemployed in receipt of benefit

F-v.1

**PROMOTION DE L'EMPLOI**  
Promotion of employment

**a. Aid to jobseekers who set up their own business ("starter")**

F-v.1a

**Legal basis**

The arrangements brought in by the law of 22 December 1980 were significantly modified following the agreement of 10 February 1984 between the State and the social partners concerning unemployment compensation. From that time the aid has been fully borne by the State within the framework of the 'solidarity system'. It was also made accessible to jobseekers in receipt of benefit, even if they had never worked before.

**Contents**

The scheme consists of two parts:

\* financial help ranging from FFR 10,750 to FFR 43,000 according to the previous work references of the persons starting their own business and the length of their registration as jobseekers. A single increase of the help amounting to FFR 21,000, maximum, can be made in the six months following the start-up of the activity in cases of additional job creation;

\* continued social insurance coverage which the "starter" previously had, free of charge, for two quarters.

Jobseekers in receipt of such help must be effectively in charge of the enterprise they control or have taken over.

Statistics of the help granted show that, for the period from 1 January 1979 to 31 December 1986 there were some 303,000 beneficiaries.

For 1986 alone there were 71,000 beneficiaries for 62,000 businesses created or taken over. The figures for 1986 confirm the marked upswing in the programme in 1985 after a fall in 1984 brought about by changes in the programme.

- According to the statistics for 1986, the beneficiaries were mainly men (79%) with qualifications (27% executives, supervisors and technicians and 37% skilled workers), who had been unemployed for a short time (57% have been jobseekers for less than 6 months).

- Building and public works (19%), commerce/trade (28%) and commercial services (29,5%) make up some 75% of businesses created. The predominant status is that of the individual entrepreneur, but since 1985 there has been a strong increase in company take-overs.



- The durability of the jobs created has been ensured. According to the exhaustive statistics of *UNEDIC*, the rate of return to unemployment benefit is less than 14% two years after the creation of the business.

- The average amount of financial help paid in 1986 was FFR 31,000, the exemption from social contributions not being taken into account. The initial budget for the scheme in 1986 was FFR 1.45 billion. Following from the large increase in the number of applicants, the amount of funds set aside for the examining services was increased to FFR 2.25 billion.

In 1987 the modalities for granting this help were modified. Applicants must from now on fill in a file enabling Commissioners of the Republic to assess the substance and the reality of the project.

Applicants' files are examined by a *département* committee which has to give its opinion to the *Préfet* and, if necessary, propose measures for supporting the projects.

b. Other employment promotion activities

F-v.1b

Decentralised *département* allocations for employment promotion

To allow for greater flexibility in using financial support at the local level, most of the money earmarked for promoting employment other than help for jobseekers who start or take over an enterprise, has been brought together in a *département* allocation.

The implementation of this allocation is supplementary to the scheme for jobseekers who are starting their own business. For it enables this programme to be supplemented on different points:

\* by means of help for employment creation in expanding enterprises. This is the *EIL* programme (local employment initiatives programme). The amount of this help can now vary from FFR 10,000 to FFR 40,000 according to the needs of the person responsible for the project and its interest. In some areas which are experiencing special difficulties, the ceiling can be raised to FFR 60,000.

\* by financial help for enterprise start-ups by young people and long-term unemployed jobseekers. This is the *FDIJ*, the *département* fund for youth initiative. This scheme supplements the activities undertaken within the framework of help for jobseekers who start up or take over an enterprise, for target groups who have difficulty in meeting the eligibility criteria for this help but who nevertheless have priority.

\* by supporting actions and technical assistance for enterprise start-ups (advice, follow-up, feasibility studies, etc).

Finally, this allocation can also be used to help start up "intermediary associations" the aim of which is to help reintegration into working life of those who are experiencing difficulties. It does this by offering them the

opportunity of temporarily working within the framework of a *contrat de mise à disposition*, a contract for making them available for working.

In 1986 the following were granted:

- 2,515 *EIL* for an amount of FFR 96 million,
- 3,144 young people received *FDIJ* support for FFR 86 million
- 173 employment agreements were concluded for FFR 16 million.

Compared with 1985 there was a considerable increase in the use made of *FDIJ*.

Finally, employment promotion agreements amounting overall to some FFR 14 million were concluded in 1986 within the framework of contracts between the State and other bodies: *Plan Etat-Région*, *Etat-Confédération Générale des SCOP* and the *Etat-Comité de Liaison des Boutiques de Gestion*.

### Development of peripheral employment

The approach used has been to search for new "layers" of employment and to grant special conditions to foster employment maintenance or development, while at the same time ensuring that there is no employment displacement and distortion of competition.

These "layers" concern short-term or casual jobs, family jobs (*des emplois de proximité*), etc.

Various initiatives have been taken in this respect:

#### \* Special schemes for developing specific categories of employment

Some schemes allow for reductions in social contributions for certain types of jobs:

- Persons carrying out door-to-door sales of goods and services (*arrêté/order of 24 December 1986 setting out the assessment basis for social security contributions*).
- Local correspondents of the regional or *département* press, newspaper vendors (*order of 27 March 1987 laying down the conditions for the State's taking over a part of the social security contributions*).
- Work at home for certain categories of persons: couples or single people who work and have a dependent child of less than 3 years of age, the disabled living alone, persons over 70 years of age or old couples living alone (*1987 finance law*).

#### \* Setting up intermediary associations (*associations intermédiaires*)

The aim is both to develop new activities, ie. those which are not ensured in local economic circumstances through private initiative or by the action of public groups or bodies which receive public support, and to foster the social and economic reintegration of the jobless. The law of 27 January 1987 created a new status of "intermediary association", the role of which is to hire jobless persons and to make them available against payment.

The intermediary association is hence the instrument for bringing together those offering new activities and persons who will thus be

able to earn an income and acquire new entitlement (to unemployment insurance or social security).

Several measures have been taken to foster the action of intermediary associations:

- Exemption from employer's and employee's contributions for social insurance and family allowances (up to 200 hours maximum in total per quarter)
- A special type of work contract: the *contrat de mise à disposition* (contract for making persons available)
- A lump sum contribution for occupational accidents.

Intermediary associations must be approved by the *Préfet*, the Commissioner of the Republic. The aim of this procedure is to verify that the intermediary associations really do develop new activities, which implies good concertation with their socio-economic environment.

#### Limited work for the unemployed in receipt of benefit

Furthermore, the development of intermediary activities has been facilitated by the decision of the social partners managing the unemployment insurance system, to authorise the unemployed to a larger extent than had been the case, to do a limited amount of work. The previous rules only allowed 30 hours of work per month, or 50 hours after an examination by the *ASSEDIC* paritary committee; were this exceeded, the payment of unemployment benefits could be interrupted. The social partners decided to conduct an experiment from 1 December 1986 whereby jobseekers could do a certain limited amount of work - 78 hours per month (provided that the pay obtained in this way does not exceed 78/169th of the reference wage) while continuing to receive unemployment benefits, which would be reduced accordingly.

6. Measures in favour of special categories of people

Young people

- Preparation-for-employment traineeships (F-vi.J1)
- Apprenticeship (F-vi.J2)
- TUC - Community work projects (F-vi.J3)
- Alternating training (cfr F-iv.3b)
- Exemptions from social security contributions (cfr 1. overall measures)

The disabled (F-vi.H)

The long-term unemployed (F-vi.CLD)

- SRAs and CRAs - Sandwich (alternance) reintegration traineeships and contracts (F-vi.CLD1)
- PILs - Local integration programmes (F-vi.CLD2)
- PLIFs - Local programmes for integrating women (F-vi.CLD3)
- Exemption from social security contributions (cfr 1. overall measures)

**STAGES DE PREPARATION A L'EMPLOI**

**Preparation-for-employment traineeships**

**Aim**

To enable young people to prepare a realistic plan for entering working life.

Target group : young persons aged 16-25 years:

- 16-18 year-olds who left school at levels VI and V bis
- 18-25 year-olds who are first time jobseekers of the same levels or the long-term unemployed.

**Legal basis**

- \* Decrees n° 85-409 and 851494 of 30.04.85 and 20.12.85
- \* Decrees n° 86-213 and 214 of 14.02.86

**Contents**

The traineeships have a diagnostic and learning function, consisting of general theoretical training and periods within enterprises. They last on average 6 months, 25% being within an enterprise.

The trainees have the vocational trainee status. They receive a variable training allowance:

FFR 580 to FFR 798 per month for the 16-18 year olds  
FFR 1,270 per month (approximately) for the 18-21 year olds  
FFR 1,700 per month (approximately) for the over 21s  
FFR 3,800 for single mothers, and the disabled looking for their first job.

## **APPRENTISSAGE**

### Apprenticeship

#### **Aim**

Apprenticeships are employment contracts of a special type, the aim of which is to provide young workers who have completed their compulsory school attendance with general training, theoretical and practical, with a view to obtaining vocational qualifications recognised by a "second level", or higher, vocational or technological education diploma.

#### **Legal basis**

Articles L 115-1 et seq of the Labour Code  
Articles R 116-1 et seq of the Labour Code  
Law n° 87-572 of 23 July 1987

#### **Contents**

##### Conditions

To be aged 16-25 (an exception can be made for 15 year olds having completed the first cycle of secondary education).

The apprentice is bound to the employer by a special form of work contract. It has special conditions as regards holidays and pay and includes training which takes place within the enterprise and in a specialised body: the *CFA*, the training centre for apprentices. The *CFA* is required to provide training lasting at least 400 hours. Work carried out within the enterprise must be characterised by learning. Since the law of July 1987, certain enterprises can themselves supply a part of the training normally provided by the *CFAs*.

The contract has a duration of between one and three years, the new law of July 1987 having opened up the possibility of successive contracts.

The wage is fixed as a percentage of the *SMIC*, increased each six months and varying according to the age of the beneficiaries.

##### Financing

Apprenticeships have double financing: from enterprises and from the State or the Region.

1. The "contribution of employers in financing primary technological and vocational training", termed the "apprenticeship tax".

The tax is equal to 0.5% of total earnings; this amount can be reduced by different exemption payments.

2. The CFAs can receive grants from the State or the region to cover running expenses, or even a grant for equipment.

Bodies wishing to set up CFAs are required to apply either to the standing committee of the CNFPPSE, the national council for vocational training, social promotion and employment, or to the secretariat of the regional committee for vocational training, and to sign an agreement on the creation of the CFA.

This agreement must be in conformity with a standard contract drawn up by order (*arrêté*) of the ministries concerned. It is an agreement with training (pedagogical) and financial annexes.

Moreover, the State takes over the employer's social contributions which are due for the apprentices. Payment by the State of these contributions was the rule for enterprises with fewer than 10 wage-earners. It was instituted for other enterprises in 1986 and has been made permanent by the law of July 1987.

**TUC - TRAVAUX D'UTILITE COLLECTIVE**  
Community work projects

**Aim**

To enable young people between 16 and 25 years to carry out a part-time activity meeting local collective needs within local authorities, non-profit associations, foundations and public establishments.

**Legal basis**

Decrees n° 84 919 of 16.10.84	Decrees n° 86-39 of 31.01.86
Decrees n° 84 953 of 25.10.84	Decrees n° 87-186 of 20.03.87
Decrees n° 85 287 of 01.03.85	Decrees n° 87-187 of 20.03.87

**Contents**

*TUCs* are offered to young people aged 16-21 and to young people aged 21-25 who have been registered at *ANPE* for more than one year. They are designed to enable them to gain work experience. Projects carried out have to meet non-satisfied needs which would not be carried out by normally paid workers. They should be useful to the community (social, cultural, environmental action, etc) without competing with existing economic activities.

The duration of the assignment is from 3 months to one year. The possibility of an extension beyond a year has been opened up by the decrees of 20.03.87, with a change in who pays.

Pay of *TUCs* is provided by an allowance of FFR 1,250 per month paid by the State, to which can be added an optional contribution of the user body of up to FFR 500. In the cases of *TUCs* being extended beyond one year, the user must take on the pay of the beneficiary to the tune of FFR 1,000, with the State paying FFR 250.

The beneficiary's social contributions are covered by the State.

**Results in numbers**

Between 1 January and 31 December 1986, 363,907 young people were enrolled in *TUCs*. During the same period the estimated number of beneficiaries still on the programme (i.e. the difference between the individual entries and exits recorded since the launch of the programme) rose from 194,000 to 218,944.

Between 1 January and 30 June 1987, 169,720 young people enrolled in *TUCs*, the estimated number of current beneficiaires on the programme rising from 219,999 to 231,554.



2. The *CFAs* can receive grants from the State or the region to cover running expenses, or even a grant for equipment.

Bodies wishing to set up *CFAs* are required to apply either to the standing committee of the *CNFPSE*, the national council for vocational training, social promotion and employment, or to the secretariat of the regional committee for vocational training, and to sign an agreement on the creation of the *CFA*.

This agreement must be in conformity with a standard contract drawn up by order (*arrêté*) of the ministries concerned. It is an agreement with training (pedagogical) and financial annexes.

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**Financial data**

In 1986 expenditure earmarked for *TUCs* amounted to some FFR 3 billion.

For 1987 the amount earmarked in the budget of the Ministry of Social Affairs and Employment was FFR 3,570,000,000 (Chapter 43-04, Article 70).

## **HANDICAPES**

### Disabled

Law no. 87-517 of 10 July 1987 on the employment of disabled workers indicates a new trend in the policy of the public authorities in this field.

The new law is designed around three key ideas:

1) It replaces procedural obligations with the requirement to achieve results: that of employing 6% who are disabled workers, war victims and the like.

To make this requirement compatible with a company's economic needs, the law provides for a number of changes compared with previous legislation. The quota has dropped from 10% to 6% and the size of the companies subject to the legislation has been raised from 11 to 20 employees.

The beneficiaries are, in addition to disabled workers who are recognised as such by *COTOREP*<sup>1</sup>, war victims and the like, the disabled paid for under Social Security and the occupationally disabled who are permanently incapacitated for at least 10%. In other words, the law has refocused the scheme on the most disabled, those needing most collective action.

To back up this willingness to help severely disabled workers to be employed by companies, the law lays down that they can count for more than one unit. The same will be the case for certain other categories of handicapped persons: young people, older workers, those leaving sheltered workshops or a vocational training centre.

2) Besides this formal requirement, the law is also innovative in involving the social partners in the policy for vocationally integrating the disabled, ie. by bringing the employment of the disabled into the sphere of collective bargaining. For the law authorises enterprises to fulfil their legal requirements by concluding and implementing company or branch level agreements providing for annual or multiannual programmes for the recruitment, integration, training, or adapting to technological change of the disabled or their maintenance within the company in cases of collective dismissal.

Besides the appeal to the responsibility of the social partners, the law provides for an alternative: the company can get out of its obligation by paying a voluntary contribution to a Development Fund for the occupational integration of the disabled.

This Fund is being established and managed by the social partners and by the associations who will be in charge of its statutes, its functioning and its activities. The law has, however, given the broad framework of these

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<sup>1</sup> These technical commissions for vocational guidance and rehabilitation (*COTOREP*) recognise 70.000 "disabled workers" annually.

activities so that they remain in line with the rest of the scheme. Thus it has been foreseen that the Fund could contribute to the training of the disabled by financing the additional costs of training when it is for the disabled, support for hiring disabled workers by companies with fewer than 20 employees and financing systems accompanying disabled workers, notably those suffering from mental deficiencies, in the process of their integration into working life.

The principle of this Fund is to ensure that the money paid by companies which are unable to hire, train or more generally to themselves undertake actions for employing disabled workers, goes to companies which can do so or to disabled workers to provide them with the possibility, in particular through training, of being in a better position of putting in for a job.

Where a company does not comply with any of its obligations, it has to pay a penalty calculated on the basis of each shortfall in beneficiary amounting to the contribution increased by 25%.

3) The law extends the same employment requirements for the disabled to the whole of the public sector: central ministries, territorial units, hospitals and public enterprises.

Finally, as in the previous legislation and in order to strengthen the economic links between sheltered workshops and public and private enterprises, the latter can partially discharge their employment obligations by concluding contracts for the provision of services and subcontracting with the former.

F-vi.CLD

### **REINSERTION DES CHOMEURS DE LONGUE DUREE**

Reintegration of the long-term unemployed

In addition to the training actions described above (FNE traineeships, modular training courses and skill updating traineeships organised by ANPE), the following measures have been designed to facilitate getting the long-term unemployed (LTU) back into work:

- SRA and CRA: reintegration traineeships and contracts
- Exemptions for hiring an LTU after a traineeship
- PIL: Local integration programmes
- PLIF: Local programmes for integrating women.

### **STAGES ET CONTRATS DE REINSERTION EN ALTERNANCE**

F-vi.CLD1

Sandwich (alternance) reintegration traineeships and contracts

#### **Legal basis**

Law n° 87-518 of 10 July 1987

#### **Contents**

This scheme transposes the principle of training by "alternation", applied for young people, to the long-term unemployed.

#### **Alternance reintegration contracts**

\* CRAs enable LTUs aged 26 years and more to be hired on an employment contract linking employment with training. The pay paid by the enterprise is totally exempt from employers' social security contributions for one year.

The State gives the employers a lump sum for training, the conditions for which are fixed by regulations.

\* SRAs are open to all adult very long-term unemployed, who are experiencing serious trouble in becoming reintegrated into working life. The traineeships have two modules: a training module within a body and a module within an enterprise.

The State bears the cost of the training and the trainees' pay, under conditions defined by regulations.

10,000 CRAs and 20,000 SRAs are to be financed in 1987.

#### **Incentives to hire after a traineeship**

The law of 10 July 1987 provides for a 50% exemption from employers' social charges for a year for enterprises which take on an LTU, youth or adult, on completing any type of traineeship. This measure concerns recruitments made between the date of the promulgation of the law on long-term unemployment and 1 October 1988 at the latest.

**PROGRAMMES D'INSERTION LOCALE (PIL)**

*PILs* - Local integration programmes

**Aim**

*PILs* are designed to enable LTUs over the age of 25 to  
- readapt to working life  
- prepare themselves for jobs requiring different skills.

**Legal basis**

Decrees n° 87-236 and 87-237 of 3 April 1987

**Contents**

Similar to that of *TUCs* (reserved for the under-25s).

The modalities for setting up a *PIL* are, just as for a *TUC*, an agreement between a user body and the State. This sets out the number of trainees, the nature and the duration of the tasks to be carried out, the training they can be given, the support to be provided, the amount of the pay paid by the State (equivalent to the solidarity allowance, ie. FFR 65.50 per day in general and FFR 86 per day for persons over the age of 55 or over the age of 57½ according to the length of their previous gainful activity) and the amount of the allowance towards expenses, paid by the user body, which ranges from FFR 500 to 750 per month.

The social coverage of the trainees is ensured by the State.

F-vi.CLD3

**PROGRAMMES LOCAUX D'INSERTION DES FEMMES (PLIF)**

PLIFs - Local programmes for integrating women

**Aim**

To foster the integration of single women by providing them with an activity and training.

**Legal basis**

Circular of 29 January 1986.

**Target group**

Single women having no or insufficient means, aged 40 years or over.

**Activity**

Works of general interest lasting 9 months (760 hours) at the most, with a training complement of 225 hours.

**Pay**

FFR 1.800 paid by the *commune* (municipality). The State reimburses 80% to 95% of the pay. The training is reimbursed by the State (FFR 20 per hour).

**Status**

*Stagiaire de la formation professionnelle* (non rémunéré) - (unpaid) vocational training trainee.

**Situation as regards unemployment**

Deletion from the register

**Social coverage**

Lump sum contribution reimbursed by the State to the *communes* - FFR 350 per month (order of 11 January 1978).

**Start up**

September 1986



7. Measures encouraging retirement from working life  
and measures dealing with working time

Incentives to retire from working life (F-vii.1)

- Solidarity contracts - resignation early retirement and phased early retirement (F-vii.1a)
- CGPS - General agreement on social protection in the steel industry (F-vii.1b)
- ASFNE - Agreements for special allowances of the FNE - National Employment Fund (F-vii.1c)

Measures for re-arranging and reducing working time and  
measures encouraging part-time work (F-vii.2)

\* Re-arranging and reducing working time (F-vii.2a)

- Support for concerted reduction of working time to improve employment (F-vii.2a.1)
- Agreements on reducing working time and modernisation (F-vii.2a.2)

\* Encouraging part-time work (F-vii.2b)

- Incentives for part-time hiring (F-vii.2b.1)
- Financial compensation designed to foster part-time recruitment of jobseekers (F-vii.2b.2)

## LES CONTRATS DE SOLIDARITE

### Solidarity contracts

Solidarity contracts were introduced by the ordonnance of 16 January 1982 modifying Article R.322-7 of the Labour Code and by the supplementary agreements of 2 and 9 December 1981 to the agreement between the State and UNEDIC for industrial, commercial and agricultural enterprises, public and ministerial offices, professional groupings and associations. The system was subsequently extended to local authorities, to their groupings and to their public administrative establishments according to specific modalities. Besides the part concerning the reduction of working time, solidarity contracts provide two parts corresponding to measures encouraging retirement from working life: *la préretraite-démission* (resignation-early retirement), and *la préretraite progressive* (phased early retirement).

\* **Resignation-early retirement** concerns enterprises which agree to hire replacements for those workers who have voluntarily resigned. The wage-earner has to be over 55 and under 60 years of age. The enterprise undertakes to replace the leaving wage-earner within a period of three months and to maintain the overall employment level for a duration of at least one year after the last departure.

The resignation-early retirement contracts were not renewed after 31 December 1983.

The amount paid to the beneficiaries of resignation-early retirement was, in the beginning, equal to 70% of the worker's previous gross wage. This rate applies to beneficiaries of solidarity contracts concluded before 1 January 1983 who gave notice of resignation before 1 April 1983. Beneficiaries of the scheme after that date received 65% of the gross wage below the social security ceiling and 50% of the part of the gross wage above the ceiling, up to a maximum of four times the ceiling (provisions of the decree of 24 November 1982).

\* **Phased early retirement** aims to foster voluntary half-time work of older wage-earners who then receive an allowance equal to 30% of the average gross wage. The signatory enterprise agrees to recruit jobseekers equivalent to the number of jobs released.

Since 1 April 1984 the allowances paid to the beneficiaries under the resignation-early retirement and the phased early retirement contracts have been covered solely by the State.

F-vii.1b

**LA CONVENTION GENERALE DE PROTECTION SOCIALE DE LA SIDERURGIE**

CGPS - General agreement on social protection in the steel industry

The first general agreement for social protection in the steel industry was signed on 24 July 1979. It remained in force until 31 December 1983. It was replaced by the second agreement signed on 24 July 1984.

This second CGPS for the employees of steel companies affected by restructuring is applicable until 31 December 1987. It takes up the main provisions of the previous system (age schemes, transfers) and brings in a new scheme: conversion leaves.

The age measures are of two types:

\* the *cessation anticipée d'activité (CAA)* (early retirement) from the age of 55 years enables an individual to draw an allowance of 70% of his/her previous gross wage and a supplementary amount equivalent to 20% of annual wages spread over 12 months or until his/her 60th birthday. Both allowance and supplement are borne by the State. The "guaranteed monthly resources" cannot be below the *ASFNE* (special allowances of the national employment fund) floor. The early retiree pays a sickness insurance contribution of 5.5%. The employment contract is terminated, and the beneficiary is no longer counted in the employees of the enterprise.

\* the *mise en dispense d'activité* (exemption from working) concerns wage-earners between 50 and 55 years of age who remain on the payroll of the enterprise until they reach the age of 55 years, when they enter the CAA system. These wage-earners receive 75% (plus a supplement of 4%) of their previous gross wage, financed -- as are the social contributions -- by the State.

The European Coal and Steel Community shares in these expenses by means of an assistance fund belonging to the State budget.

F-vii.1c

**LES CONVENTIONS D'ALLOCATIONS SPECIALES DU FONDS NATIONAL DE L'EMPLOI (ASFNE)**

ASFNE: Agreements for special allowances of the FNE - National Employment Fund

**Aim**

To provide incentives for older wage-earners to retire early from working life

**Legal basis**

- Law of 18-12-1963 establishing the national employment fund
- Decree n° 79-705 of 22-08-1979
- Decrees n° 84-219 of 29-03-1984  
n° 84-295 of 20-04-1984
- Statement of the conclusions of the social partners of 28-07-1987

**Contents**

ASFNE agreements are cooperation agreements which the Minister responsible for employment is authorised to conclude with enterprises which are forced to dismiss workers. They open up the possibility for these enterprises to propose to their wage-earners, on a voluntary basis, to take up early retirement, paid at 65% of the daily reference wage, up to the social security ceiling (and at 50% of that part of the wage which is above this ceiling).

Eligibility conditions:

- to be under 65 years of age and over 56 years and 2 months. This minimum age can be lowered by way of special derogation;
- to have belonged to a wage-earners' social security scheme for at least 10 years;
- to have a certain seniority within the enterprise.

**Financing**

The allowance is financed by the FNE, the employer, the beneficiary and (since the agreement of 28-07-1987 between the State and the social partners who manage UNEDIC) by UNEDIC.

- The wage-earner contributes to the financing by giving up part of the difference between the dismissal allowance and the allowance for retiring. His/her contribution cannot exceed 3% of the reference wage.

- The enterprise contributes, on average, 3% of the reference wage (for enterprises with fewer than 500 wage-earners), and 5% (for those with more than 500 wage-earners).

- UNEDIC - the unemployment insurance system - tops up the contributions of the wage-earner and the enterprise (3% + 3% or 3% + 5%) to 12% of the reference wage.

- The State, through the FNE, provides the remainder.

**Number of beneficiaries (averages)**

1986 - 57,500 new entries - 164,000 beneficiaries in total

1987 - unknown - 195,000 in total

The budgetary cost of this scheme was: FFR 9.7, 1985 and FFR 11.2 bn, 1986.

F-vii.2a.1

**AIDE A LA REDUCTION CONCERTEE DE LA DUREE DU TRAVAIL EN VUE DE L'AMELIORATION DE L'EMPLOI**

Support for concerted reduction of working time to improve employment

**Aim**

To provide grant-in-aid to enterprises which agree to a concerted reduction of working time aimed at enhancing employment.

**Legal basis**

Decree n° 84-410 of 30 May 1984 and order (arrêté) of 30 May 1984

**Beneficiaries**

All private sector employers

**Contents of the contract**

The enterprise concludes a contract with the State by which it undertakes to:

- 1) reduce weekly working time by at least 2 hours compared with December 1983. The decision must follow from an enterprise agreement. The hourly segment must be between 30 and 39 hours.
- 2) improve the employment situation within the enterprise, in particular not declaring any redundancies for the duration of the contract.
- 3) maintain its potential production capacity.

The enterprise can furthermore receive increased support (FFR 500) if it agrees to purchase equipment to automate the production process.

**Modalities of the support**

This is a degressive grant-in-aid given for three years maximum, amounting to between FFR 1.000 and FFR 1.500 per hour of reduction and per wage-earner concerned according to the commitment on employment, production capacity and the extent of the reduction of working time.

**Finance**

FNE, Chapter 44-74, Art. 62 § 31

**Previous measure**

Solidarity contracts for the concerted reduction of working time, decree of 16 December 1982, abrogated on 30 June 1984.

F-vii.2a.2

**CONVENTIONS SUR L'AMENAGEMENT DU TEMPS DE TRAVAIL ET LA MODERNISATION\***

Agreements on reducing working time and modernisation

**Aim**

Support to enterprises reducing and re-arranging their working time in order to improve employment.

**Legal basis**

- Decree n° 85-347 of 19 March 1985
- DE circular n° 37/85 of 25 June 1985

**Target group**

All private sector employers, with the exception of individuals employing household workers, industrial and commercial public enterprises, and temporary employment businesses (only as regards the permanent staff).

**Contents**

1) The enterprise must reduce the real average length of the working week by at least 2 hours (compared with 31 December 1983) for every full-time wage-earner concerned. The number of hours for which support is given cannot exceed 5 hours per wage-earner. No time limit is set, but the support is calculated over 3 years maximum starting from the first stage of the reduction of at least one hour. Working hours are calculated on average over the whole year in order to enable there to be modulation, but do not take into account hours of short-time working (*chômage partiel*). The reduction can, after having been the subject of a collective agreement, concern all wage-earners of an enterprise, a plant or even a part of a plant. New enterprises starting up their activities with a working week of less than 39 hours cannot claim this support. The same is the case for the opening of a new plant.

2) The enterprise has to commit itself to appraising the employment situation: in the very least, not to declare any redundancies except within the framework of an agreement for a special *FNE* (national employment fund) allowance, of an agreement for supporting the reintegration of specific groups of foreign workers into their country of origin, or following external redeployment helped by the employer.

3) The enterprise has to commit itself to maintain its production capacity.

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\* This measure has taken over from solidarity contracts for reducing working time since 19 March 1985.

4) The conclusion of the agreement must be preceded by the signing of an enterprise or plant agreement dealing with the processes for reducing working time, the persons concerned, the conditions for reorganising work and compensatory wage increases.

#### Limits

The scheme is compatible with financial incentives to the extent that transforming a full-time job into a part-time job is accompanied by part-time hiring.

#### Finance

The support amounts to FFR 1.250 for each hour of reduction if, after 18 months following the conclusion of the agreement, the working time reduction is of at least 4 hours or if, being at least 3 hours, it brings down to 35 hours the effective average working time of full-time wage-earners. In other cases the support amounts to FFR 1.000. It is increased by FFR 250 if the enterprise commits itself to maintaining the overall level of employment. Only hours below 39 are taken into account. Finally, the amount of the support is increased by FFR 500 per hour of reduction and per wage-earner concerned if the enterprise commits itself to make investments under the conditions laid down by Article 5 of the decree of 19 March 1985.



F-vii.2b.1

**INCITATION A L'EMBAUCHE A TEMPS PARTIEL**

Incentives for part-time hiring

**Aim**

To provide any private sector employer with financial support for hiring a jobseeker for a part-time job.

**Legal basis**

- Decree n° 85-301 of 5 March 1985
- DE circular n° 35/85 of 25 June 1985

**Beneficiaries**

Unemployed persons in receipt of benefit, or having exhausted their entitlement to unemployment compensation, or having been registered at *ANPE* for more than one year.

**Modalities and amounts**

The employment contract must be open-ended and the weekly working time must be between 18 and 32 hours. The support amounts to FFR 6.000 for hirings between 1 January 1986 and 31 December 1987 is FFR 3.000.

**Financing**

*FNE* (national employment fund), chapter 44-74, Art. 62 § 34.

**Previous scheme**

Support for hiring wage-earners working a 30 hour week, decree no° 84-522 of 27 June 1984, abrogated by the decree of 5 March 1985.

F-vii.2b.2

**COMPENSATION FINANCIERE DESTINEE A FAVORISER L'EMBAUCHE A TEMPS PARTIEL DES  
DEMANDEURS D'EMPLOI**

Financial compensation designed to foster part-time recruitment of jobseekers

**Aim**

To give financial compensation to registered unemployed persons in receipt of benefit who take on a part-time job at a wage which is below their replacement income.

**Legal basis**

- Decree n° 85-300 of 5 March 1985
- DE circular n° 36/85 of 25 June 1985

**Target group**

Wage-earners who are in receipt of one of the replacement incomes foreseen under Article L. 351-2 of the Labour Code (unemployment insurance benefit, solidarity allowances or allowances made according to Article L. 351-12).

**Conditions**

A part-time open-ended employment contract (for a working week of at least 18 hours)

**Amount**

Financial compensation is equal to the difference between the net amount of the replacement income - after deduction of social security contributions - paid on the day preceding the date of resumption of employment and the net remuneration - after deduction of the compulsory employee's social security contributions - paid in the new job on the date of resuming employment. The level of compensation is identical each month. A modification of the employment contract resulting in a change of working hours of the part-time wage-earner gives rise to the amount of the compensation being revised.

**Duration**

The compensation is paid for a maximum of one year from the date of resuming employment. This duration is reduced by the period after 8 March 1985 - the date on which decree n° 85-300 of 5 March 1985 came into force - during which the person in question received one of the replacement incomes.

The duration of payment of the compensation is doubled for jobseekers who are older than 50 years of age (or have their 50th birthday) on the day of resuming employment.

## 8. Placement measures

F-viii.1

### **ACTION OF ANPE - THE NATIONAL EMPLOYMENT AGENCY**

ANPE carries out its permanent missions (cfr Chapter I) within the framework of the employment policy defined by the Government, the medium term guidelines of which stem from the IX Economic and Social Development Plan of the State, voted by Parliament.

This policy is carried through in particular by bringing in measures for promoting employment and combatting unemployment: programmes fostering the integration of jobseekers experiencing difficulties, job creation measures and job maintenance measures.

ANPE greatly contributes to applying these programmes. It informs users about them and, together with the services of the Ministry of Employment, AFPA (the adult vocational training agency), and training bodies approved by the State, contributes to putting on individual integration measures.

To do this, ANPE has considerably developed and modernised the internal procedures which it draws on for users, both jobseekers and enterprises.

Over the period of the IX Plan (1984-88), ANPE has focused on six strategic orientations for its activities:

- 1) improving its real estate network
- 2) improving the services for those concerned by employment problems
- 3) strengthening its services to enterprises and promoting employment
- 4) improving its knowledge of the socio-economic environment
- 5) modernising its management
- 6) improving the collective experience and the professionalisation of its officers.

These orientations have been put into concrete physical and financial terms within the framework of annual programmes.

#### **1. ANPE AND THE DEMAND FOR EMPLOYMENT**

Under the pressure of changes in the functioning of the labour market, there has been considerable diversification in the guidance, counselling and placement activities which ANPE has been entrusted with.

To find employment today, the jobseeker must, generally speaking, enlarge or modify his/her career plans; reintegration is the result of an "itinerary", often long, during which the employment initially sought must be changed to meet the conditions needed for integration. To this effect, numerous aid measures have been decided on within the framework of governmental policy; at the same time, ANPE has multiplied and adapted its approaches to meet the new conditions of its environment.

### 1.1. Actions for receiving, guiding and evaluating the demand for employment

ANPE's action is based on an exact diagnosis of the user's need and of the measures to be implemented to foster his/her reintegration.

Jobseekers are provided with general information at the time of their first contact with ANPE. Thereafter (usually within two weeks of registering), a placement officer (*prospecteur placier*) has an individual interview with the jobseeker. Furthermore, follow-up interviews (in the 4th and 13th month of unemployment) are systematically conducted to help the jobseeker plot his "integration itinerary" and prevent the risks of long-term unemployment.

Special tools have been perfected to complete the work started in the interview. Thus there are questionnaires by occupation which enable vocational counsellors and placement officers to dialogue with the user around specific questions related to previous job(s) and to the skills acquired.

To determine where he/she stands as regards skills, the jobseeker can also have an *ENCP* appraisal (*évaluation du niveau de compétence professionnel* - appraisal of the level of vocational skills) in a specialised centre, together with practical tests. This appraisal is designed to assess the skills of the jobseeker and to measure the gaps between his/her career plans and his/her level of competence. This service is voluntary.

For users having no clear career plans, the *SOA* (*session d'orientation approfondie* - in-depth guidance session) as well as the guidance interview with the vocational counsellor aim at redesigning career plans. The *SOA* lasts some 50 hours: 40 hours during the first joint guidance session and 10 hours for the follow-up.

These services and the exploitation of their results, taking into consideration job vacancies available, enable the actions to be determined which are required to meet the needs of the user whose level of general knowledge is a major handicap for his/her integration. The needs identified concern pre-training, training and adaptation to the labour market.

### 1.2. Aid for placement

Putting on actions needed for the integration of the jobseeker after the diagnosis has been made combines both actions which come under ANPE's functions and those which fall within the employment policy defined by the Government.

#### a. The role of ANPE in the aid package for integrating young people

Alternance training (central (interprofessionnel) agreement of 1983)

Three types of alternance (sandwich) training are available: the *contrat de qualification* (the qualification contract), the *contrat d'adaptation* (the adaptation contract) and the *SVIP* - *stage d'initiation à la vie professionnelle* (introduction to working life traineeship). In this area ANPE has a triple role:

- diagnosing corporate training needs;

- putting on "integration plans" in collaboration with enterprises and the fund collecting bodies; and
- disseminating vacancies to young people.

In 1986, ANPE was given the responsibility for the whole of the follow-up actions for SVIPs, in the form of help in job search and guidance in the subsequent career choice of young people.

ANPE's network is furthermore increasingly called upon as a full member in local plans for guidance and youth integration (participation in local commissions deciding on vocational training actions, putting on special actions with local authorities, ...).

#### Involvement of ANPE in the TUC (community works) programme

Because of the density of its network and its regular relationships with local authorities, ANPE has extensively contributed to the placement of young people aged 16-25 years who can work on TUCs.

#### **b. ANPE involvement in industrial structural change**

ANPE has increasingly been called on to become involved in fostering the redeployment of wage-earners threatened with unemployment. It has in particular provided support for the "aid to redeployment units" set up by enterprises with the help of various bodies (AFPA, management consultants, etc.) in the steel, automobile and shipyard industries.

At the same time as these major activities, ANPE has increased its activities in two complementary fields:

- aids for the redeployment of workers from small and medium sized firms which are experiencing difficulties, in particular by looking out for opportunities for collective training corresponding to local openings;
- diagnosing the inadequacies between employment and training, in particular in the conversion poles.

#### **c. ANPE action in the programme of conversion agreements (cfr F-11.4d)**

On 11 March, 1987 ANPE signed an agreement with AGCC, the association managing the conversion agreements, and UNEDIC setting out the establishment of ETRs, technical teams for redeployment. 51 ETRs with 152 officers have been set up. ETRs are entrusted with developing activities in favour of the occupational redeployment of wage-earners who are a party to a conversion agreement.

These ANPE technicians use a range of diversified actions facilitating job search and the hiring of such wage-earners: occupational assessment, job search technique and in-depth guidance sessions. At the same time, they develop services for enterprises to increase the pace of integration: premium for hiring, test periods within enterprises, taking over adaptation training sessions, presentation of applicants and negotiating the contents of specific job vacancies.

A very careful monthly follow-up, qualitative and quantitative, is carried out.

ANPE staff seconded to ETRs have received special training in modules which can last up to 12 days (occupational guidance evaluation; links between training and hiring; labour market analysis; and job search techniques) and a special computerised programme.

**d. The special programme for training and for helping the reintegration of LTUs**

Since 1982, ANPE has been carrying out a programme designed for persons who are likely to be suffering from long-term unemployment. A vocational assessment in the 4th and 13th month of unemployment enables the main difficulties in reintegrating to be detected and to start actions which are adapted to each case: vocational counselling, guidance sessions, attempts at placement, training, occupational medicine, practical workshop sessions, etc. Moreover, from 1984 onwards ANPE has been able to draw on FNE (the national employment fund) finance to put on collective training or to ease individuals' entry to existing courses.

It is in this way that ANPE has been called on to put on 50,000 *stages modulaires* (modular training courses). These last on average 600 hours (varying, according to the needs, from 200 to 1,200 hours) and meet a precise set of requirements laid down by ANPE on the basis of an analysis of the difficulties of reintegration of the LTUs and the local job openings. Linking up the various modules enables a "reintegration itinerary" to be built up with the trainees; this itinerary passes through the different stages of appraisal, re-training for a job, broadening skills, traineeships within firms and help in job search. This approach facilitates the planning of an individualised path to becoming reintegrated into working life.

**e. Aid in active job search**

For jobseekers who are ready to move into working life ANPE has developed training in job search techniques. Taught by the placement officer, such training lasts between 1½ and 2 days.

**2. ANPE AND ENTERPRISES AND PROMOTING EMPLOYMENT**

Confronted with the new conditions on the labour market, ANPE's action is not limited simply to canvassing for vacancies and to placement: one of its aims is to best meet the needs of enterprises which are faced in particular with the rapid development in skills because of the impact of new technologies.

To do this, ANPE has adapted the range of its services according to the needs of enterprises and their characteristics (size, for instance). Within this framework, ANPE has developed:

1) Information campaigns on the local employment catchment area (*bassin d'emploi*);

- 2) Employment promotion and corporate start-up activities, in particular by means of information on local and national measures;
- 3) Proposals for training actions to meet corporate needs: upgrading training for vacancies which are difficult to fill; *FNE*-financed training courses;
- 4) Organisation of services by sectors in concert with the representatives of employers and wage-earners in tri-partite bodies: setting up specialised *ANPE* teams, services bringing together several local agencies; creating manpower-training associations; etc.
- 5) Modernisation of dissemination and of the exploitation of job vacancies. Various channels can nowadays be used: press, radio, telecommunications, etc. To complete this help to hiring, *ANPE* is gradually organising the possibilities for enterprises to tap jobseekers' profiles (not by name) through the computerised *DIPROTEL* system.

#### Chapter IV: INFORMATION AND RESEARCH

The Ministry of Social Affairs and Employment has a **Studies and Statistics Service** (*Service d'Etude et de Statistiques - SES*).

As regards employment policy, the *SES* has **three missions**: The first concerns knowledge of the employment and labour market situation. This knowledge encompasses:

- \* knowledge of the situation of the population of working age and available for work, ie. manpower resources;
- \* knowledge of the activity rates and modalities of the employed labour force;
- \* knowledge of the flows of the supply and demand for employment; and
- \* knowledge of the situation of special groups of workers or applicants for employment: the disabled, young people looking for their first job, older workers, etc.

The *SES* provides for the collection and processing of the statistical information on which this knowledge is based. It does this in close liaison with *INSEE* (the national institute of statistics and economic studies), *ANPE* (the national employment agency) and *SETE* (the external services for labour and employment).

The **second** mission of *SES* concerns the analysis of employment policies and the collection of information of all varieties which enables their cost effectiveness to be assessed for the appropriate authorities (public authorities, professional bodies, advisory bodies, etc).

The concept of employment policies must be understood with reference to all sets of measures taken by public authorities:

- \* measures regulating the population which is likely to be employed (training young persons, incentives for retirement for older workers, aids to migrants returning to their country of origin, etc);
- \* measures encouraging hiring and measures supporting industrial restructuring and modernisation policies (premia for hiring, aids for re-arranging working time, conversion leaves, etc.);
- \* measures for developing new fields and types of activities, notably for young jobseekers (*TUCs*, local employment initiatives, etc).

Expenditure for employment, ie. expenditure for the whole of these activities, amounted in 1984 to more than FFR 153 billion, which means some 3.6% of the GDP. This is a considerable amount which bears witness to the significance of the activities carried out for employment -- and also for unemployment compensation.

The **third** mission of the *SES* concerns knowledge of the main determinants of dependent work and employment. Working and being employed implies that the worker is subject to a certain number of



- \* working conditions: duration, spread, safety and health, etc
- \* conditions of employment: stability or precariousness, full-time or part-time, etc.

Within employment conditions, pay determination has a central position (more than 85% of the employed labour force is in dependent employment) and because of this is the focus of a whole set of activities integrating a major part of collective bargaining issues. All these data are at the heart of the development of industrial relations and are the subject of continuing studies within SES.

### EMPLOYMENT STATISTICS

The first employment survey was made in 1950. The tools available for statistics, carried out by *INSEE* (see below) are:

- the census of the population
- Gallup polls on employment
- survey of training and professional skills.

Various **administrative** sources also produce statistics:

- Statistics of the establishments affiliated to the *UNEDIC* system
- Survey of the structure of jobs
- Analysis of the annual declarations of wages and salaries (*INSEE*)
- Survey of manpower activities and of the conditions of employment (Ministry responsible for employment)
- Information system on employment and salaries in the public sector (*INSEE*)
- Labour-market statistics (*ANPE*)
- Data on employers and self-employed workers of the pension funds and the national fund for family allowances
- The statistics of the National Immigration Office (*ONI*).

Also various **catalogues** are produced, those particularly relevant for employment being:

- the catalogue of trades and individual activities (*NAI*)
- the code of status indicating for whom a person works (self-employed, public sector, etc)
- job catalogue (*INSEE* in collaboration with the Ministry responsible for employment), this being particularly in the private sector
- the French repertory of jobs (*CEREQ*). It is intended to produce a register of some 400 jobs grouped into 300 categories for census requirements.

**Syntheses** also exist:

- Annual employment estimates
- Socio-demographic accounts which describe in a coherent and comprehensive table the main flows relating to the employment market
- Results of the employment-training actions referred to in Chapter III of this report
- Accounts of employment, with physical and financial data in the form of balance sheets. The last to have appeared covered the 1980-1982 period.

## INSTITUTIONAL ORGANISATION

The central role is played by the National Institute of Statistics and Economic Studies (*INSEE*) and the Ministry responsible for employment. The division of work is approximately as follows:

\* within the framework of its general coordinating mission, *INSEE* defines the concepts, puts together the catalogues, launches the major collecting operations (census, etc.), publishes syntheses and ensures the overall coherence of the action plan;

\* the Ministry produces conjunctural statistics on the situation of employment and that of the labour market as well as results and studies on working conditions.

The *Centre d'Etudes de l'Emploi* (the Centre for Employment Studies) and the *Centre d'Etudes et de Recherches sur les Qualifications* (the Centre for Studies and Research on Skills) complete the work of the public statistical system as regards studies and research.

### *Centre d'Etudes de l'Emploi - CEE* Centre for Employment Studies

The Centre was set up by a decree of 25 November 1970. It is a public research body attached to the National Institute of Demographic Studies (*INED*) and reports to the Ministry responsible for employment.

It is administered by a director appointed by decree. The Employment Delegate chairs the meetings of the managing board which lays down the action programme of the Centre. This committee consists of 15 members representing the main administrations and bodies competent in the field of population, employment, vocational teaching and training, statistical and economic research, as well as the general planning commissariat and *DATAR* (the physical planning authority). This committee furthermore includes two scientists well known in the area covered by the Centre and two of its staff researchers.

The Centre has three tasks:

- to study the functioning of the labour market in all its aspects (except statistics)
- to establish employment forecasts by sector and profession in the short and medium term in cooperation with other bodies
- to carry out research on different aspects of employment sociology and on all the problems of workers' adaptation to employment.

There were three main thrusts in the research programme of the Centre until 1982:

- research on the structure and development of employment
- research on enterprises and the employment market, with particular reference to the functioning of local employment markets
- research on the behaviour of the working population, in particular young people and women.

Its working programme for 1983-1984 focused on six major research themes:

- sectoral analyses and career patterns
- employment, space and labour market
- corporate policy and employment aids
- technology, employment and work organisation
- social and vocational integration of young people
- analysis of jobseekers.

The CEE employs a staff of 70.

Results of research carried out by the CEE are published in a regular series *Cahiers du CEE* and in the form of articles in the Centre's information bulletin.

***Centre d'Etudes et de Recherches sur les Qualifications - CEREC***  
Centre for Studies and Research on Skills

CEREC was created by a decree of 19 March 1970. It is attached to *ONISEP*, the National Information Office on Teaching and Professions.

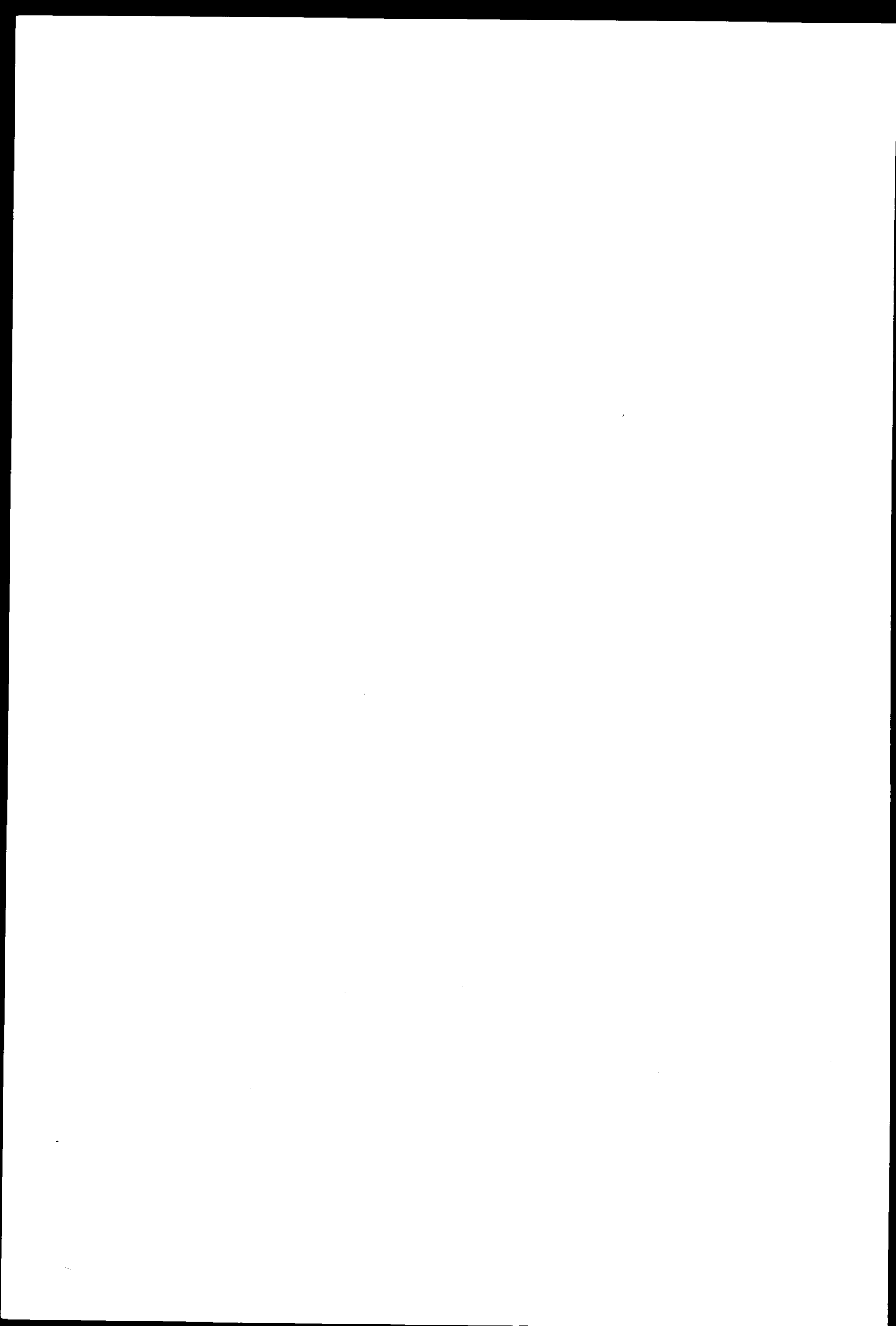
CEREC is entrusted with:

- analysing jobs and trades
- assessing changes in skills caused by technical change
- studying the adaptations of training and teaching methods according to the needs determined

It has thereby completed the constitution of the French catalogue of jobs.

CEREC has the following departments:

- the department of manpower qualifications which in particular produces the French catalogue of jobs
- the employment and forecasting department which has to establish links between the functioning of the educational system and the development of the employment market in the short, medium and long term
- the department of training and careers
- the pedagogical mission which studies technical innovations and their effects on work according to the needs of bringing training up to date or modernising it.



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