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Labour market regulation in France: topics and levels

Liem Hoang-Ngoc, Michel Lallement and François Michon*

Introduction

Economic analysis of unions and collective bargaining is usually based on the standard hypothesis of a simultaneous determination of wages and employment levels in labour markets. By contrast, the starting point in this article is Clark Kerr's hypothesis (Kerr, 1954) of a distinction between two separate processes of labour market regulation: wage determination and the process of employment determination.

It is well known that in France the unions are divided and weak, the State is highly interventionist and collective bargaining occurs mainly at the industry level. In addition to these characteristics, traditionally there is a clear separation between wage determination and employment regulation in France and in particular the level of regulation is not the same for wages and employment. Further, the general evolution towards decentralised bargaining during the 1980s in France has not diminished the dominant role of the State, nor has it reduced the division between wage and employment regulation.

1. Labour market regulation. What does it mean?

1.1. Regulation

The concept of regulation is used in a variety of ways so there is a risk of misunderstanding. Specifically, in the French regulation theory the concept of *regulation* has a wider meaning than the standard English usage. In the French theory the concept of *regulation* is defined as a set of individual and collective procedures and patterns of behaviour through which the economic and social system is reproduced and maintains its coherence and identity. The notion of administrative or judicial control is not central as it is in the standard English usage (Michon, 1992).

We adopt part of this concept. By labour regulation we mean the set of rules which constitute the institutional framework of labour relations; mainly laws and collective agreements, but also less formal standards which are commonly recognised as rules and which guide wage and employment determination. The idea of control is not central nor is the question of coherence and identity. On the other hand, the notions of rules and of determination processes are central, whether they are based on legislation, bargaining or common agreements.

*Seminaire d'Economie du Travail, CNRS-University of Paris-1, France.

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1.2. Labour market regulation

The 1980s have been one of the most important periods of collective bargaining in French social history, generated by the so-called Auroux Laws (1982).[1] These laws introduced an obligation to negotiate at the industry and firm levels, but without an obligation to conclude agreements. These laws require negotiations over certain topics: wages, classifications, vocational training, and working time. Moreover, these laws acknowledged the *employees' right of expression* and required bargaining to establish a mechanism for this expression within the firm. The French system provides several ways for employee representation within the firm: workers' delegates, union representatives and works committees. The Auroux Laws intended that unions should be the privileged agent of representation within the firm.

The major themes of employee representation and expression rights are excluded from consideration in this paper. We focus exclusively on labour market regulation, which we take to include both wage regulation and employment regulation.

Wage/employment regulation. Wage regulation issues are well known. In the French case, three distinct regulations can be observed: i) the determination of minimum wages, ii) the determination of wage increases and iii) the determination of wage hierarchies which is mainly the issue of job classifications. The method of pay is less regulated and remains largely an employer prerogative.

Empirically, the contribution of the workforce to production cannot be reduced to the number of persons who are employed. Labour quantities and labour qualities must be distinguished. Labour quantities can be evaluated by a set of empirical indicators: the employment level as affected by hiring, dismissals and layoffs; working time durations (daily, weekly, yearly durations); and what we call in France 'employment forms' (i.e., specific employment contracts which plan such aspects of working time or employment time as part-time employment and temporary or casual employment). All of these components of labour quantities can be collectively negotiated. Even hiring, layoffs and dismissals can be more or less regulated and constrained by rules.

Labour qualities often refer just to job evaluation and classification systems. In the French industrial relations system, employment classifications are mainly a method for attaching a wage rate to an associated level of skill. Skill classifications and wage bargaining are closely linked in France. Further, labour qualities refer to qualitative requirements in hiring, dismissals and layoffs. Labour qualities also refer to working time reorganisations in schedules and shift work. In France, employment regulation refers to the following:

- Dismissal rules and unemployment management.
- Working time regulations including the duration of work from a daily, weekly, yearly and life-long perspective.
- Employment form regulation (temporary, casual employment, or part-time employment).
- Regulation of vocational and continuing training.

[1] From the name of the Labour Minister who conceived these laws.

2. Specificities of the French industrial relations system

The main characteristics of the French industrial relations system are well known: weak unionisation (among the weakest of the industrialised countries); employers' organisations which consider contractual relationships with unions as not really essential; non-cooperative union strategies; and, as a direct consequence, the strong links of unions and employers' organisations with political parties and the shift of industrial relations conflict to the political sphere.

2.1. Rules

The French specificities do not result solely from the actors and their strategies, however. A 'societal effect' (Maurice, 1989) must be considered, partly resulting from the actors' strategies in the past. It concerns procedures and their undoubted impact on the creation of substantive rules.

Until the 1980s the tendency of conflict around industrial relations to shift to the political sphere gave public authorities a major role in the regulation of wages and employment. This was reflected in systematic State intervention in industrial disputes, the importance of legislative rules, and the establishment of the two key rules of 'representation' and of 'extension'.

The 'representation rule' in French law defines the criteria according to which unions are able to bargain, to sign collective agreements, and to be represented in certain crucial arenas. Union pluralism is accepted but the conclusion of a collective agreement requires the approval of only one 'representative' union.

By the 'extension rule', collective agreements may be extended by law beyond the signatories to include all firms in a sector in a particular region. In this manner collective agreements acquire the coercive strength of law in the area of their extension.

A third rule (the hierarchical rule of 'favour') is now more or less contested. According to this rule, law is more powerful than any national agreement, which itself is more powerful than any industry agreement, which is more powerful than any firm agreement. A crucial consequence of this hierarchy principal is that the lower the level at which negotiations take place, the more they must be in favour of employees.

In the 1980s the State increasingly attempted to promote collective bargaining rather than intervening directly.[1] The Auroux Laws not only attempted to regulate the relation between bargaining at different levels but also called for bargaining over issues in addition to wages. With the '*accords donnant-donnant*', which concern working time in particular, collective agreements can be inconsistent with the rule of favour: they can introduce regulations which favour the employers on some issues provided that there is a counterpart issue which is regulated in a manner more favourable to employees.

2.2. Actors

Saglio (1991A) has expressed a view widely shared by French specialists when he emphasises the limits of American industrial relations theories for explaining the French case. According to Saglio, it is not possible to define precisely the actors'

[1] This new orientation of public authorities can be questioned, given the weakness of unions and their lack of ability to bargain.

strategies in an industrial relations system independently of the rules. The rules of the system may be produced by the actors, but the rules also have a strong impact on the identity of actors themselves. As an example, he contrasts the French 'extension rule', with the US 'certification rule'. The two rules promote opposite types of behaviour.

The behaviour of the actors in the US is shaped by the results of the certification vote. Before the certification vote, the interest of management may be in a strategy of 'union avoidance' or the promotion of participatory practices. If the union wins an election, their strategists centre around collective bargaining in the traditional sense. Given this, they can opt for 'integrative bargaining' or 'distributive bargaining' (Walton and McKersie, 1965). All the strategic options and scenarios described by Kochan, Katz and McKersie (1986), amongst others, are directly associated with the existence of this 'certification rule'.

As another example, Freeman and Medoff's (1984) 'exit-voice' hypothesis largely reflects the US experience: workers choose 'voice' when they want certification elections; they choose 'exit' in the other cases; managers respect the results of the vote.

In France, strike power and electoral power are not correlated with union membership because of the 'representation rule'. The unions emphasise political action more than plant-level action to protect the income of their members. At the same time, French employers cannot as easily avoid unions as their US counterparts. Nevertheless, they are not forced to sign agreements.

The French State has a number of important functions. As in many other countries, it produces laws which act like exogenous constraints to limit the actions of the actors. More than this, the state is an active player. It creates legal rules in the absence of collective agreements, or in an effort to provide incentives to bargain. It is active in interindustry bargaining when it invites employers and unions to meet and to bargain. The State is also the largest employer in France, and this is by no means its least important function. The model of Kochan, Katz and McKersie underestimates the possibility of 'political exchange' (Refehldt, 1991) between the State and other actors. In France, the State is the level at which the actors focus their conflicting strategies while industry and firm bargaining are only additional levels of rule determination.

2.3. Bargaining levels

Despite its peculiarities, the French industrial relations system has not avoided the general movement towards decentralisation of bargaining during the 1980s. The Auroux Laws have encouraged this by trying to institutionalise bargaining at the enterprise level, even if the State's role remains important. The firm level is more important in the United States and probably for this reason Dunlop's model emphasises firm or plant-level bargaining. Kochan, Katz and McKersie's model distinguishes three levels: the workshop, the plant and the firm. In many countries the firm level is not so important and in France, in particular, the industry level, the national and even the European level are additional levels of regulation.

It must be kept in mind that both employers and employees in France prefer the industry level as the main bargaining level. This is apparent, for example, in

the interindustry agreement of 29 March, 1989 which regulates the use of labour flexibility. The industry level is viewed as more favourable from the point of view of social welfare and avoids negative impacts on inter-firm competition. Advantages are acquired for the entire workforce of an industry and are not reserved for the more highly unionised firms.

It should be stressed, however, that regulations are not necessarily similar from one industry to another. There is no reason why the results of distinct bargaining processes should be similar and this is especially true since industry-level bargaining has implicit functions in addition to that of labour market regulation and the production of formal rules (Saglio, 1991B). One of these functions is to establish a collective identity and to structure the social area of occupations. In fact, the delimitation of industries is less an explanation of the differences in regulations than a consequence of the industrial relations system itself: industries are defined by the area of collective agreements.

Saglio (1991B) distinguishes four types of industry regulation:

- 'minimum regulation', in price-competitive industries, where the social advantages gained through bargaining do not add to legislative requirements;
- 'oligopolist regulation' in the highly concentrated industries, with social advantages that exceed legislative requirements. In this case the firm, industry and national levels of bargaining are closely linked;
- 'regulation of occupational monopoly' in highly regulated occupations, where firm-level regulation is entirely dependent on industry regulation; and
- 'regulation of closed labour markets' where the main task of collective regulation is to control access to skills and jobs.

Commonly, formal industrial relations regulations are not similar in small and large firms. There is a 'threshold effect' and this encourages firms to stay sufficiently small to avoid the social obligations of larger firms.

3. Labour market regulations in France: topics and procedures

3.1. Wage regulations

Wage regulation is clearly the main purpose of collective agreements, whatever the level (Figs 1 and 2). The State has a strong influence, directly as legislator and indirectly as the most important employer in France.

Minimum wage. The law determines the procedure for establishing increases in the minimum hourly wage rate for all industries. From 1950 to the beginning of the 1970s there was a strict indexation based on prices. At present there is a mixed indexation based on prices and economic growth: i) minimum wage increases occur as soon as the increase in the price index reaches 2%; ii) the minimum wage is increased each July by an amount equal to half of the increase in the blue-collar hourly real wage; iii) it may also be increased at the discretion of the government.

No agreement can set the wage rate below the minimum, nor index actual wages on prices. Further, wage hierarchies are based on reference wages that are distinct from the legal minimum wage. In principle, minimum wage increases, average wage

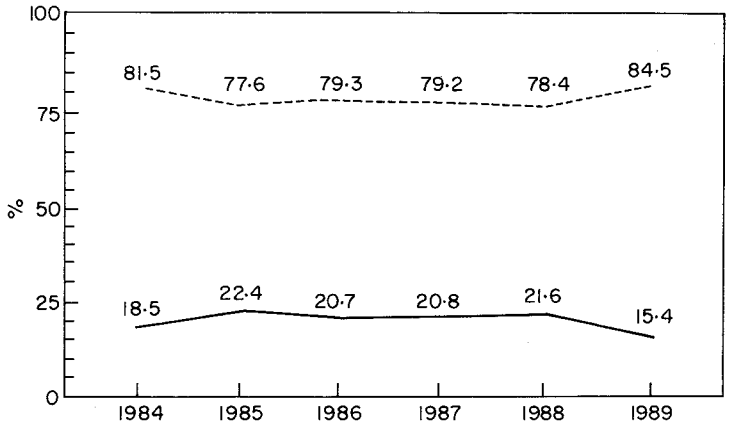

Fig. 1. *Topics of industry agreements in France* (1984–89). – – –, wage agreements; ——, other agreements.

Source: Department of Employment.

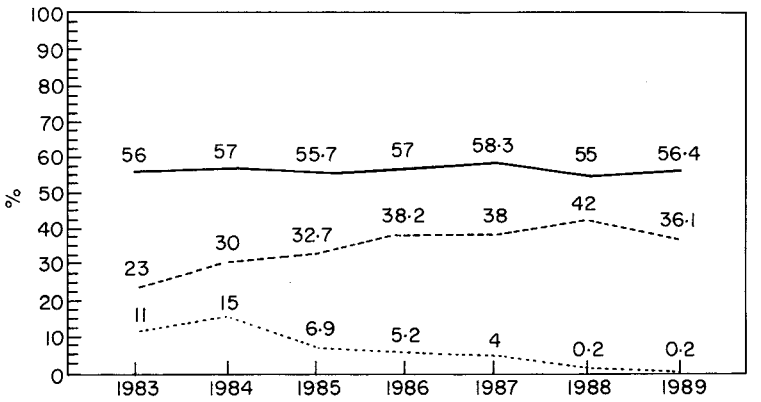

Fig. 2. *Topics of firm agreements in France* (1984–89). · · · ·, working time reduction; – – –, working time flexibilisation; ——, wages.

Source: Department of Employment.

increases and wage hierarchies are separately regulated in France. In fact, there is a close relationship among them. Firstly, it is not surprising to observe that minimum wage increases tend to generate increases all along the hierarchy. Secondly, reference wages for establishing wage hierarchies can be lower than legal minimums if no employees are actually paid at the level of this reference wage. However, this may occur briefly between two negotiation periods. Thirdly, although the law prohibits agreements indexing actual wages on prices, indexation takes place *de facto* because wage agreements often include provisions calling for new negotiations as soon as the price index increase attains a certain level.

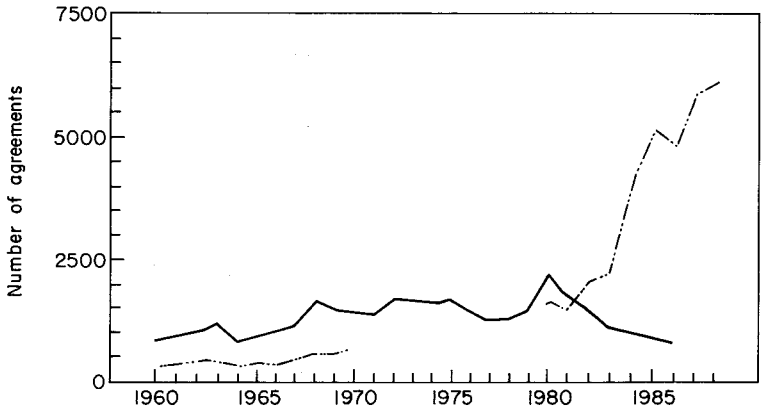

Fig. 3. *Number of industry and firm agreements in France since 1960.* ——, industry agreements; – · · –, firm agreements.

Source: Department of Employment.

Wage increases. The law of February 1950 assumed that collective bargaining should take place mainly at the industry level. Firm agreements were seen as an extension of industry agreements. The exception was industries without industry-level agreements in which case the law prescribed firm agreements. The implicit view was that, given union pluralism and the weakness of unionisation, industry bargaining would be more favourable to employee interests.

Changes in the 1970s and the Auroux Laws in the 1980s diversified bargaining levels. The 1968 interindustrial agreement of Grenelle authorised the formation of enterprise-level union branches and enterprise agreements and led to some strengthening of bargaining at that level. The Auroux Laws undoubtedly reinforced firm-level bargaining after 1982, as is shown in Fig. 3. But this does not mean that bargaining over wages became uniformally more decentralised than before. Bargaining over wages at the industry level remained comparatively more important than bargaining at the firm level (Figs 2 and 3). Furthermore, the 'favour rule' (described above) requires that firm agreements be at least as beneficial as industry agreements for workers, and this reduces the autonomy of the bargaining agents.

Minimum wage regulation is another way that the state can influence wage regulation in so far as minimum wage increases generate average wage rate increases. Another factor is that the State is the foremost employer in France. The French industrial relations system has often been described as consisting of four subsystems (Adams and Reynaud, 1978). Two of them belong to the public sector: the public administration (the so-called 'function publique') and the nationalised sector. In each of these, labour has been regulated by law. At present the distinctiveness of the public sector is less pronounced: deviations from the 'function publique' statutes are numerous, and contractualisation of employment in the nationalised sector is high. Wage increases in these sectors do act as pattern setters for other industries (Saglio, 1987).

Of course, decisions of the State as an employer are dependent on the government's economic and wage policies. A good example from the 1980s is when the socialist

Government imposed a ban after 1982–83 on indexing wages according to price increases in order to reduce inflation. This objective was pursued mainly by reducing wage increases in the public sector. It was achieved with the implicit agreement of certain unions while others were too weak to contest it through strike action.

Wage hierarchies. Location within the system of job classification affects the wage level but job classifications never depend solely on skill requirements. Wage increases may be given to a group of workers at a particular position in the classification hierarchy without the necessity of increasing wage rates for each level of the hierarchy.

During the 1970s the old *Parodi* classifications[1] were slowly changing. Occupations were changing and it became more and more difficult to use a classification system based mainly on personal characteristics of workers, without reference to job requirements and work organisation. Change was initiated by developments in the metal-working industry in a June 1974 agreement for a new standard of classification based on 'grading criteria'. The procedure was inspired by conventional job evaluation practices and used four basic factors in the evaluation: knowledge level, degree of autonomy, responsibility and activity (Saglio, 1987).

At present, according to Saglio's study, nearly one quarter of the classifications in industry are based on 'grading criteria', though rarely are grading criteria the sole basis and generally some reference to the old *Parodi* classifications are retained. The new system is on the increase in French industry generally.

It should be emphasised that the new system transfers to the firm level bargaining over the classification of individual employees. Furthermore, grading criteria are clearly favourable to achieving internal flexibility and specifically to the individualisation of classifications and wages. This explains why the unions were initially reluctant to accept the new system. In the second half of the 1980s the CGT has maintained its opposition. CFDT has relaxed its attitude and has tried to negotiate internal flexibility in exchange for guarantees over external flexibility (Tallard, 1990).[2]

Another factor of reference concerns the importance of the State as an employer. Classifications in the 'function publique' are based on different principles and they have an influence on all activities which can be considered as substitutes for the public service. In this sector classifications are based on diplomas, they describe jobs with a great amount of detail, and they also define career lines, employment protections and working conditions.

Wage forms. Since the law of 19 January 1978 on monthly wages for blue-collar workers, the employer has to pay the same wage independently of the number of working days in a month. Although this law does not exclude bonuses which maintain a relationship to output, it has nonetheless favoured time wages. In 1978, 73·6%

[1] Parodi is the name of the minister who signed in 1945 the law establishing this seven-level job classification system for blue-collar workers, each level being defined by an occupational rate.

[2] The CGT, Confédération Générale du Travail, is the largest French Union. The CFDT, Confédération Française Démocratique du Travail, is the second largest.

of manufacturing blue-collar workers were paid exclusively time-based wages. In 1986 the figure was 80·9% (Reynaud, 1992, p. 103).

Individualisation of wages is increasing. By this is meant a wage system where increases are granted individually, based on the individual characteristics of the workers, rather than being granted to a group and linked to output. This wage system amounts to a deregulation of wages and an increase in employer discretion. In 1989, it concerned a minority of firms (38%, half of which relied solely on individual wage increases, the other half giving individual and collective wage increases). In 1986, the policy was applied more commonly to executives (only 20% of blue-collar workers, versus 37% of executives). It involves two types of firms: firms without collective agreements where individualisation is a way of deregulating wages and firms with a high degree of social welfare where individualisation is either an aspect of managerial careers or a means for greater competition within internal labour markets (Reynaud, 1992, pp. 125–135).

3.2. Employment regulations

Working time. Working time regulation is now the second most important bargaining issue after wages. It occurs at three levels: the firm, the industry and the inter-industry levels. State directives are decisive in this area and working time regulation is an illustration of the articulation between State regulation and the various levels of collective bargaining (see Gauvin, 1991, or Gauvin and Michon, 1989). Working time regulation concerns three topics: early retirement, working time flexibilisation, and working time reduction.

In the 1950s and 1960s, bargaining over working time remained undeveloped. The State tried to produce standard regulations which provided a minimum protection to employees across firms. Nevertheless, a new dynamic more favourable to collective bargaining began to appear in the 1980s. It concerned working time flexibilisation more than working time reduction and the level of bargaining has been decentralised, from the industry level to the firm and plant levels.

There have been some important discontinuities. The first one occurred with the 'ordonnance' of 27 September 1967, which stipulated that collective agreements could depart from legislative regulations. A second occurred in 1981 and was associated with political changes at the time which altered the relationship between law and collective bargaining. An interindustry agreement[1] was concluded in July 1981 which aimed to encourage bargaining on working time duration and flexibilisation at the industry and firm levels. It did not succeed and a major reason for this was a failure of the unions and employers to agree on the principle of wage compensation.

The French Government attempted to take the initiative with the 1982 laws under the assumption that the 40-hour week was a difficult threshold to cross and posed a major obstacle to collective bargaining. The 1982 legislation enforced the 39-hour week, five weeks of paid vacation, and an overtime limit of 130 hours/year. The legislation introduced new methods for regulating working time, allowing for industry-level bargaining on such issues as night work for women, Sunday work and individual time schedules.

[1] The CGT refused to sign this agreement.

'Solidarity contracts' were promoted, which attempted to promote firm bargaining over work sharing, with early retirement and work week reduction. The Auroux Laws of 13 November 1982 introduced an obligation to bargain within the firm over working time organisation. The large number of firm agreements over flexible time schedules subsequently encouraged legislative changes. On 28 February 1986 the Delebarre Law authorized industry agreements allowing firms the possibility to vary working week duration (with an upper limit of 42 hours and a compulsory annual average under 38 hours).

In March 1986, a change in the parliamentary majority generated new government initiatives. The Séguin Law no longer subordinated working time flexibilisation to working time reduction. With the *'accords donnant-donnant'*, firm bargaining over working time was permitted to go against the law much as industry bargaining. As with industry agreements, firm-level agreements can exchange mutual concessions and advantages (working time flexibilisation against greater compensation, for example).

Some of these agreements have resulted in abuses and debate over this ultimately led to the interindustry agreement of 29 March 1989 promoting industry negotiations.[1] However, this initiative proved a relative failure.

Dismissals and unemployment. Layoff rules are not specified by collective agreements in France. For collective dismissals, until 1986, the Labour Inspection at the local level was in charge of an obligatory administrative authorisation. It should be emphasised that authorisation was almost systematically given by the Labour Inspection. The main problem, according to the firms, was the delay between the request for dismissals by the firms and the administrative agreement. With the suppression of administrative authorisation in 1986, the Labour Inspection function is limited to verifying that legal procedures are respected. This amounts to a liberalisation of the labour market rather than a promotion of collective bargaining.

Unemployment is 'managed' by two main organisations. The first is a public administration, the Agence Nationale Pour l'Emploi (National Agency for Employment). The main function of ANPE is to find jobs for the unemployed and to match up job supplies and demands. The ANPE's legal monopoly in this domain was instituted in 1945 but has not been fully respected. Private employment bureaus have always been in activity, and the public service cannot control all job search (Muller, 1991).

The second organisation, Union Nationale pour l'Emploi Dans l'Industrie et le Commerce (National Committee for Employment in Industry and Trade), is in charge of the management and the distribution of unemployment benefits. UNEDIC is jointly managed by employers' organisations and the unions, and is in fact a federation of local associations, the Associations pour l'Emploi Dans l'Industrie et le Commerce (ASSEDIC).

Unemployment insurance is regulated by an interindustry agreement which is signed by all the main employers' organisations and unions. This interindustry agreement determines the employers' and employees' levels of taxation, the amount

[1] Note that there is no systematic substitution between these two levels which would profit the firm level. Although the branch level remains weakly developed, it promotes a strong dynamic where it exists.

of benefits and their methods of payment. Individual cases are examined by a joint committee of the local ASSEDIC.

Temporary work. While the use of temporary work has increased considerably in France in the 1980s, bargaining over this form of employment is weakly developed at the industry level or at a more decentralised level. Guitton (1989) has shown that the industries which use a lot of 'atypical' employment forms are not those where bargaining over employment forms is the most developed. The State defines the rules for using atypical employment forms and State intervention has focused mainly on temporary jobs and part-time employment over the last twenty years.

The evolution of legislation in this area has been characterised by four stages. The first stage, during the 1970s, produced a legislative framework for using temporary jobs. It was thought necessary to regulate the increase in temporary jobs that had developed outside any legal framework. The objective of the second stage, in 1982, was explicitly to restrict these practices. The measures taken in 1985 and 1986, to the contrary, liberalised the possibilities for using temporary jobs.

Industries which have produced most of the agreements over employment forms are not those which use atypical employment forms in the greatest proportion. In fact, collective bargaining occurs at the industry level when the scope of the collective agreement corresponds to the area of the economic sector. In other cases, where the scope of collective bargaining mixes various and heterogeneous activities, a well-adapted agreement about employment forms management seems to be more difficult, if not impossible. This is counterbalanced by interindustrial agreements. In the 1980s, they preceded the law, and the law in turn promoted collective bargaining at the industry level. The May 1985 and March 1990 interindustrial agreements were the basis of the July 1985 and July 1990 legal rules.

The July 1990 agreement, following the logic of the agreement which preceded it, had three objectives: to limit abusive use of atypical jobs; to bring the status of 'C.D.D.' (Contract with a Determined Duration) and of 'interim' closer; and to promote the social integration of workers concerned by the atypical jobs category. The motives for and the duration of using these employment forms were more strictly limited and regulated while the social advantages of the workers concerned were extended. The principle according to which these employment forms cannot be used in place of a 'common' employment contract (which applies to jobs linked with the daily and permanent activity of the firm) was reaffirmed.

Continuing vocational training. Continuing vocational training is based on a mixed regulation system which combines law, collective agreements and joint management between unions and employers. The origins are the 9 July 1970 interindustry agreement over training and vocational improvement, and the 16 July 1971 law about continuing training, which imposes industry-level bargaining and generalises individual paid training leaves. The 24 February 1984 law not only makes industry bargaining and the conclusion of agreements obligatory, but above all specifies some of the contents of these agreements.

The law and interindustry-level agreements regulate the general framework, the funding modes and the tasks for actors involved in training. They determine whether

Table 1. *Procedures and contents of labour market regulation in France*

Procedures		Collective bargaining		
Topics	State	Inter-professional	Industry	Firm
Wage regulation				
Wage increases	Indicative public wage policy		Bargaining is an obligation	Bargaining is an obligation
Minimum wage	Fixing by the state			
Wage hierarchies			Classification based on 'grading criteria'	Development of bargaining over classification
Wage forms	Paying by the month law (19/1/78)			Individualisation and profit sharing can be negotiated unilaterally or decided by the employer
Employment regulation				
Working time	Auroux's (1982) Delebarre's (1986) & Séguin's Laws (1987): incitement to negotiate in industries and firms	Agreement (29/03/89): incitement to negotiate in branches	Weak bargaining	Bargaining is an obligation
Employment form	General regulation (7/82, 7/85, 8/86, 7/90)	Agreement (5/85, 3/90)	Weak bargaining	
Layoffs	Administrative permit of layoff until 1986. Liberalisation of the regulation in 1986			Social plans
Vocational training	Laws (16/7/70 and 24/2/84): obligation to negotiate in industries	Agreement (9/7/70)		

Table 2. *Procedural dynamics of the French labour market regulation system*

Procedures Labour market regulation topics	State	Collective bargaining		
		Inter-profession	Industry	Firm
Wage regulation				
Wage increases	++	→	++ →	++
Minimum wage	++			
Wage hierarchies			++ →	+
Wage forms				++
Employment regulation				
Working time	++	→ +	→ + →	++
Employment forms	++	← ++	→ +	
Layoffs	+			
Unemployment insurance	++	++		
Vocational training	++	→ ← ++	→	+

+ Relative importance of the level of labour regulation.
→ Direction of the procedural impulse from the origin of the initiative.

firms have to take charge of the training for their employees (the State being in charge of the training for nonemployed), whether they have to decide on the content of training policy and whether the law gives to the works committee and not to the unions an important role in regard to training issues. These are not obligatory bargaining issues at the firm level, except when industry bargaining fails. The firm remains a secondary location for vocational training regulation.

3.3. State regulations remain important

Table 1 summarises the plurality of levels and procedures of labour market regulation in France. Legislative procedures and collective bargaining procedures, level by level, are distinguished. The more important contents of labour market regulations relative to each type of procedure are listed for the recent period.

Table 2 shows the relative importance of the various procedures. It shows the dynamic engendered by the State. For each labour regulation issue, the + sign indicates the relative weight of a given type of procedure while the arrow emphasises the origin of the regulation and its direction.

Conclusion

Labour market regulations in France have the following major characteristics:

- Wage regulation is clearly the first topic of collective bargaining but employment regulation is not unimportant.

● The State has a major role as legislator as well as being the most important employer. Bargaining procedures are organised at various levels. The relative importance of the State and of the various levels of bargaining are not similar across regulation issues. Specifically, wage bargaining levels and employment bargaining levels are not identical. This implies a clear disconnection between wage and employment regulation.

The 1980s has been a period of great change in French industrial relations and labour market regulation. Decentralisation trends are clear. Nevertheless, decentralisation does not mean a withdrawal of the State. As Segrestin (1990) has said, the predominance of State legislation and of State initiative in all labour regulation issues remains. The changes in the 1980s amount to an emergence and a consolidation of decentralised bargaining initiated by the State, mainly over wages and working time. Secondly, changes in rules and practices since the 1950s have made the bargaining level itself a locus of conflict (Adam and Reynaud, 1978). Thirdly, the degree of decentralisation varies according to the issue.

Dunlop's analyses (1944), as well as that of Kochan, Katz and McKersie (1986), are brought into doubt by the French case. The French State has been as active as employers in imposing a new framework for industrial relations. Moreover, the French State has changed its methods of action: it partly abandoned responsibility for the determination of substantive rules to other actors; it has become mainly a motivating force and the enforcer of procedural rules. Nonetheless, it remains a key element in the French system.

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