



## Economic and Social Council

Distr.  
GENERAL

E/1984/6/Add.11  
3 July 1985  
ENGLISH  
ORIGINAL: FRENCH

First regular session of 1986

### IMPLEMENTATION OF THE INTERNATIONAL COVENANT ON ECONOMIC, SOCIAL AND CULTURAL RIGHTS

Initial reports submitted by States parties to the Covenant  
concerning rights covered by articles 6 to 9, in accordance  
with the first stage of the programme established by the  
Economic and Social Council in its resolution 1988 (LX)

#### Addendum

FRANCE

[10 April 1985]

#### I. ARTICLE 6. THE RIGHT TO WORK

1. The French Government has approved ILO Convention No. 122 on employment policy. Its report on the implementation of that convention covering the period 1 July 1980-30 June 1982 has been submitted with this document (see annexes). This report covers only new developments during the period 1 July 1982-31 December 1983.

##### A. Principal laws, administrative regulations, collective agreements and court decisions designed to promote and safeguard the right to work as defined in this article

2. The relevant laws and decrees are:

Ordinance No. 82-290, of 30 March 1982 to restrict the possibilities of simultaneously drawing a retirement pension and deriving an income from gainful activity;

Decree No. 82-571, of 29 June 1982, respecting the application of section L.212-4-1 of the Labour Code (sect. D.212-4-1 choice of working hours);

Decree No. 82-572 of 29 June 1982 giving effect to section D.124-3 of the Labour Code (sect. D.124-4 on temporary employment);

Act No. 82-689 of 4 August 1982 respecting workers' freedoms in the undertaking;

Decree No. 82-775 of 10 September 1982 to amend certain provisions of the Labour Code as to temporary employment;

Decree No. 82-804 of 22 September 1982 respecting on-the-job training contracts;

Act No. 82-915 of 28 October 1982 respecting the expansion of institutions representing the staff;

Decree No. 82-956 of 3 November 1982 respecting the composition of the Interministerial Committee on Occupational Training and Social Advancement;

Act No. 82-939 of 4 November 1982 respecting special solidarity contributions to assist unemployed workers;

Act No. 82-957 of 13 November 1982 respecting collective bargaining and the settlement of collective labour disputes;

Decree No. 82-991 of 24 November 1982 giving effect to section L.351-18 of the Labour Code (unemployment insurance);

Act No. 82-1097 of 23 December 1982 respecting safety, health and working conditions committees;

Amended Appropriation Act for 1982 (No. 82-1152 of 30 December 1982) article 27, individual training leave;

Decree No. 83-114 of 17 February 1983 respecting the subsidy for the creation of employment in small-scale undertakings;

Decree No. 83-129 of 22 February 1983 respecting on-the-job training contracts;

Decree No. 83-234 of 21 March 1983 made under section L.953-2-3 of the Labour Code (individual training leave);

Decree No. 83-235 of 21 March 1983 to amend title V of book IX of the Labour Code (Ministry of Vocational Training);

Decree No. 83-223 of 22 March 1983 abrogating Decree No. 82-196 of 26 February 1983 respecting fixed-term contracts;

Decree No. 83-349 of 28 April 1983 establishing training courses for "young volunteers";

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Decree No. 83-397 of 19 May 1983 respecting on-the-job training contracts and job-adaptation contracts;

Decree No. 83-398 of 19 May 1983 respecting job-orientation contracts;

Act No. 83-431 of 31 May 1983 ratifying ordinance No. 82-108 of 30 January 1982 respecting solidarity contracts with local authorities;

Decree No. 83-447 of 1 June 1983 amending title I of book I of the Labour Code (Part II);

Decree No. 83-458 of 7 June 1983 on the renewal of contracts provided for in Ordinance No. 82-204 of 1 March 1982 on assumption by the State of certain social security contributions in industrial undertakings in the textile and wearing apparel sector;

Decree No. 83-477 of 10 June 1983 respecting the length of the work-day;

Decree No. 83-502 of 17 June 1983 to restrict the possibilities of simultaneously drawing a retirement pension and deriving an income from gainful activity;

Decree No. 83-553 of 30 June 1983 giving effect to section L.351-18 of the Labour Code;

Act No. 83-580 of 5 July 1983 amending certain provisions of the Labour Code respecting income maintenance for unemployed workers;

Act No. 83-635 of 13 July 1983 to amend the Labour Code and the Penal Code as to equality in employment between women and men;

Decree No. 83-714 of 2 August 1983 made under article 2 of Act No. 83-580 of 5 July 1983;

Decree No. 83-833 of 19 September 1983 on the delimitation of regions for the purposes of vocational training, social advancement and employment;

Decree No. 83-925 of 21 October 1983 establishing an interministerial delegation and interministerial committee on the social integration of young people in trouble;

Decree No. 83-976 of 10 November 1983 giving effect to section L.351-16 of the Labour Code (unemployment compensation);

Decree No. 83-977 of 10 November 1983 giving effect to section L.351-16 of the Labour Code in the overseas departments;

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Act No. 83-1097 of 20 December 1983 authorizing the Government to take measures respecting replacement income for workers who have become unemployed against their will and to guarantee salary claims;

Act No. 84-4 of 3 January 1984 establishing leave for employees to start an undertaking and sabbatical leave.

#### B. General information

The right of everyone to gain his living by work which he freely chooses or accepts, with particular reference to freedom from compulsion in the choice of employment and guarantees against discrimination in regard to access to employment

3. France has approved the Discrimination Convention (Employment and Occupation) of 1958 through the Act of 15 April 1981. A number of legislative provisions described below give effect to the right to work without discrimination.

4. Specific provisions concerning the various grounds for discrimination are contained in the following acts:

(a) Act No. 75.625 of 11 July 1975 (art. 416 of the Penal Code)

This act prescribes terms of imprisonment for employers who, without good cause, have refused to hire or have dismissed any individual because of his origin, sex, family circumstances or his belonging or not belonging to a specific ethnic group, nation, race or religion, or who have made an offer of employment conditional upon any of the above-mentioned criteria;

(b) Act No. 82.689 of 4 August 1982 (sects. L.122.35 and L.122.45 of the Labour Code)

Under section L.122.35 of the Labour Code, the internal regulations of an undertaking shall not include provisions operating to the detriment of employees, as regards their employment or work, on account of their sex, family circumstances, origins, opinions, religious beliefs or handicaps, on condition that they have the same abilities to do their jobs.

Under section L.122.45 of the Labour Code, no employee may be punished or dismissed on account of his origin, sex, family circumstances, membership of an ethnic group, nation or race, political opinions, trade union activities or religious convictions. Any provision to the contrary shall automatically be null and void.

5. Specific provisions against discrimination based on sex are contained in the following acts:

(a) Act No. 75.625 of 11 July 1975 (sects. L.122.25 and L.122.27 of the Labour Code). Under section L.122.25 of the Labour Code, no employer shall retain the fact that a woman is pregnant as a ground for refusing to recruit her, for

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terminating her contract of employment during any period of probation or for ordering her transfer to another job, except in the latter case if her state of health, as certified by a medical practitioner, so warrants;

It shall therefore be unlawful for him to seek to obtain any information relating to her pregnancy or instruct others to seek to obtain such information. In addition, no woman applying for or employed in any job shall be required to reveal the fact that she is pregnant, except where she requests to benefit from any law or regulation governing the protection of pregnant women;

Under section L.122.27 of the Labour Code, termination of the contract of employment by an employer because a female employee has been guilty of a serious fault which is unrelated to her pregnancy or because he is unable to maintain her contract for a reason unconnected with her pregnancy or confinement may not become effective or be notified during the maternity leave of the employee;

(b) Act No. 80.545 of 17 July 1980 (sect. L.122.25.2 of the Labour Code). Under section L.122.25.2 of the Labour Code, an employer may not terminate the contract of employment of a female employee whose pregnancy has been medically certified during the pregnancy, the entire period of maternity leave or the four weeks following that leave, unless he can furnish evidence that she has been guilty of a serious fault which is unrelated to her pregnancy or that he is unable to maintain her contract for a reason unconnected with her pregnancy or confinement;

(c) Act No. 82.957 of 13 November 1982 (sects. L.133.5 and L.136.2 of the Labour Code). Under section L.133.5 (9) of the Labour Code, sectoral agreements concluded at the national level must contain provisions as to the equality in employment between men and women and the measures to rectify any inequalities that may be found to exist concerning access to employment, training, promotion, working conditions and conditions of employment;

Under section L.136.2 (8) of the Labour Code, it is the duty of the National Collective Bargaining Committee to make an annual survey of how the principles of equal pay for equal work and of equality in employment between men and women are being applied in collective agreements, to place any lasting inequalities on record and analyse their causes. In addition, the Committee has the right to make suggestions to the minister responsible for labour for promoting equality of treatment both in practice and in the relevant legislation;

(d) Act No. 83.635 of 13 July 1983 to amend the Labour Code and the Penal Code as to equality in employment between women and men;

This act presents the equality between men and women as a principle to be applied in all areas of employment. The equality of rights is affirmed in relation to access to employment, remuneration, vocational training, assignment, promotion, transfer and dismissal;

As a result, collective labour agreements and employment contracts may not contain provisions restricting the benefit of a certain measure to any employee or employees on the basis of sex except in so far as the protection of pregnant employees is concerned;

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In case of violation, the employer is liable to imprisonment. The act also provides for specific measures for enforcing the principle of equality of rights between men and women:

- (i) The possibility for trade union organizations to file any lawsuits (with the agreement of the interested party) on behalf of a worker who has been the victim of discrimination on the ground of sex;
- (ii) The possibility for a judge to delay execution of a penalty against an employer who has broken the law, calling upon him to indicate within a specified period the measures he intends to take to re-establish equality in employment between men and women;
- (iii) In undertakings with 50 or more employees the employer is obliged to submit to the staff representatives a report setting out the comparative situation of general employment and training conditions of men and women in the undertaking.

The objective of the act is also to seek to achieve equality of opportunity between men and women, through temporary measures taken for the benefit of women alone to redress existing situations of inequality.

These measures may form the subject of a plan negotiated with the undertaking. Finally, the act provides for the establishment of a Higher Council on Equality in Employment between Women and Men, attached to the ministers responsible for women's rights, labour, employment and vocational training, and responsible for taking part in defining, carrying into effect and implementing policy relating to equality in employment between women and men.

Three draft decrees are being prepared which shall determine respectively:

- (i) The list of occupations and employment activities for which gender is a determining condition;
- (ii) The conditions under which actions carried out by undertakings under plans for equality in employment may benefit from State financial assistance;
- (iii) The composition, functioning and powers of the Higher Council on Equality in Employment between Women and Men.

6. Specific provisions against discrimination based on membership in a trade union are contained in Act No. 56.416 of 27 April 1956. Under section L.412.2 of the Labour Code, it is unlawful for an employer to take account of trade union membership or the pursuit of trade union activities in reaching his decisions on such matters as recruitment, the conduct and allocation of work, vocational training, promotion, remuneration, the award of social benefits, disciplinary measures and dismissal.

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Policies and techniques to achieve steady economic, social and cultural development and full and productive employment under conditions safeguarding fundamental political and economic freedoms of the individual

8. In 1982 and 1983 France continued to face high unemployment, although the rate of increase in the number of job-seekers at month's end had slowed down considerably, levelling off by the end of the period.

Trend in the number of job-seekers  
(Thousands)

[illegible]

9. A detailed breakdown of job-seekers according to sex, age, and occupational category is provided in section G below.

10. The situation continues to be characterized by:

(a) The large number of young people under 25 years of age among job-seekers at month's end:

45.1 per cent in December 1980  
45.5 per cent in December 1981  
45.2 per cent in December 1982  
44.5 per cent in December 1983

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(b) Increase in the length of unemployment and in the number of long-term unemployed: in December 1983, 42.9 per cent of job-seekers had been registered for more than six months, and 25.7 per cent for more than a year (compared with 42.5 per cent and 24.8 per cent respectively in December 1982). The average length of time for which work was sought at the end of the month was 288 days in December 1983 (as compared with 280 days in December 1982).

11. Employment policy is a high priority in France and is four-pronged:

(a) The monitoring of employment and assistance in connection with industrial restructuring;

(b) Protection of the income of job-seekers;

(c) Reorganization of the government employment, placement and vocational training service;

(d) Employment policies:

(i) Assistance to enable problem groups (young people, women, the handicapped, the long-term unemployed) to find employment;

(ii) Policies aimed at creating new employment opportunities.

#### D. Protection of employment and industrial restructuring

##### Employment supervision - authorization of dismissals for economic reasons

12. The Act of 3 January 1975, which lays down procedures for prior consultation and authorization in case of dismissals for economic reasons, enables the Government to determine whether a dismissal is justified and guarantees workers a measure of employment protection.

13. In 1982, the number of dismissals for economic reasons was 316,200, a 13.4 per cent decline compared with 1981.

14. The public works construction sector is the most affected with one quarter of all the dismissals recorded in 1982, or one third if only men are taken into account. However, dismissals in the tertiary sector are still relatively infrequent. In all, more than two thirds of the dismissals took place in industry or in the public works construction sector.

15. Men account for about 70 per cent of the employees dismissed given their concentration in industrial occupations.

16. There was a marked change in the pattern of dismissals in 1982 and 1983 with larger numbers of older workers more affected. The proportion of workers over 50 years of age increased to 29.2 per cent overall and to 50 per cent in the large establishments. This should probably be seen as the result of the widespread conclusion of agreements between enterprises and the Ministry of Employment making workers over 56 eligible for special benefits from the National Employment Fund.

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17. The proportion of workers dismissals for economic reasons among job applicants has nevertheless declined slightly from 15.3 per cent in 1981 to 13 per cent in 1982.

Protection of employment - compensation for partial unemployment and the Partial Unemployment Agreement of the National Employment Fund

18. Following a sharp increase at the end of 1980 and particularly during the first half of 1981, there was less use of partial unemployment in 1982. The average number of workers affected per month decreased from 321,000 in 1981 to slightly over 200,000 in 1982. There was also a decline in the number of work-days for which compensation was payable, from 17,411,000 in 1981 to 12,237,000 in 1982.

19. The figures available for the first four months of 1983 show a further increase in the number of workers affected and the hours for which compensation was payable. On average, 230,580 employees were affected during these four months. The total number of days for which compensation was payable for the four months was 4,847,988. However, this information is too scanty to indicate any real rise in partial unemployment. They seem rather to be part of normal seasonal variations. Partial unemployment is a practice followed for the most part, in a few industrial activities (primary steel processing, smelting and metalwork, mechanical engineering, the motor vehicle industry and transport equipment). Construction is expanding and accounts for two thirds of the jobs in large-scale undertakings.

20. The regions most affected are Nord Pas-de-Calais, Lorraine, Pays de Loire, and Rhône-Alpes. Partial temporary shutdowns were more numerous in 1983 than in the past.

21. With respect to the National Employment Fund, although there was considerable recourse to the agreements, the figures show a decline reflecting the overall drop in partial unemployment compared to 1981.

	<u>1981</u>	<u>1982</u>	<u>1983 a/</u>
Enterprises or establishments signatories to the agreements	1 845	1 509	438
Number of workers with reduced working hours (estimate)	397 623	229 625	777 318

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a/ Partial figures for the first eight months of 1983.

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22. The seven worst hit sectors, in terms of the number of employees covered by the agreements, are shown in the following table:

Code	Branch of the economy	1982 (per cent)	1983 <u>a/</u> (per cent)
10.11.13	Iron and steel basic industries and non-ferrous metal basic industries	16	22
15.16	Glass, china, building material	7.3	5.1
20.21	Smelting and metalwork	11.5	13.4
22-25, 34	Mechanical engineering	12	10
31	Motor vehicle industry	15.5	17.4
27-30	Electrical engineering, electronics, household equipment	6.4	7.2
44	Textiles	5.1	3.8
Total for the 7 main sectors		73.8	78.9

a/ Partial figures.

23. It should be noted that agreements were concluded with a large and increasing number of small-scale enterprises in the construction sector (94 enterprises in 1981, 149 in 1982 and 188 in the first eight months of 1983; these agreements cover 40 employees on average).

24. The regions most affected by the agreements, as regards both the number of enterprises and the number of employees covered are Lorraine, Nord Pas-de-Calais, Basse-Normandie and Rhône-Alpes.

25. The involvement of the Ministry of Employment includes:

(a) Compensating employees whose working hours are reduced (specific benefit: sect. L.351-19). Expenditure on this benefit totalled 534,720,000 francs in 1982. Appropriations obligated as at 1 September 1983 were 482,270,000 francs;

(b) Assuming a large share of the compensation paid by enterprises in difficulty (benefits under the agreements), in the framework of partial unemployment agreements of the National Employment Fund (sect. L.322-11). Expenditure for this purpose increased to 291,210,000 francs in 1982. Appropriations obligated as at 1 January 1983 were 299.5 million francs.

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Job conversion: National Employment Fund training agreements

26. These agreements are intended to promote preventive action, in response to urgent and temporary problems which an enterprise, an area of employment or even a particular segment of the population may face and thus avoid delays in adjustment which give rise to unemployment.

27. The number of employees receiving training under these agreements in 1982 was 6,490, as against 6,410 in 1981, or an increase of 5.7 per cent.

28. During the first eight months of 1983, 3,100 new employees benefited from these agreements.

29. The total cost to the Government was 53 million francs in 1982.

E. Policies to assist individuals to find employment

Policies of assistance to young people

30. When the "Future of Youth" Plan ended on 30 June 1982, the arrangement adopted by the Government was intended to give greater attention to the needs of young people and other categories of job-seekers facing special difficulties in finding employment. The arrangement gives priority to assistance negotiated with enterprises and the provision of vocational training.

31. Most of the benefits granted automatically which had not led to a net increase in jobs were discontinued, including practical training courses, 50 per cent exemption from employers' contributions to social security and exemption from employers' contributions to social security for apprentices employed by non-crafts and trades undertakings having more than 10 employees.

Period 1982/83

32. The measures for the period 1982/83 included continued encouragement for apprenticeships in enterprises with fewer than 11 employees. Complete exemption from social insurance contributions in respect of the hiring of apprentices, provided under the Act of 3 January 1979, was maintained (566 million francs in 1982). Eight hundred and ninety million francs have been included in the 1983 budget under section 44.76 (Common costs).

33. The number of apprentices declined slightly by 3.8 per cent (119,218 contracts registered between July 1982 and June 1983, compared with 133,995 between 1981 and 1982 and 126,379 between 1980 and 1981). The crafts and trades sector accounts for two thirds of the contracts registered annually.

34. On-the-job training contracts: 77,883 contracts compared with 72,080 in the preceding period. In other words, an increase of 8 per cent. "Integration" contracts (120 to 499 hours of training) account for 82.1 per cent of the total and

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"skills acquisition" contracts (500 to 1,200 hours of training) represent 17.9 per cent. The scheme was diversified in May 1983 when two new types of contracts were instituted: the "job-orientation" contract and the "job-adaptation" contract.

35. The job-orientation contract is intended to provide young people who have no skills or vocational goals with their first job experience for at least four months.

36. The purpose of the job-adaptation contract is to facilitate the adaptation of young job-seekers who already possess adequate skills but need a short job-adaptation period.

37. Moreover, the integration of young people into the work-force has been promoted by:

(a) Training courses set up by the Ministry of Vocational Training for young people between 16 and 18 years of age (10,000 training courses) and young people between 18 and 21 years of age (45,000 training courses);

(b) The impact of the "solidarity" contracts: early retirements resulted in 157,626 full-time and 5,504 part-time job offers as at 30 June 1983. On the same date, contracts providing for reduced hours of work led directly to the creation of 1,100 jobs.

#### Period 1983/84

38. For this period, 100,000 on-the-job training contracts, 50,000 job-adaptation contracts and 50,000 job-orientation contracts were planned.

39. During the first six months of the period 1983/84 (1 July to 31 December 1983), 40,042 young people were serving under one of the three kinds of on-the-job training contracts instituted in May 1983: 29,445 under on-the-job training contracts, 8,895 under job-adaptation contracts, and 1,692 under job-orientation contracts.

#### Policy to assist women

40. Since the adoption of the 1982 Appropriations Act, the Ministry for Women's Rights has been given responsibility for measures to promote the entry of women into jobs in sectors where they are particularly underrepresented or into new occupations. An appropriation of 20 million francs has been approved for that purpose, and two pilot projects have been started in each region.

41. The measures carried out by the Ministry of Employment, namely the solidarity contracts scheme and action to promote the integration of the most disadvantaged groups into the work-force (on-the-job training contracts, job-adaptation contracts, job-orientation contracts), make special provision for women, especially female heads of household in need of an occupation. These special provisions include first preference for jobs or the waiving of any age requirements so that they may benefit from these various provisions.

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42. Finally, the Ministry of Employment has taken a number of steps in connection with the two-year plan of the Adult Vocational Training Association (AFPA) to ensure that more women are included among the trainees. The target set is to increase the number of women in the different fields of specialization from 17 to 25 per cent.

43. With this aim in view, an experimental programme has been started, which provides, among other things, for the recruitment of women as well as men for specific new fields of specialization.

44. The National Employment Agency (ANPE), together with the Ministry for Women's Rights, has updated the module "Specific problems of female unemployment" to be used for the training of agency staff who are responsible for reception of job-seekers, job searching or placement.

#### Policy to assist handicapped workers

45. The Vocational Counselling Act of 30 June 1975, which is still the basic enactment governing the employment rights of handicapped persons provides for three types of action:

(a) A scheme to assist and advise handicapped persons is run by the Technical Committees on Vocational Counselling and Retraining (COTOREPs), which assess the abilities of handicapped workers and decide on the award of the various benefits for which the handicapped person may apply. In 1982, the technical committees dealt with 474,132 cases and since their inception 70,800 handicapped persons have found employment in regular work places and 5,710 in sheltered workshops. The amount of the operating subsidies which have been paid to these sheltered workshops and to the distribution centres for work done at home has steadily increased, rising from 28.5 million francs in 1982 to 34 million francs in 1983, and it is expected to total more than 42 million francs in 1984, or an increase of 20 per cent;

(b) Efforts to promote the integration of handicapped persons, into the work-force, through financial aid either to those taking training courses or enterprises which arrange their operations with a view to hiring handicapped workers. These different types of assistance are expected to amount to 19.5 million francs in 1984, 7 million of which will be used to provide jobs and 10 million to implement occupational integration contracts between the Government and enterprises. Subsidies paid to initial and further retraining teams that help to place handicapped persons in jobs increased from 7.2 million francs in 1982 to 7.8 million francs in 1983;

(c) The State provides a guaranteed income to every handicapped person who is engaged in some form of occupation. Payments for this purpose account for the bulk of funds allocated for the integration of handicapped persons into the work-force. The number of recipients increased from 58,000 in 1982 to 64,000 in 1983 at a cost of 1.5 billion francs in 1982 and 2 billion in 1983.

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Integration of the long-term unemployed into the work-force

Results of the scheme for the long-term unemployed

46. The number of job-seekers targeted by this scheme was originally 466,155 in December 1982.

47. Taking into account withdrawals from the scheme, the number of long-term unemployed called to interview by the National Employment Agency between the beginning of October 1982 and the end of March 1983 was 395,950, of whom 315,033 were seen individually.

48. For the 315,033 long-term unemployed interviewed by the Agency, the statistics at 31 March 1983 were as follows:

Approximately 7,000 were placed (372 under on-the-job training contracts and 266 after completing a refresher course);

Approximately 35,000 were put in touch with potential employers, but no employment resulted (or has yet resulted);

Approximately 25,000 applied for a training programme (long- or short-term);

Approximately 27,000 were referred by the Agency to AFPA for a short period for evaluation or counselling;

Approximately 12,000 attended, or will attend, a course run by AFPA or ANPE on the techniques of positive job-hunting;

Approximately 23,000 have been interviewed by an ANPE employment counsellor;

Approximately 30,000 long-term unemployed persons over the age of 60 were invited to attend special information classes organized in the framework of the scheme with the assistance of the old-age insurance scheme and the Associations for Employment in Industry and Trade (ASSEDIC);

Approximately 11,000 were referred to the occupational medical services.

49. Every month the labour and employment directorates in the departments monitor the entry of these long-term unemployed persons into training programmes. A country-wide report on these activities will be prepared during the coming months.

Measures taken or planned to combat long-term unemployment

50. These measures have proved extremely effective. In particular, they have enabled the competent units of the Ministry of Employment to pinpoint more efficiently the segment of the population which is at a particular disadvantage with regard to employment and thus to work out the type of action best suited to the needs of the long-term unemployed.

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51. The most important measure taken has been the decision to request ANPE to interview job-seekers individually after 4 or 13 months of unemployment.

52. The number of interviews at ANPE is expected to increase very rapidly to 100,000 a month by the beginning of 1984 and 200,000 by the end of 1984. Accordingly, it has been decided to increase ANPE's resources so that it can carry out its assigned tasks.

53. The aim of the Government is to ensure that all job-seekers registered with ANPE are interviewed individually on entering their fourth month of unemployment. This interview should be followed by appropriate action to integrate job-seekers into the work-force long before the critical threshold of long-term unemployment is reached.

#### F. Policies aimed at creating new jobs

54. The Government has made the campaign for employment a national priority. At the beginning of 1982, a novel provision known as "solidarity contracts", was added to existing assistance in this area. It has become a valuable instrument in the hands of the public authorities.

##### Solidarity contracts

55. These were announced by the Prime Minister on 15 September 1981. The aim is to encourage additional hiring over and above firms' normal pattern in the depressed economy. They should allow the hiring of young and unemployed persons as a result of a rapid shortening of the working day and the encouragement of voluntary early retirement.

56. Firms may opt between two main categories of solidarity contracts with the State, either in the form of agreements with the National Employment Fund or agreements with equivalent status as far as procedures are concerned.

##### Contracts relating to a reduction in working hours

57. An ordinance of 16 January 1982 provided that firms undertaking to shorten the working week by more than 2 hours, thus reducing it to 37 hours before 1 January 1983 or to 36 hours before 1 September 1983, would be totally or partly exempt for a period of two years from paying employers' social security contributions for employees hired after the reduction and who represent a net increase in the personnel of the undertaking.

58. This arrangement was adopted by only 847 firms out of the 28,887 which signed a solidarity contract in 1982. These 847 contracts provide for the hiring of 6,043 workers, entitling the employer to exemptions from social security contributions but, as at 31 March 1983, the actual number of exemptions granted was approximately 3,000. For that reason, the Government turned to another formula providing a greater incentive to reduced working hours in order to improve the employment situation.

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59. This new formula, introduced by a decree of 16 December 1982, is more directly linked to reduced working hours. Not only does it afford help for those firms which create a net increase in jobs, but also for those whose situation does not allow an increase in personnel but who maintain their employment level. While avoiding dismissals in the fairly long term, these firms also contribute to improving the general employment situation by reducing working hours.

60. For contracts drawn up in 1983, the State provides assistance in the amount of 1,000 francs per hour's reduction in the average working week (between 39 hours - or, in exceptional cases, 40 hours - and 35 hours) and per employee concerned. This assistance is granted for a maximum of three years, the number of hours which count towards assistance being reduced by one each year.

61. The target set was to save or create 60,000 jobs in 1983 and 1984, respectively.

62. During the first half of 1983, 62 "reduction in working hours" contracts were drawn up with undertakings in most cases in pursuance of the new enactment. Altogether, 32,505 employees are concerned and 1,100 new workers are expected to be hired (net increase in jobs).

63. Local authorities have used the first formula (ordinance of 30 January 1982 embodying provisions for local authorities similar to those contained in the above-mentioned ordinance of 16 January 1982), to a greater extent than commercial undertakings. Of 655 contracts signed in 1982, 389 relate to a reduction in working hours.

64. The provisions of the decree of 16 December 1982 are not applicable to local authorities, since the scope of this enactment is limited to private firms, semi-public corporations and nationalized companies.

#### Contracts relating to early retirement

65. The possibility of early retirement, in the context of solidarity contracts, is provided for in the decree of 30 December 1981, the additional agreement of 2 December 1981 complementary to the regulations concerning unemployed workers' benefits annexed to the agreement of 27 March 1979, approved by order dated 30 December 1981 (full early retirement), the additional agreement dated 9 December 1981 approved by order dated 12 January 1982 (phased early retirement) and the orders dated 1 February 1982.

66. These contracts are intended to improve the employment situation through the hiring of young persons, female heads of household, the handicapped or unemployed persons to replace people taking early retirement or in compensation when full-time jobs are converted into part-time jobs (phased early retirement).

67. The effect of such hiring on employment is consolidated by the firm's undertaking to maintain its overall staffing level for at least one year beyond the date set for the separation of the last employees taking early retirement.

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68. With regard to early retirement, personnel covered by the contracts signed in 1982, receive a replacement income equal to 70 per cent of their average gross pay for the last 12 months (20 per cent paid by the State and 50 per cent by the National Union for Employment in Industry and Trade (UNEDIC), after the age of 55 (or later, according to the provisions of the contract) and up to the age of 60, provided they resign before 1 April 1983. After the age of 60, the persons concerned are entitled, under certain conditions, to an income maintenance allowance.

69. For contracts signed in 1983, the replacement income was reduced, in implementation of the decree of 24 November 1982, to 65 per cent of the average pay for the last 12 months for that part of the reference wage which is below the ceiling used for calculating social security contributions and 50 per cent for that part of the wages above that ceiling (the State's share remains fixed at 20 per cent).

70. As a result of the provisions lowering the retirement age and eliminating the income maintenance allowance, early retirement is now reserved for people who at the age of 60 will have accumulated 150 quarters of contributory service under the old-age insurance scheme.

71. In 1982, 28,409 contracts signed with undertakings included a clause relating to early retirement and potentially concerning 306,934 persons.

72. As at 30 June 1983, 2,572 contracts included such a clause and 9,339 persons are potentially concerned.

73. At the same date a total of 178,445 applications had been filed with the ASSEDICs, which gives an indication of the actual number of retirements.

74. The targets fixed by the Government will be met and it has been decided not to continue with this arrangement in 1984.

75. People taking phased early retirement receive, up to the age of 65 at the latest, in addition to their half pay, a payment representing 30 per cent of their average gross wages during the last 12 months of employment (10 per cent to be paid by the State and 20 per cent by UNEDIC).

76. In 1982, 1,173 contracts with undertakings included a clause relating to phased early retirement, potentially concerning 8,220 employees. Eighty contracts signed during the first half of 1983 include this clause and concern 245 potential beneficiaries. To date 1,200 applications for phased early retirement have been filed with the ASSEDICs. In spite of this measure's low success rate, the Government is planning to continue with an improved version of it in 1984 (taking into consideration accumulated retirement credits). It is in fact less costly for the community than full early retirement. It allows employees to stop working less abruptly and ensures the employer that the person called on to replace the employee taking early retirement will adjust more easily.

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77. With regard to local authorities, the ordinance of 30 January 1982 provided for a system for giving up work early until 31 December 1983, financed in part by the employers' organizations and, in part, by a compensation fund. At 30 June 1983, a total of 601 contracts had been signed, potentially concerning 4,446 individuals.

Other provisions intended to assist in the creation of jobs

Local initiative employment

78. Local initiative employment was introduced by Decree No. 81-898 of 26 October 1981.

79. Assistance in creating employment resulting from local initiative is intended to help the development of long-term local projects, services and activities, which are not at present covered by the public services or commercial firms.

80. This assistance could be granted to all legally established private or public bodies, but Decree No. 83-149 of 2 March 1983 limited the field of action to private-sector bodies only.

81. The amount of assistance, initially established at 36,000 francs per full-time job created, was increased to 40,000 francs on 2 March 1983.

82. Assistance is granted only to bodies which appear to be in a position to create long-term employment.

83. The following resources were allocated to this programme:

60 million francs in 1981 for the creation of 5,000 jobs;

390 million francs in 1982 for the creation of 10,000 jobs;

239 million francs for the creation of 5,000 jobs.

84. As at 1 July 1983, nearly 17,000 grants had been awarded and more than 14,000 jobs created. A delay, sometimes considerable, is to be noted between the date of notification of the award of a grant and the actual date of hiring.

85. The target of 20,000 jobs will probably be reached at the end of 1983.

86. It is already possible to give some indications concerning the performance of this programme and the results achieved for the years 1981 and 1982.

87. Nearly 61 per cent of the jobs were created by private bodies (58 per cent of them by associations covered by the act of 1901). The remaining 49 per cent were created, for the most part, by local authorities.

88. A breakdown of the private bodies by sector shows that the social sector accounts for 33 per cent of the jobs created, 11.4 per cent involve cultural activities and 11.8 per cent economic activities.

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89. In terms of the stability of the jobs created, the target seems to have been attained. The majority of the employment contracts offered have not been for a fixed term.

90. More than one third of the jobs created are clerical or maintenance jobs and 20 per cent are of a socio-cultural nature.

91. Generally speaking, the programme permitted persons with few or no qualifications to be hired.

Assistance to unemployed persons setting up businesses

92. This provision, which has been made permanent and whose scope has been extended by the act of 22 December 1980, has come into increasingly wider use.

93. In 1982, 38,340 persons were assisted by UNEDIC and the appropriation for that purpose was 757 million francs.

94. During the first quarter of 1983, 10,320 persons benefited from such assistance.

95. A survey carried out in 1982 indicates that the persons assisted were for the most part young males with some skills.

96. The survival rate of the businesses 14 months after they were set up has been satisfactory.

G. Measures to ensure the best possible organization of the employment market, with particular reference to manpower planning procedures, the collection and analysis of employment statistics and the organization of an employment service

Reorganization of the Public Employment Service

97. One of the essential objectives of the reorganization of the Public Employment Service is to improve conditions for finding new employment for job-seekers.

98. The Public Employment Service is composed of all public or para-public institutions active in the labour market, or about 30,000 persons currently distributed among three central agencies of roughly the same size: the National Employment Agency (ANPE), the Adult Vocational Training Association (AFPA), and the External Labour and Employment Services (SETE). UNEDIC, a joint body run by management and labour, is not part of the Public Employment Service but works closely with it.

99. The principles for a reorganization of the Public Employment Service, approved by the Council of Ministers, were submitted to both sides of industry during several meetings of the Central Advisory Committee on Employment on 30 May 1982, 7 February 1983 and 5 July 1983, and were included in a programme to be given priority under the Ninth Plan.

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100. The reorganization plan for the Public Employment Service has three essential goals:

(a) To improve services to job-seekers, in order to help them to find employment;

(b) To provide better service to enterprises in recruiting personnel and in their manpower management forecasts, for the purposes both of development and of problem-solving;

(c) To take into account the general trend towards decentralization and towards an extension of regional economic and social responsibilities, while at the same time aiming at consistency and co-ordination of actions taken to promote employment either by state services or on the initiative of the new regional or departmental executives.

101. As planned, the reorganization of the Public Employment Service implies in the first place that each of its constituent agencies must be given the means and procedures to take action so that it is best able to perform its assigned tasks. Described below are the measures taken along these lines by ANPE and AFPA.

102. The reorganization also presupposes that activities will be better co-ordinated in order to improve service to clients and the effectiveness of the entire system.

103. To that end, several programmes have already been started or are planned. With regard to computerization, a master plan is being studied to govern all the computer planning of the various agencies, which will ensure the compatibility of equipment and procedures, identify areas where co-operation between institutions is needed and specify the interfaces.

104. Concomitantly, thought is still being given to various practical applications, and the main features of the major such application - the monitoring of job-seekers and the processing of applications - are about to be put into effect.

105. An agreement was concluded between UNEDIC and ANPE on 20 June 1983 regarding the establishment of such a system.

106. The "long-term unemployed" operation carried out between September 1982 and March 1983 permitted a study of the situation of some 150,000 persons registered as job-seekers for more than a year. It led ANPE, UNEDIC, SETE and AFPA to work closely together at the local level while at the same time devising and applying new formulas for action which will now gradually become common practice.

107. The operation will continue under a different form for the benefit of all job-seekers on reaching the fourth and thirteenth month of unemployment.

108. At the same time, applying these procedures on a country-wide basis, instructions have been given to the Commissioners of the Republic and to regional and departmental heads of the agencies and services concerned to see to it that actions taken as part of the decentralized approach also result in better co-ordination among the local bodies comprising the Public Employment Service.

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109. The devolution of authority to the departmental and regional levels constitutes the third facet of the project to reorganize the Public Employment Service.

110. The Governing Board of ANPE has, for instance, decided to expand the responsibilities of the heads of regional centres to include, in particular, a role in administering the regional budget.

111. Similarly, the General Assembly of AFPA has approved the establishment of 22 regional agencies to take the place, beginning on 31 December 1982, of the seven former interregional delegations; concomitantly, the management of each adult vocational training centre will become much more autonomous.

112. This decentralization must go hand in hand with the harmonization of state activities in each region and those of local authorities, elected officials, and management and labour.

113. To that end, regional employment committees will shortly be set up under the jurisdiction of the Commissioners of the Republic, as advisory bodies serving all the institutions composing the Public Employment Service. Matters of concern and proposals for action will be brought before these committees to be discussed and put into some order, thus making for a more effective employment policy.

Placement: The National Employment Agency (ANPE)

Resources deployed

114. The resources available to the Agency in 1982 rose to 1,513,175,075 francs, after two decisions amending the budget.

115. The initial state subsidy of 1,474,036,614 francs (1,446,936,614 francs of which were appropriated for operating expenses and 27,100,000 for capital expenses) - represents 99.3 per cent of the Agency's revenue. The Agency's budget was amended in the course of the year by two decisions which increased it by 4,343,461 francs.

116. From 1981 to 1982, the staffing table rose from 9,370 to 10,663, or an increase of 13.48 per cent.

117. The staff costs continue to be the largest item of expenditure (1,160,590,000 francs), or 76.9 per cent of the total.

118. Equipment expenditures amounted to 321,141,614 francs, up 60 per cent owing to increased expenditure on certain items: new rentals, furniture and equipment, documentation, funds allocated for regional centres and training (21.2 per cent of the total budget).

119. Capital expenditures (payment appropriations) amount to 27,100,000 francs (1.8 per cent).

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120. In 1982, the Agency benefited from the establishment of 1,263 new posts and the contractual employment of 263 free-lancers.

Results obtained

121. The year 1982 was marked by a moderating trend in all categories of job applications (an average monthly increase of 3.3 per cent in 1982, as against 9.4 per cent in 1981). Agency services handled 2,007,809 pending applications, as against 1,772,901 in 1981, or an increased work-load of 13.3 per cent). The number of placements made by the Agency increased: 787,339, as compared with 737,337 in 1981, or an advance of 6.35 per cent. This is due in part to placements in response to short-term job offers (seasonal or temporary employment increased by 15.4 per cent) and in part to placements in permanent full-time employment (10.2 per cent higher in 1982).

122. Counselling activities recorded during 1982 increased slightly: 215,437 interviews for vocational counselling. This is slightly higher (1 per cent higher) than in 1981.

123. Information provided on an individual basis declined: 242,979 individual interviews in 1982 (or 12 per cent less than in 1981). On the other hand, the number of group sessions increased: 20,588 (9 per cent more).

Objectives in 1982 and the first half of 1983

124. The year 1982 and the first half of 1983 witnessed:

(a) The start of an experimental programme based on the development of "workshops" for improving the reception and processing of job-seekers, set up within a network of Local Employment Agencies (ALE), comprising 24 pilot units and all the units of three pilot départements (Nièvre, Vienne, Vosges);

(b) The establishment of a monthly schedule for renewing job applications, in order to reduce administrative costs;

(c) A better integration of ANPE within the Public Employment Service by improving its co-ordination with AFPA through a series of national and regional agreements;

(d) The modernization of the Agency's management procedures thanks to the computerization of some of its functions, which made it possible to undertake experiments in several departments in computerized registration and updating of the roster of job-seekers through a computer link between ASSEDIC and ANPE. The first results of these trials having been particularly positive, it is planned to extend this system during the period 1983-1985, under a national agreement signed between UNEDIC and ANPE;

(e) The improvement of the internal functioning of ANPE through financial decentralization and a reform of the rules for facilities programming;

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(f) The participation by ANPE in the "solidarity contracts" operation, as well as in the new system for training young people;

(g) The expansion of the Agency's role in the negotiation and distribution of various hiring assistance arrangements (on-the-job training contracts, job-orientation contracts, job-adaptation contracts, training courses for upgrading skills);

(h) The execution of the programme to assist the long-term unemployed, for which it was necessary to devise specific techniques for matching job offers and job applicant (in-depth guidance sessions, training courses for the evaluation of job skills, sessions in job-seeking techniques). The lessons drawn from this operation prompted a proposal to make it a regular practice to hold individual interviews of job-seekers automatically after they have been registered continuously with ANPE for 4 and 13 months.

#### H. Technical and vocational guidance and training programmes

##### Adult Vocational Training Association

###### Resources deployed and results obtained

125. In 1982, the AFPA budget rose to 1,985,000,000 francs for operations and 130 million francs for equipment. The staffing table stood at 9,740.

126. In 1982, the operating expenses of AFPA rose to 2,095,000,000 francs, comprising 1,648,000,000 francs in staff costs, or 14.7 per cent higher than in 1981; and 447 million francs in overheads, or 25.9 per cent higher than in 1981 (all budgets combined, the main budget being financed by government subsidy and the subsidiary budgets being financed by revenue from benefits paid out).

127. Capital expenditure (construction and purchase of equipment) amounted to 169 million francs. This made it possible to complete earlier programmes for the setting up of new sections and the modernization of existing sections as well as providing a coverage of 70 million francs for operations programmed within the year.

128. The AFPA training system remained unchanged in 1982, with 130 vocational training centres. The number of new sections opened was 3,017 (60 of them under FNE), comprising 42,589 equipped work stations.

129. In 1982, AFPA offered approximately 340 training courses at levels III, IV, V and V-A.

130. It has, in addition, a large preparatory and pre-training system for young job-seekers which has enabled it to participate closely in the execution of the plans targeted to this group. New training procedures have been tried and integrated into the system to increase its effectiveness in helping young people to find their place in the work-force.

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131. In 1982, AFPA admitted 90,776 persons for training and provided 52,545,033 hours of training, as against 52,142,854 in 1981 (or 0.8 per cent more).

132. Activities under the Plans for young people from 16 to 18 years of age and from 18 to 21, undertaken from the end of 1982 to the beginning of 1983, covered 1,067 trainees.

133. As far as the various categories of employment were concerned, AFPA altered the training system by reducing the training capacity in the "building-public works" sector (by 2 per cent) and the "metalworks" sector (by 2 per cent) and increase that of the "electricity-radio-electronics" sector (by 48 per cent). The service industries sector remained unchanged.

134. In 1982, the number of trainees rose to 81,460, distributed as follows:

Basic training .....	55 555 (54 889 in 1981)
Continuing training .....	19 627 (16 935 in 1981)
FNE training .....	1 221 ( 930 in 1981)
Training of trainers .....	5 057 ( 4 754 in 1981)

135. Since September 1982, AFPA has been working together with ANPE in specific activities on behalf of persons unable to find work for more than 12 months (the long-term unemployed):

Skills assessment .....	4 361
In-depth guidance .....	5 837
Training in job-seeking techniques .....	2 739

136. This effort has enabled 1,744 job-seekers to undergo vocational training.

#### Objectives in 1982 and the first half of 1983

137. In 1982 and the beginning of 1983, AFPA continued and expanded efforts to restructure the existing training system by concentrating its training in expanding sectors, adapting it to developments in technology and thus offering trainees the best chance of finding work.

138. From 1979 to 1982, AFPA completed 1,412 modernization operations, (on almost 47 per cent of its system) and replaced 108 sections with new ones. It established 21 training sections over and above the existing system, thus completing some ongoing programmes.

139. The restructuring will continue in 1983 under a programme providing for 183 sections to be replaced and 18 new ones to be established.

140. The establishment of closer links between the AFPA centres and the circles with which they work directly - industry, ANPE, information and guidance centres (CIO), etc., which in large part determine the effectiveness of its training, was facilitated in 1982 by AFPA's decentralization into 22 regional agencies and by an effort to make them more autonomous.

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141. The implementation of a solidarity contract signed on 9 August 1982 would allow for the separation from service of 905 officials, 433 of them instructors. This new development, providing all the flexibility necessary for new recruitment, helped to accelerate the process of restructuring the system, despite the fact that some temporary operating difficulties were experienced owing to the large number of replacements that had to be made.

142. At the same time, AFPA undertook to study the possibilities that would be opened up by agreements of association with other training organizations working with job-seekers, under which AFPA would guarantee the quality of the instruction. On an experimental basis, some agreements of this kind had been concluded as early as 1982 and were applied in 1983.

143. AFPA increased its information, guidance and evaluation activities for all persons seeking training, by raising funds for priority procedures in processing applicants and by developing new reception and guidance procedures in close liaison with ANPE.

144. In particular, there was greater co-operation with local missions and reception, information and guidance bureaux for young people in 1982, and more activities were undertaken at the request of employment services, regional or local groups, and enterprises.

#### Activities subsidized by the Ministry of Employment

145. Such activities make it possible to give financial aid to private centres for setting up training programmes aimed at helping young people, women and the handicapped to enter or re-enter the job market. In 1982, agreements were signed that provided for the training of 11,240 trainees (10,200 in 1981), 9,880 of whom completed their training (8,220 in 1981).

#### Vocational training activities in national group centres not administered by AFPA

146. Some private organizations receive subsidies from the Ministry of Employment which cover a large part of their operating and capital expenses for adult vocational training activities.

147. In 1982, training courses provided by these centres made it possible to train 2,500 trainees (2,440 in 1981) at a cost of 66.7 million francs (61.7 million francs in 1981).

#### Training activities financed by the National Employment Fund

148. The agreements on vocational retraining are aimed especially at enterprises which are being set up or expanded in areas where the labour force is not capable of filling newly created jobs without some initial training.

149. This type of assistance can also play a preventive role, that vocational retraining makes it possible to safeguard jobs.

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150. In 1982, 318 agreements were implemented, allowing the training of 21,391 trainees (more than twice the number trained in 1980, which was 6,111). Outlays for operating expenses under retraining agreements were 30,873,261 francs in 1981.

151. Agreements on training for unemployed executives and managers provide for "FNE cadre" training courses.

152. The aim of such activities is to allow unemployed executives and managers who have experienced great difficulty in finding new employment to maintain their previous level of skills so that they do not have to accept a job at a lower level.

153. There were 2,700 admissions to "FNE cadre" training courses in 1982, a slight increase (3 per cent) over the previous year.

154. This number of admissions must be compared with the unemployment statistics for executives and managers in 1982: there was an increase in the number who became unemployed (just under 4 per cent more in 1982 than in 1981), while the average number of job-seekers at the end of each month in 1982 was equal to the number in 1981, reflecting a reduction in the average length of time for which these job-seekers were registered as unemployed.

#### I. Protection against arbitrary termination of employment

155. The provisions of the Act of 13 July 1973 (simple dismissal) and the Act of 3 January 1975 (dismissal for economic reasons) ensure protection of employees against arbitrary termination of employment.

##### Individual dismissals for reasons unrelated to economic conditions

156. The rights of employees are as follows:

(a) Procedure for termination of employment: During the probationary period of an employee no specific procedure must be observed, each of the parties having the right to termination at will (sect. L.122-14). When a dismissal occurs in an undertaking having more than 10 employees and the worker has more than one year's service, the procedure for individual dismissal is as follows:

- (i) A registered letter must be sent summoning the worker to a preliminary interview;
- (ii) An interview must be held during which the employer must give well-founded and valid reasons for the dismissal. The employee may be accompanied by another employee of the undertaking;
- (iii) A letter of dismissal, registered with recorded delivery, must be sent not less than one full day after the preliminary interview;

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- (iv) The employee is entitled to request, by registered letter with recorded delivery, the reasons for his dismissal, within no more than 10 days from his actual separation from service with the undertaking;
- (v) The employer must answer this letter within 10 days.

If the dismissal takes place in an undertaking having fewer than 11 employees or where the dismissed employee has worked for less than a year, the letter of dismissal must be registered with recorded delivery.

(b) Penalties for non-compliance with the dismissal procedure

A specific penalty for non-compliance with the prescribed procedure is applicable only in cases in which the dismissal is well-founded and valid, and therefore justified. By contrast, if it is not well-founded and valid, and is not justified, the penalty attaching to the substantive irregularity subsumes that for the procedural irregularity:

- (i) Employees with more than two years' service (sects. L.122.14-4 and L.122.14-6):
  - 1. Compliance with the procedure that was not followed (where the judge deems this useful);
  - 2. Compensation of up to one month's wages (at the discretion of the judge);
- (ii) Employees having between one and two years' service: compensation according to the damage suffered;
- (iii) Employees with less than one year's service or who work in an undertaking having fewer than 11 employees:
  - 1. No special procedure apart from the sending of a registered letter;
  - 2. If this requirement is not met, compensation is determined according to the damage suffered;

(c) Advance notice or period of notice: An employee who is dismissed on grounds other than serious misconduct is entitled to:

- (i) A period of notice as indicated in section L.122-5, where the worker has less than six months' continuous service with the same employer;
- (ii) One months' notice, where the worker has between six months' and two years' continuous service with the same employer;
- (iii) Two months' notice, where the worker has at least two years' continuous service with the same employer;

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(d) Well-founded and valid reasons for dismissal

- (i) All dismissals must be based on well-founded and valid reasons, both precise and objective, and of some seriousness;
  - (ii) Dismissal may be based on a wide variety of grounds:
    - 1. Misconduct on the part of the employee which results in dismissal with payment of compensation in lieu of notice and a severance allowance if it is well-founded and valid, without such compensation if it is serious, and in addition with loss of compensation for paid holidays in the case of gross misconduct;
    - 2. Reasons linked to the person of the employee, such as sickness or physical unfitness (unless they are the result of an industrial accident or occupational disease), loss of confidence, shortcomings or attitudes of the employee;
    - 3. Job-related grounds such as incompetence or poor performance. However, the exercise of a right by the employee does not constitute a valid ground for dismissal;
  - (iii) A dismissal based on well-founded and valid grounds may still be improper and give rise to the payment of damages if the employer fails to observe any procedure prescribed for dismissal;
  - (iv) The Act of 1973 instructs the judge to make his decision in the light of the evidence furnished by the parties without attributing the burden of proof to one or the other party;
  - (v) Case-law enshrines the guiding role of the judge in the matter of proof and requires him to set forth the reasons for his decision without giving the burden of proof to one or the other party. The preliminary procedure plays an important role in the matter of proof;
  - (vi) Specific penalties are provided for by law for the absence of well-founded and valid reasons, when the employee concerned has at least two years' service in an undertaking with more than 10 employees; in such cases the judge may propose reinstatement. If the two parties do not accept this, he must order the employer to pay the employee compensation equal to at least six months' salary. In addition, the employer must reimburse ASSEDIC for the unemployment benefits paid to the employee;
  - (vii) Other employees are entitled to damages fixed according to the damage suffered;
- (e) Severance payments:
- (i) A severance allowance is provided for by law for employees with at least two years' service, or in other cases, by the relevant collective agreement, usage or the employment contract. Such compensation is

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intended to make good the damage resulting from the loss of employment. It therefore presupposes dismissal, a given length of service and the absence of serious or gross misconduct. The legal minimum for such compensation is 20 hours' wages or a tenth of a months' wages for each year of service. Compensation payable under a collective labour agreement depends on the provisions of the agreement in question. Amounts payable are not subject to social security contributions or taxes, as long as they are not greater than the compensation prescribed by law or a collective agreement;

- (ii) Compensation in lieu of notice shall be equal to the amounts the employee would have received if the prior notice had been observed;
- (iii) Compensation for paid holidays is granted to the employee whose contract is broken before he has been able to benefit from all the holidays to which he is entitled. Such entitlement is either two-and-a-half days' salary per actual month of work, or the sum which the employee would have received if he had worked during the period of his holidays. This arrangement presupposes the absence of gross misconduct.

#### Dismissal for economic reasons

157. The National Interoccupational Agreement on Job Security of 10 February 1969, the additional Agreement of 21 November 1974 and Act No. 75-5 of 3 January 1975 ensure the prevention and supervision of dismissals for economic reasons.

#### 158. Preventive measures are ensured by:

(a) The law, which has given works committees a role in monitoring employment trends and labour forecasts (sect. L.432-4 of the Labour Code);

The Act of 3 January 1975 which requires any employer who is considering dismissing a group of 10 or more employees for economic reasons within a 30-day period to notify the staff representatives of the measures he proposes to take to avoid the dismissals or to limit their number (sect. L.321-4 of the Labour Code);

(b) The National Interoccupational Agreement on Job Security, which reaffirms this obligation and provides various measures to limit dismissals, such as agreements with the National Employment Fund (FNE), having recourse to reassignments within the establishment or to another establishment, with, where appropriate, payment of a temporary allowance, adjusted downwards periodically, if a downgrading is unavoidable;

(c) The Supplementary Agreement of 21 November 1974, which defines the role of the joint labour-management committees on employment with regard to social planning and provides for various corrective measures, such as the reduction of working hours, the separation from service of employees over 60 years of age, internal transfers, increased sliding-scale allowances in the case of reassignment to a lower level.

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Consultative phase of the procedure

159. The consultative bodies which are competent in the area of dismissal for economic reasons are, depending on the size of the undertaking, the shop stewards or the works committee. Employment agreements provide for recourse to the joint labour-management committees on employment.

160. Depending on the extent of the planned dismissals and the authority of the head of the undertaking in this regard, consultation will be limited to the local-works committee or should include the central-works committee. In groups of companies only the committee of the company involved need to be consulted.

161. The obligation to consult varies according to the number of dismissals planned:

(a) The Act of 3 January 1975 does not provide a consultation procedure in the case of collective dismissals affecting fewer than 10 employees within a 30-day period. The Additional Agreement of 21 November 1974 stipulates that the works committee must be informed in case of dismissal of supervisory personnel;

(b) In case of the collective dismissal of at least 10 employees during a 30-day period, a works committee or, in its absence, the shop stewards must be consulted in good time because of their overall powers and duties in economic matters. The Agreement on job security provides for recourse to joint labour-management committees in case of unresolved problems of reassignment. The Additional Agreement of 21 November 1974 imposes various consultation obligations on the employer;

(c) In the case of collective dismissals for economic reasons affecting at least 10 employees during a 30-day period, the Act of 3 January 1975 lays down a specific procedure for consulting the works committee or, where no such committee exists, the shop stewards. The Additional Agreement of 21 November 1974 provides for regular information to the joint committees and obliges them to intervene in case of difficulties;

(d) The nature of the obligation to consult with the works committee varies with the extent of the retrenchments. The Act of 3 January 1975 contains specific provisions only on dismissals of 10 or more employees during a 30-day period. In other cases consultation with the committee must be deemed "useful". Interoccupational agreements spell out further the obligations of the employer;

(e) The periods which must elapse between consultation of the workers' representatives and the despatch of requests for authorization are laid down in the Act of 3 January 1975 for collective dismissals affecting 10 or more employees during a 30-day period. Employment agreements provide for longer periods, whose length depends on the number of dismissals.

Prior administrative authorization

162. Any dismissal for economic reasons due to the general economic situation or to structural changes shall require the prior authorization of the competent administrative authority.

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163. An employer may submit his request for authorization only after having completed the consultation procedures prescribed by law and any applicable collective agreements. In the case of an individual dismissal for economic reasons, a prior interview must take place before the authorization is requested.

164. The request must comply with the procedural requirements laid down in section R.321-8 of the Labour Code. The competent administrative authority is the Director of Labour in the département concerned.

165. The function and powers of the administrative authority vary according to the scale of the proposed dismissals:

(a) When it receives a request for authorization of dismissal concerning 10 or more employees during a period of 30 days, the authority is to check that the prescribed consultation has been held and that the reasons given as justification are genuine, and to examine the proposed re-employment measures;

(b) When it receives a request concerning fewer than 10 employees over a period of 30 days, the authority is not required to check whether the consultation procedure required by law (sect. L.432-4) or under a collective agreement has been properly carried out, nor whether measures for re-employment have been taken. The authority is to confine itself to examining whether the economic reason given as justification is genuine.

166. The authority shall have a certain period at its disposal, reckoned from the date on which the request for authorization is sent, to reply to the said requests. This period shall be 30 days when the number of planned dismissals is 10 or more over a period of 30 days, and 7 days, which may be extended by a maximum of a further 7 days, in other cases. The authority is required to state its reasons for decisions to refuse authorization. The authority must give notification of its decision by registered letter. If no reply has been received within the period prescribed by law, the employer may consider himself to have implicit authorization to proceed with the dismissal.

#### Appeals and penalties

167. The granting or refusal of authorization for dismissal for economic reasons by the administrative authority is an administrative action. As such, it may form the subject of an internal appeal to the originator of the action and of a further appeal through the appropriate channels to the Minister.

168. The administrative action which grants or refuses authorization for dismissal may also form the subject of an appeal against excess of authority, to be heard before the administrative tribunals. The administrative judge has a limited power to review decisions to grant or refuse authorization and confines his activity in particular to checking the material accuracy of the facts and the absence of clear errors in judgement.

169. Any employer who is refused authorization for dismissal may seek to have the State held responsible when there is fault on the part of the State or even in the absence of any fault if he suffers sufficiently serious direct and specific damage.

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170. The courts also have jurisdiction in cases of dismissal for economic reasons:

(a) When the dismissal is imposed without a request for prior authorization, the courts are fully empowered to consider the reasons for dismissal, whether or not the separation is for economic reasons;

(b) When authorization for dismissal has been refused, the dismissed employee may ask the judge of the court to order the employer to pay him damages for improper separation, assessed according to the damage sustained;

(c) When authorization for dismissal has been granted the court judge may not consider all the issues which formed the subject of the administrative authority's investigation. He must suspend his ruling and either refer the issue in dispute to the administrative tribunal directly or wait until the parties themselves have done so. On the other hand, the judge has competence to rule on severance benefits or damages when, following annulment of the authorization, the employee can prove that the employer was guilty of wilful misrepresentation.

#### J. Protection against unemployment

171. The unemployment insurance scheme in France is managed by the two sides of industry, management and labour.

172. In 1982, the expenditures of UNEDIC amounted to 74.8 billion francs (total benefits paid, administrative expenses included).

173. Total contributions collected during the same year amounted to 34 billion francs.

174. The Government subsidy to UNEDIC was 23.2 billion francs, plus a special grant of 6 billion francs.

175. In addition, a part of the UNEDIC loan of 6 billion francs authorized by the Government was used to cover the 1982 expenditures of the unemployment insurance scheme.

176. It should be noted that the unemployment insurance scheme, at the end of 1982, had a deficit of some 6 billion francs and that deficit was expected to increase in 1983 despite the establishment of a system of "solidarity" contributions from individuals not affiliated with the unemployment insurance scheme. The two sides of industry managing the system were invited by the Government to take all measures to ensure the funding of UNEDIC. In the absence of a decision on their part, the Government had to take a number of regulatory measures:

(a) Decree of 4 November 1982 increasing the overall rate of contribution from 3.6 per cent to 4.8 per cent;

(b) Decree of 24 November 1982 permitting savings to be made with respect to benefits;

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(c) Decree of 30 June 1983 increasing the overall rate of contribution from 4.8 per cent to 5.8 per cent.

177. Since the collective agreement of 31 December 1958 had been denounced by the French National Council of Employers (CNPF), the unemployment insurance scheme resulting from the agreement of 27 March 1979 was terminated on 19 November 1983. As a result, the State extended the system established by the decree of 24 November 1982 first to 31 December 1983, and subsequently to 31 March 1984. The new unemployment insurance scheme (resulting from the agreement of 10 January 1984 between management and labour and the "solidarity" assistance system (resulting from the agreement signed on 9 February 1984 between the State, on the one hand, and management and labour, on the other) will enter into force on 1 April 1984.

Unemployment compensation system provided for in the decree of 24 November 1982 (applicable until 31 March 1984)

178. The benefits provided for by the regulations are the following:

- (a) Basic benefit (AB);
- (b) Special benefit (ASP);
- (c) End-of-entitlement benefit (AFD);
- (d) Flat-rate benefit (AFA).

179. Eligibility for benefits depends on the following conditions:

- (a) Involuntary loss of employment;
- (b) Registration as a job-seeker and submission to the required monitoring;
- (c) The worker must be under a specified age (60 years for the basic grant, or 65 years if the conditions for retirement pension at 60 years have not been met;
- (d) Sixty years for the special benefit;
- (e) Proof of having worked during a period which varies according to the nature of the benefit.

180. The amount of the basic benefit is the sum of:

- (a) A fixed amount adjusted twice yearly;
- (b) A proportional amount equal to 42 per cent of the reference daily wage (wages subject to assessment paid for the six months preceding the last day of paid employment).

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181. The length of service for this benefit varies according to the age of the recipient and the length of the previous employment.

Required length of employment	Duration of entitlements	Maximum extension possible
3 months in the last 12 months	3 months	None
6 months in the last 12 months	9 months	6 months
12 months in the last 24 months under 50 years of age	12 months	9 months
50 years of age and over	21 months	12 months
24 months in the last 36 months 50 years of age and over	30 months	12 months

182. If an employee under the age of 60, meeting all the conditions listed above, was dismissed for economic reasons, he is entitled to a special benefit. It comprises:

(a) A fixed amount that is the same for all recipients;

(b) A proportional part of the reference daily wage, the percentage of which is reduced quarterly (65 per cent in the first quarter and 60 per cent in the second).

183. The amount of the special benefit cannot fall below a floor or exceed the ceiling (90 per cent of the reference daily wage).

184. This benefit is usually paid for six months.

185. The end-of-entitlement benefit (AFD) is paid to an unemployed person who has exhausted his entitlements to the special benefit and the basic benefit. The duration varies according to the age of the worker on the date of the termination of his employment contract and the length of his earlier employment. The amount is equal to the fixed part of the basic benefit.

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Length of employment	Age	Duration AFD entitlement	Maximum extension of AFD
3 months in the last 12 months	All ages	-	-
6 months in the last 12 months	All ages	9 months	6 months
12 months in the last 24 months	Under 50 years of age	12 months	12 months
	50 years of age and over	15 months	12 months
24 months in the last 36 months	50 years of age and over	15 months	15 months

186. The flat-rate benefit is paid to certain categories of job-seekers who have never worked or who have not been employed for the requisite length of time to qualify for the basic or the special benefit:

- (a) Women, regardless of family status;
- (b) Young men discharged from national service;
- (c) Young heads of household;
- (d) Former apprentices, etc.

187. The fixed amount varies according to age for all categories of recipients:

- (a) For those over 21 years of age, the benefit is equal to 2.22 times the hourly minimum wage (SMIC) per day;
- (b) For those under 21 years, 1.67 times the minimum wage;
- (c) For female heads of household (widows, divorcees) 3.33 times the per day hourly minimum wage.

188. It is paid for 365 days and may not be extended.

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189. In December 1983, 1,059,688 job-seekers were in receipt of benefits as follows:

Basic benefit	612 382
Special benefit	107 792
End-of-entitlement benefit	201 709
Flat-rate benefit	137 805

190. The ratio between the number of individuals in receipt of these benefits and the number of job-seekers was 48 per cent in December 1983. This figure is, however, understated because of the large number of individuals whose applications were pending or who were awaiting first payment.

191. The other recipients of assistance were broken down as follows:

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Recipients of the income maintenance subsidy

Dismissals	196 127
Terminations for economic reasons	237
Resignations	230 987

Recipients of the grant provided for under the  
collective agreement on the National Employment  
Fund (FNE) a/

84 032

Recipients of FNE benefits b/

2

Recipients of the "solidarity" grants (provided  
for by collective agreement) ("solidarity"  
contracts) c/

178 466

Recipients of the supplementary grant (provided for  
by collective agreement) ("solidarity" contracts) d/

1 169

Recipients of training grants

18 948

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a/ Recipients covered by the decree of 22 August 1979.

b/ Special benefits from FNE, regulation previously in force.

c/ Benefit established by the agreement of 2 December 1981.

d/ Benefit established by the agreement of 9 December 1981.

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192. To these figures should be added recipients of special relief assistance (borne entirely by the State), numbering some 35,000 persons on 30 June 1983 (as compared to 13,300 on 30 June 1982).

193. The Collective Agreement of 24 February 1981 provided for the granting of this assistance to recipients who had completed the maximum compensation period and to former recipients of public assistance grants to unemployed workers, whose status was the subject of a study by the departmental commissions provided for in article 15 of the Act of 16 January 1979.

194. Eligibility for this grant is subject to certain age conditions. The worker concerned must be at least 40 years old on the date on which he ceases to benefit from income replacement, or if he is under 40 years of age, he must have worked for at least five years. In addition, he must satisfy a means test. The expenditures incurred for this assistance are borne entirely by the State.

195. Special relief assistance was extended until 19 November 1983, and subsequently until 31 March 1984.

#### Elimination of income maintenance under the UNEDIC scheme

196. Since the lowering of the retirement age to 60, employees who are terminated at age 60 or who take early retirement are no longer entitled to income maintenance. The agreement concerning income maintenance for employees who resign (Additional Agreement of 13 June 1977) was not extended beyond 31 March 1983, and the Act of 5 July 1983 eliminated income maintenance for employees who are dismissed effective 8 July 1983. A decree on 2 August 1983 established the list of categories of those who have vested rights in this respect.

197. Unemployed persons over 60 who do not have 150 quarters under the old-age insurance scheme qualify for the scheme laid down in the decree of 24 November 1982 described above.

#### Unemployment compensation scheme applicable on 1 April 1984 (general outline)

198. The negotiations undertaken on 21 October 1983 on the new unemployment compensation system resulted in a protocol, dated 10 January 1984, concluded between the employers' organizations Conseil national du patronat français and Confédération général des petites et moyennes entreprises, on the one hand, and, on the other, the affiliated trade union groups the Confédération général du travail (CGT), the Confédération française démocratique du travail (CFDT), the Confédération française des travailleurs chrétiens (CFTC), the Confédération générale des cadres (CGC) and the Confédération général du travail-Force ouvrière (CGT-FO). This agreement concerns the unemployment insurance scheme.

199. In addition, a "summary of conclusions" was signed on 9 February 1984 by the State and both sides of industry. It organizes the national solidarity scheme, which complements the insurance scheme.

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200. The new unemployment compensation system is characterized by a dual scheme as of 1 April 1984:

(a) The unemployment insurance scheme: financed by contributions from employers (unchanged at 4.08 per cent, up to four times the social security ceiling) and from employees (increased from 1.72 per cent to 1.92 per cent, plus approximately 0.53 per cent of the portion of wages between the ceiling and four times the ceiling), it will cover employees who are dismissed, those who have reached the end of a fixed-term contract, and those who resign for reasons recognized as being legitimate. The contributions used to finance it should amount to 43.65 billion francs (2.15 billion francs of which comes from the two-tenths of a percentage point increase in the contribution rate for wage-earners and 1 billion from other revenues).

(b) The national solidarity scheme: financed by the State, it will cover employees leaving the insurance scheme and job-seekers who do not meet the requirements for entry into that scheme (current flat-rate benefits). The State contributes 25 billion francs towards the financing of the current scheme (after subtracting the 10 billion francs for early retirees and adding the employees' solidarity contribution).

201. An ordinance issued before 31 March, in implementation of the Enabling Act of 20 December 1983 (Journal Officiel, 21 December 1983), will enable the new unemployment insurance agreement, yet to be signed by the two sides of industry, to be approved. If an agreement is not approved, it will authorize the Government to regulate insurance benefits by decree.

202. This ordinance will also set up the new solidarity scheme allowances.

203. Lastly, a forthcoming agreement between the State and UNEDIC (which manages the unemployment insurance scheme) will entrust the latter with the management of unemployment compensation. The "single window" system for all unemployed workers is thus preserved; it will continue to be adhered to by ASSEDIC.

204. The "summary of conclusions" clears the liabilities of the current insurance scheme (18 billion francs): a 6 billion franc loan is being taken over by the State, and the bank overdraft is being consolidated by borrowing 12 billion at the preferential rate for six years.

205. The State will contribute its share towards the financing of the old scheme until 1 April 1984 (6.1 billion francs for the three months), and one third of the benefits paid out under the old scheme after that date (or 1.1 billion francs).

206. Finally, the State will allocate 1 billion francs to subsidize the launching of the new insurance scheme.

207. Over two years, the financial balance of the whole system is predicated on an estimate of 218,000 additional individuals receiving unemployment compensation in 1984 and 150,000 in 1985.

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208. The principal features of the new unemployment insurance scheme are the following:

(a) It henceforth provides for only two types of benefits: the basic benefit (42 per cent of wages plus 40 francs per day) and the end-of-entitlement benefit (40 francs per day doubled after age 55 under certain conditions). The special benefit after dismissal for economic reasons has been eliminated;

(b) Length of compensation varies according to the length of affiliation and age of the unemployed worker (under 50, between 50 and 55, or over 55 years of age);

(c) A phased reduction has been established for the extension periods;

(d) The waiting period for severance benefits has been eliminated. A minimum benefit has been retained, but reduced (95 francs, as against 100.10 francs). A guarantee of 60 per cent of the wage is ensured, from 6,755 francs of monthly wages (with additional contribution above the social security ceiling).

209. The table below compares the scheme established under the decree of 24 November 1982 with the new scheme which will enter into force on 1 April 1984.

210. The new solidarity scheme provides that the State will take charge of:

(a) Expenditures relating to early retirees resulting from the contractual arrangements binding it (solidarity contracts, immediate or phased early retirement, resignation, FNE agreements and the social welfare agreement for the iron and steel industry);

(b) Assistance to unemployed workers who establish businesses;

(c) Unemployed workers being trained (in the regions);

(d) Persons excluded from the insurance scheme because of insufficient employment references or exhaustion of their entitlements.

211. The current "flat-rate benefits" and "special relief assistance" will be replaced by two new benefits:

(a) An "integration allowance" for young people between 16 and 25 years of age seeking employment for the first time, single women, heads of household, etc., paid for a maximum of one year, in the amount of 40 francs per day (80 francs for female heads of household);

(b) A "solidarity allowance" for the long-term unemployed whose unemployment insurance benefits have been exhausted, if they have had five years' gainful employment, subject to a means test: paid out for renewable periods of six months; amount: 40 francs per day as a general rule, 60 francs per day from age 50 for individuals with 10 years of gainful employment, and 80 francs per day after age 55 for individuals with 20 years of gainful employment.

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Comparison of benefit periods under the new scheme established  
under labour agreements with those of the scheme established  
by the decree of 24 November 1982

(Tables prepared by Liaisons sociales)

I. Unemployed with less than 12 months' prior affiliation

Scheme	Prior affiliation period	Basic allowance (AB)		End-of-entitlement allowance (AFD)		(in months) Maximum duration (all benefits)
		Entitlement	Extension	Entitlement	Extension	
Decree of 24-11-82	3 months out of past 12 months	3	-	-	-	3
New scheme	3 months out of past 12 months	3	-	-	-	3 (in 2 years)
Decree of 24-11-82	6 months out of past 12 months	9	6	9	6	21
New scheme	6 months out of past 12 months:					
	under 50	6	3	6	3	15
	over 50	6	6	9	6	21

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## II. Unemployed with 12 months' prior affiliation

Scheme	Prior affiliation period	Basic allowance (AB)		End-of-entitlement allowance (AFD)		Maximum duration (all benefits)
		Entitlement	Extension	Entitlement	Extension	
I. Under age 50 at breach of contract:						
Decree of 24-11-82	12 months out of past 24 months	12	9	12	12	30
New scheme	12 months ) out of past) 24 months ) or 6 months) out of past) 12 months ) if 10 years) out of past) 15 years )	12	6	12	6	30
II. Over age 50 at breach of contract:						
Decree of 24-11-82	12 months out of past 24 months	21	12	15	12	45
	24 months out of past 36 months	30	12	15	15	60
New scheme	12 months ) out of past) 24 months ) or 6 months) out of past) 12 months ) if 10 years) out of past) 15 years )	15	15	15	12	45
	24 months out of past 36 months:					
	age 50-55	18	15	12	12	45
	over 55	24	18	18	12	60

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## II. ARTICLE 7. RIGHT TO JUST AND FAVOURABLE CONDITIONS OF WORK

212. Under this article the States Parties to the Covenant recognize the right of everyone to the enjoyment of just and favourable conditions of work which ensure, in particular, remuneration which provides all workers, as a minimum, with:

(a) Fair wages and equal remuneration for work of equal value without distinction of any kind, in particular women being guaranteed conditions of work not inferior to those enjoyed by men, with equal pay for equal work;

(b) A decent living for themselves and their families in accordance with the provisions of the present Covenant.

### A. Remuneration

213. From the juridical standpoint, wages are the counterpart for work performed. That is the economic aspect; there is also a social aspect and it justifies the intervention of the legislature for protective purposes.

214. The legislature has intervened on both points referred to in paragraph 212 above. With regard to the equality of men and women, the preamble to the 1946 Constitution - to which reference is made in the present Constitution - guarantees that women will have rights equal to those of men in every field. That principle of non-discrimination guarantees women free access to paid work on the same terms as men. This principle was reaffirmed in an act of 22 December 1972 which was complemented by a decree of 27 March 1973 concerning equal remuneration for men and women (sect. L.140-2 et seq. of the Labour Code R.140-1). This act laid down the penalties for failure to observe that principle and declared automatically null and void any provision, even a contractual provision, that contravened the act.

215. The Government established following the presidential elections of 10 May 1981 includes a Minister for Women's Rights and it has endeavoured to confirm the determination to ensure the equality of men and women in respect of occupation by a new law. The bill to that effect (dated 16 January 1981), which was introduced by the Council of Ministers, has just been adopted by Parliament. Act No. 83 635 of 13 July 1983, which was published in the Journal Officiel of 14 July, amends the provisions of the Labour Code and the Penal Code concerning the equality of men and women in respect of occupation.

216. This enactment does not simply reaffirm and clarify the principle of the equality of men and women in respect of occupation, a principle which covers hiring, dismissal, training, qualification, classification and remuneration, in other words all aspects of an employee's career.

217. The principle of equality has led to the elimination from article 416 of the Penal Code of the concept of "legitimate grounds" which used to be invoked to justify discrimination. In addition, collective agreements and employment contracts can no longer, on pain of being declared null and void, include clauses which favour one sex over the other save in the case of provisions relating to maternity. Trade unions representing employees of the undertaking may institute lawsuits against the latter to ensure that the principle of equality is observed.

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218. It should also be recalled that, on 17 January 1980, France signed the Convention on the Elimination of All Forms of Discrimination against Women which the United Nations adopted on 18 December 1979. A bill authorizing ratification of the Convention is currently before the Senate.

219. Furthermore, with regard to the requirement outlined in article 7 (a) (ii), that remuneration must provide a decent living for workers and their families, we must draw attention to the French legislation concerning the setting of a minimum growth wage (SMIC).

220. This was introduced in its present form by the Act of 2 January 1970 with a twofold objective: in social terms it is designed to move away from the static concept of maintaining a minimum subsistence level for the least advantaged workers, and to adopt the dynamic approach of guaranteed and steadily growing participation in the fruits of progress; in economic terms it is designed to promote gradual re-evaluation of the minimum growth wage so as to avoid sudden shocks to firms. Its spirit is well reflected in section L.141-2 of the Labour Code, which states that: "The purpose of the minimum growth wage shall be to guarantee the purchasing power of the lowest paid employees and to ensure that they share in the economic development of the nation."

221. An increase in consumer prices of at least 2 per cent, as measured by the Institut national de la statistique et des études économiques (INSEE), based on the consumption of urban households with a wage-earning head of household triggers a proportional increase in the minimum growth wage starting the month following the publication of the index. Each year the Government sets the new rate for the minimum wage by decree in the Council of Ministers, after consulting with, and receiving a substantiated opinion from, the National Commission on Collective Bargaining. The annual increase in the purchasing power of the minimum growth wage must not be less than half the increase in the purchasing power of the average hourly wages recorded in the quarterly survey carried out by the Ministry of Labour.

222. The minimum growth wage and the way that the Government uses this Act, particularly the way it has done so since May 1981, guarantees the most underprivileged workers a decent living, apart from the family allowances which are part of France's social security system.

223. At the same time, it should be recalled that the minimum growth wage applies only to the most underprivileged workers and that it is not the basis of the wage structure; thus a change in the minimum wage does not have repercussions throughout that structure. Since the Act of 11 February 1950 wages have been determined by collective agreements specifically by collective agreements in each branch.

#### B. Safe and healthy working conditions

224. The Labour Code devotes an entire title, title 3 of book II, sections L.231-1 to L.234-5, to safe and healthy working conditions. Because of the many different types of occupation and the need to adapt the labour law to them there are also a great many decrees and orders. It is worth noting that, in France, safe and

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healthy working conditions are more often a matter for laws and regulations than for contractual relations. It is felt that they are a public issue and that it is incumbent on the public authorities to institute the necessary rules and controls.

225. One of the primary tasks of the corps of labour inspectors which was set up in France, in 1974, is to see to it that the rules relating to health and safety are observed.

226. Section L.232-1 et seq. set forth very general principles relating to health and hygiene (ventilation, lighting, heating, locker-room facilities and so forth). There are special regulations for the prevention of occupational diseases; in accordance with these regulations harmful products for industrial use are either banned or have to be labelled and special work clothes and special medical monitoring are required. The sale of dangerous machines not equipped with required devices is forbidden, and it is the responsibility of the manufacturer to design such safety devices for machines and to have them approved before proceeding to production.

227. The important Act of 6 December 1976 concerning the prevention of industrial accidents, passed after the Covenant's entry into force in 1976, completes the legislative provisions. This Act establishes a Central Council for the Prevention of Industrial Accidents; there are now plans to regionalize this Council in order to bring it closer to the work place and to enable it better to carry out its responsibilities. The Act also provides for the practical and appropriate training of workers hired or moved to another work station by the head of the business and for the integration of safety into the production process from the stage of the design of buildings, work places and materials and also at the production stage.

228. Increased powers have been given to the labour inspectors in the event of a grave and imminent danger or of a dangerous situation. Penalties have been instituted to ensure that these provisions are observed.

229. Finally, a new act promulgated on 28 December 1982 provides employees with a means of participating effectively in preventing industrial accidents. With that in mind the Act merged two bodies at the level of the establishment - the Health and Safety Committee (CHS) and the Commission to Improve Working Conditions (CACT) - into one, the Health, Safety and Working Conditions Committee (CHSCT). Its purpose is to protect the health of the workers. In the event of an imminent danger it must alert the employer; the latter must then undertake an immediate investigation with members of the CHSCT and take whatever steps are necessary to correct the situation. Workers have a right to withdraw from a work situation which they have reasonable grounds to believe presents a serious and imminent danger and shall not resume work until the danger has been removed.

C. Equal opportunity for everyone to be promoted to an appropriate higher level, subject to no considerations other than those of seniority and competence

230. This general rule of non-discrimination has given rise to the developments mentioned in paragraph 219 concerning specifically the right to fair remuneration,

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particularly that of women. They should be complemented by reference to ILO Convention No. 111 concerning discrimination in respect of employment and occupation, which France has recently ratified. It should be remembered that under that Convention each member bound by the Convention undertakes to declare and pursue "a national policy designed to promote ... equality of opportunity and treatment in respect of employment and occupation, with a view to eliminating any discrimination in respect thereof". Membership in a trade union is referred to in section L.412-2 of the Labour Code. Under that section it is not lawful for an employer to take account of trade union membership or the pursuit of trade union activities in reaching a decision on such matters as "recruitment, the conduct and allocation of work, vocational training, promotion, remuneration, the award of social benefits, disciplinary measures and dismissal". It will also be noted that "any alien [of at least 18 years of age] joining a trade union may be entrusted with duties in connection with its administration or management if he has not been convicted of any of the offences referred to" [in arts. L.5 and L.6 of the Electoral Code], according to section L.411-4, paragraph 2, of the Labour Code (Act No. 82,915 of 28 October 1982).

D. Rest, leisure and reasonable limitation of working hours  
and periodic holidays with pay as well as remuneration  
for public holidays

231. Working hours, weekly rest and holidays, leave with pay, the shorter working life following the amendment of the retirement system have been the subject, particularly since the presidential election of May 1981, of increasingly favourable provisions in so far as workers are concerned.

232. The 40-hour work week was introduced back in 1936 (Act of 21 June 1936) but that Act was tempered by the fact that it allowed people to work overtime at a higher hourly rate of pay. The efforts of the legislature and clauses of collective agreements are directed at reducing working hours gradually. Quite recently, ordinance No. 8241 of 16 January 1982 established the statutory work week at 39 hours as of 1 February 1982. The Government's aim, as recalled in the preamble to the ordinance, is to achieve in the not too distant future a week of 35 hours of actual work. Another ordinance of the same date (No. 8240 of 16 January 1982) encourages firms in the private sector to reduce the work week even further by exempting employers from payment of certain social security contributions for which employers are normally responsible.

233. The total annual number of hours of work has been further reduced by increasing the length of holidays with pay. Ordinance No. 8241 extended to all workers the right - which many already enjoyed under collective agreements - to a fifth week of paid leave.

234. In addition, the ordinance of 26 March 1982 allows workers - it is not compulsory - to draw a retirement pension at the full rate (i.e. 50 per cent) from the age of 60 years provided that they can prove that they have made a total of 150 quarterly contributions.

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235. The full effect of this reform was not felt until the complementary retirement schemes also modified their rules governing the award of benefits on the basis of the new provisions that were applicable to the general scheme.

236. Ordinance No. 8241 of 16 January 1982 also states that the hours of work of employees permanently working in successive shifts as part of a system of round-the-clock coverage shall not, on average, when calculated over the year, amount by 31 December 1983 to more than 35 for each week worked. Establishments working on such a system will necessarily have to introduce a fifth shift. This ordinance settled the question of how hours of work lost as a result of public holidays could be made up, that possibility being strictly forbidden. The National Interoccupational Agreement of 14 December 1977 and the Act of 19 January 1978 had already extended to all employees the right to be paid on a monthly basis; one of the advantages of being paid thus is that one is paid for public holidays.

### III. ARTICLE 8. TRADE UNION RIGHTS

#### A. Laws and regulations

237. Reference should be made to the following laws:

Acts of 21 March 1884, 12 March 1920 and 25 February 1927, concerning the statutes of trade unions;

Act of 27 April 1956, to ensure freedom of association and the protection of the right to organize;

Act of 17 April 1957, to determine the trade union organizations entitled to discuss collective labour agreements;

Ordinance of 23 December 1958, to amend certain penalties in order to broaden the jurisdiction of the courts;

Decree of 23 December 1958, to amend certain provisions of criminal law in order to establish a fifth category of minor offence;

Act of 27 December 1968, concerning the exercise of the right to organize in undertakings;

Act of 11 July 1975, to amend the Labour Code in order to strengthen the rights of foreign workers;

Act of 28 October 1982, concerning the expansion of institutions representing the staff, and the Decree of 8 June 1983 enacted pursuant to this Act.

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**B. Right to form and join trade unions**

238. The following sections are relevant:

Section L.411-2 of the Labour Code, guaranteeing the freedom to form trade unions;

Sections L.411-4 to L.411-6, concerning the freedom to join the trade union of one's choice and assume positions of responsibility in the trade union without discrimination as to sex, age or nationality;

Section L.412-2, prohibiting any type of trade union discrimination.

**C. Right of trade unions to federate**

239. Sections L.411-21 to L.411-28 on trade unions (local and departmental unions) establish the horizontal structure. Although there is no text which defines vertical organization, in practice the trade unions in the same branch of industry can unite within federations. The dual horizontal and vertical structure is combined in the confederation, which has the task of defining general policy.

**D. Right of trade unions to function freely**

240. There are several possibilities in this connection:

(a) A trade union may set up within an enterprise a branch which represents the interests of its members (sect. L.412-6) and carries out for this purpose several functions; collecting dues and posting trade union notices, it being understood that the right of assembly implies that premises shall be made available (sects. L.412-7 to L.412-10);

(b) A trade union may appoint a shop steward who directs the activities of the trade union branch and represents the trade union in dealings with the employer and who has for this purpose an allotted number of hours for trade union business and specific protection against dismissal;

(c) Trade unions may institute legal proceedings and the existence of penal provisions for punishing the infringement of the free exercise of the right to organize (the offence of interference);

(d) The exercise of certain rights recognized for trade unions in enterprises is subject to prior agreement with the employer: for example, the procedures for collecting dues and the use of the trade union premises.

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E. Special restrictions - the right to strike

241. The right to form trade unions is not recognized for members of the armed forces.

242. On the other hand, Ordinance No. 59-244 of 4 February 1959 recognized this right for government employees. A recent decree, No. 82-447 of 28 May 1982, lays down the procedures for implementing the right of civil servants to organize; members of the police force also enjoy this right. Nevertheless, the latter do not have the right to strike even though this right has been explicitly recognized for employees under the Labour Code (sect. L.521-1: "A strike shall not constitute a breach of a contract of employment, unless there is a serious fault attributable to the employee.").

P. Progress embodied in the Act of 28 October 1982

243. The following progress should be noted;

(a) The possibility of setting up a trade union branch covering all enterprises irrespective of size; the possibility of appointing a shop steward as a trade union delegate in enterprises with more than 10 employees;

(b) An increase in the number of trade union delegates;

(c) The designation of an additional trade union delegate (from among the staff at large) in enterprises having 500 or more employees;

(d) The appointment of a chief trade union delegate in enterprises with 2,000 or more employees and which have at least two establishments with 50 employees. In enterprises having fewer than 2,000 employees and which have two establishments a trade union delegate from one of the establishments may be appointed as the chief trade union delegate;

(e) An increase in the number of hours allotted to trade union delegates to enable them to carry out their duties;

(f) Recognition of the principle of the right of a trade union delegate to move freely inside and outside of the enterprise;

(g) The strengthening of the protection provided to trade union delegates through confirmation of the right to be reinstated and to receive compensation in case of unlawful dismissal.

IV. ARTICLE 9. THE RIGHT TO SOCIAL SECURITY

244. The following section on the application in France of article 9 of the International Covenant on Economic, Social and Cultural Rights includes:

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- (a) A general description of social security rights, as improved in 1980 and 1981;
- (b) Changes made in national social security legislation since 1974 in the area of family allowances;
- (c) The development of unemployment benefits over the period 1974-1984;
- (d) A summary of the improvements made to different branches of social security over the years 1981-1983.

A. General description of social security rights (1980-1981)

245. Regulatory action has been taken in implementation of the Act of 2 January 1978 on the generalization of social security and instituting a personal insurance system. The enactments in question are decrees Nos. 80548 and 80549 of 11 July 1980, which ensure equal treatment for aliens residing lawfully in France. Participants covered by the above-mentioned Act and decrees receive benefits in kind under the sickness and maternity insurance which is part of the general scheme for employees. Contributions are generally paid by the insured person depending on his resources; nevertheless, these payments may be made by a family allowances fund when the insured person also receives family allowances, or by public assistance in case of insufficient funds.

246. In 1980 and 1981, the public authorities adopted a number of measures to maintain certain entitlements and improve others, in all branches of social security.

Maternity and sickness insurance

247. The Act of 28 December 1979 concerning the maintenance of the social security entitlements of certain categories of insured persons, increases from 3 to 12 months the period during which individuals who cease to belong to a compulsory scheme remain entitled to sickness, maternity and death benefits.

248. The Decree of 25 March 1980 liberalizes the conditions for eligibility for sickness, maternity and death benefits since only one of two alternative requirements need be met: either to have had paid employment for a specified number of hours in a given period, or to have paid a given amount of contributions levied on wages for which the benchmark wage is the hourly SMIC.

Old-age benefits

249. A major effort has been made substantially to increase old-age benefits. Thus the measures of July 1981 have made it possible to raise the minimum level of old-age benefits and the supplementary allowance payable from the National Solidarity Fund (FNS) as indicated below:

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Movement of minimum old-age and disability benefits  
from 1 December 1979 to 31 December 1981

Benefit payable between and	1 Dec 79 31 May 80	1 June 80 31 Dec 80	1 Jan 81 30 June 81	1 July 81 31 Dec 81
(Francs)				
Non-contributory benefit	7 400	7 900	8 500	9 400
FNS supplementary benefit	7 200	7 700	8 500	11 000
Minimum old-age:				
Single person	14 600	15 600	17 000	20 400
Married couple	29 200	31 200	34 000	40 800

250. Contributory benefits have been increased on the usual dates (1 January and 1 July of the calendar year), by the amount of the increase in the cost of living.

Family allowances

251. The most important provision concerning family allowances is the Act of 17 July 1980 embodying several measures to improve the lot of large families.

252. These new measures form part of a body of legislation for assisting mothers and cover the following three points:

(a) Extension of maternity leave for the birth of the third and any subsequent child as from 1 July 1980 (26 weeks, instead of 16 weeks for the first two children);

(b) The institution of a post-natal benefit, from 1 July 1980, aimed at increasing the former post-natal benefits, when a third child is born;

(c) The institution of a minimum family income, from 1 January 1981 for families with three or more children.

253. These are in addition to the traditional measures used to adjust family allowances, with a special effort from 1 July 1981, as shown in the table below:

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Family allowances

Number of dependent children	Monthly total per family			
	Scale at 1 July 1981			
	Percentage of the BMAF <u>a/</u>	(Francs)	Percentage of the BMAF <u>a/</u>	(Francs)
2	23	251.44	25.5	317.73
3	65	710.61	71.5	890.89
4	102.5	1 120.58	112.5	1 401.75
5	138	1 508.68	151.5	1 887.69
Increase for a child aged: 10-15 years	9	98.39	9	112.14
over 15 years (Amount per month)	16	174.92	16	199.36

a/ Monthly basis of the family allowance.

Post-natal benefit

	Before 1 July 1980	After 1 July 1980	On 1 July 1980
Paid in three instalments after birth			
First instalment	1 233.70 (130%)	2 011.58 (184%)	2 292.64 (184%)
Second and third instalments	710.61 (65%)	415.43 (38%)	473.48 (38%)
Increase on birth of third child	-	4 996.15 (457%)	5 694.22 (457%)

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Survivors' benefits

254. In order to facilitate the re-entry of surviving spouses into the labour market when they cannot, because of age, by supplementing their resources, claim any survivors' benefits, the Government has introduced an additional form of social protection, the widows'/widowers' benefits established by the Act of 17 July 1980.

255. This Act guarantees for the surviving spouse of an individual who was insured under the general social security scheme, a widows'/widowers' benefit, provided that he or she resides in France and meets certain conditions.

256. It ensures equal treatment and restricts eligibility to individuals meeting certain conditions of age (they must be under 55 years of age), number of dependent children or children to be raised (between 9 and 16 years of age), family life (not to have remarried, not to cohabit) and resources (which must not exceed a certain ceiling). This benefit is granted temporarily.

B. Amendments to national social security legislation since 1974 in respect of family benefits

Establishment of numerous benefits between 1974 and 1981

257. The allowance for children at the beginning of the school year, under the Act of 16 July 1974, enables families to cope better with the specific expenses incurred during this period of the year. The benefit is payable for each school child between the ages of 6 and 16 years to persons in receipt of a family allowance, subject to a means test.

258. The Act of 3 January 1975 on assistance to new families has established loans for young households to help them in setting up home (household equipment and furnishings, and costs incurred in renting accommodation or purchasing a home). The loans are granted under certain conditions with respect to the age and resources of the household.

259. The establishment of the post-natal allowance in 1975 replaces the maternity allowance which imposed an age limit and a maximum allowable interval between births.

260. For payment of these benefits, the infant is required to undergo three examinations: the first before the end of the first week, the second during the ninth or tenth month, and the third during the twenty-fourth or twenty-fifth month.

261. The Act of 30 June 1975 on assistance for handicapped persons has replaced former benefits with:

(a) The special education allowance (intended for children under 20 years of age, consists of a basic allowance and a supplementary benefit which varies according to the seriousness of the handicap);

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(b) The allowance for handicapped adults (paid to persons who have a degree of disablement of more than 80 per cent or who are recognized as being unable to take up employment because of their handicap). This allowance is not a family benefit in the legal sense of the term, but is, however, paid by the Family Allowances Fund. The amount is equivalent to the minimum old-age allowance. Payment is subject to a means test and the allowance may not be drawn at the same time as an old-age or disability benefit.

262. The single-parent allowance, under the Act of 9 July 1976, provides temporary assistance to persons who are widowed, divorced, separated legally or de facto, abandoned or unmarried and who are the sole support of at least one child.

263. The allowance is paid for a period of 12 consecutive months or until the youngest child reaches three years of age. It is equal to the difference between the amount of the guaranteed income and the total resources of the person concerned, including certain family benefits.

264. Institution of leave for adoption (Act of 9 July 1976) for a period of three days under the same conditions as for paternity leave.

265. Individual assistance for housing under the Act of 3 January 1977 is intended for tenants taking over home ownership and for owner-occupants, provided that their housing has received State assistance or an agreed loan, or that the lease complies with certain obligations specified under an agreement made with the State.

266. The supplementary family allowance (Act of 12 July 1977) paid since 1 January 1978, replaces the single-income allowance, the allowance for mothers at home and their respective supplementary benefits, and also of the allowance for child care costs.

267. This benefit is paid to families with one child who is more than three years of age or to families with three children and more, provided that their net taxable resources per annum do not exceed the established ceiling.

#### Measures extending the scope of family allowances

268. The Social Security Code made receipt of family benefits dependent upon child custody (sect. L.511), residence in France (sects. L.511, 512 and 513) and exercise of an occupation. This last condition was abolished as of 1 January 1978.

269. Thus, eligibility for family allowances is now subject to only two conditions:

(a) Effective and permanent responsibility for support of a child;

(b) Residence in France of the person in receipt of the allowance and of the child beneficiary.

270. Receipt of the orphan's allowance (Act of 23 December 1970) extends to all persons having effective and permanent responsibility for the support of an orphan child or of a child with the same entitlement as an orphan (for example, a child for whom one parent fails to pay maintenance after divorce).

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271. The age limit for payments of family allowances is set at 16 years. The Act of 28 December 1979 amending section L.527 of the Social Security Code extended payment of these benefits until the age of 17 years for unemployed child dependents and to 20 years for those undergoing vocational training.

272. Decree No. 80-356 of 14 May 1980 increased the earnings which a child may receive before ceasing to be considered as dependent upon his parents to 55 per cent of the legal minimum wage; this threshold was previously set in relation to the monthly base for calculating family allowances.

Measures to assist large or disadvantaged families

273. A supplementary allowance of 98 per cent of the monthly base for calculating family allowances has been granted to large families with effect from 1979, the first portion of the post-natal allowances being paid for each child born after the first.

274. Maternity leave has been extended from four to six months for the birth of a third child.

Measures to protect mothers

275. The Act of 17 July 1980 on widows'/widowers' insurance institutes a temporary allowance payable to surviving spouses of certain persons covered by social insurance who have or have had dependants.

276. In order to receive this allowance they must fulfil the following conditions:

- (a) Be survivors of an individual covered by the social insurance scheme;
- (b) Reside in France;
- (c) Be less than 55 years of age;
- (d) Have or have had dependants.

277. Old-age insurance for mothers, established by the Act of 3 January 1972, was intended to take into account the social value of the work performed by mothers by granting them exemption from the payment of contributions for the years spent in the home. This benefit is extended to mothers of three children who are in receipt of the supplementary family allowance.

278. Insurance against the risk of illness is granted to low-income families at risk and especially to mothers of families and single women in receipt of a family benefit. The Family Allowances Fund pays the necessary contributions in full or in part.

Measures to simplify the choice of beneficiary

279. Following the abolition of the condition concerning effective employment as of 1 January 1978, a major reform has taken place enabling the two members of a couple

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to choose which of them shall be a beneficiary. In the absence of such designation, the wife or concubine shall be the beneficiary, whereas under previous regulations the beneficiary was the head of household.

280. These provisions have been applied with effect from 1 February 1979.

Current period: since 1981

281. In 1981, the new family policy led to an unprecedented improvement of family benefits; increases in family allowances coupled with a revaluation of the basic monthly figure for calculating family allowances resulted in a 25 per cent increase in family allowances on 1 July 1981, at a cost of 3.2 billion francs, and an increase in housing allowances of 50 per cent in two stages, at a cost of 4.7 billion francs.

282. In 1982, several provisions improving various family benefits came into force, the most important of which was the rescheduling of family allowances for metropolitan and overseas departments effective 1 February 1982 to take better account of families with two children. At the same time, in a complete departure from the freeze on prices and incomes then in force, the basic monthly rate for calculating family allowances was increased by 6.2 per cent and, in particular, the supplementary family allowance paid to young families and large families with moderate incomes was increased by 14.1 per cent. The basic monthly rate was again increased by 7.5 per cent on 1 January 1983 while pre-natal and post-natal allowances and the supplementary family allowance were kept at their July level. This package of measures made it possible to maintain the purchasing power of family benefits for one year.

283. The report submitted in June 1983 to the Social Security Accounts Commission shows that expenditures from the Family Allowances Fund grew by 6.5 per cent in 1981 and by 11.2 per cent in 1982; an unprecedented effort has therefore been made to increase substantially the main benefits.

284. As a result of this major adjustment, the increases made in 1983 and those scheduled for 1984 necessarily appear more modest, particularly since they have occurred within the context of a marked decline in price rises. Nevertheless, expenditures from the Family Allowances Fund rose from 76.5 billion francs to 127.4 billion francs between 1980 and 1983 and should increase by more than 3 per cent this year.

285. In any case, the amount of the major family support benefits increased between 1 May 1981 and 1 January 1984, respectively, in current and in constant francs:

(a) By 77.41 per cent and 35.8 per cent for a family of two children aged 10 years;

(b) By 57.75 per cent and 20.8 per cent for a family with two children, of which one is under three years of age;

(c) By 45.83 per cent and 11.7 per cent for a family with three children, one of which is over 10 years of age and another over 15 years of age.

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286. For the coming years, this priority will be reflected in the priority programme of implementation related to the Ninth Plan, which sets itself three principal objectives: a shift in the emphasis of assistance towards young and large families; the harmonization of outside work and family life; and improvement of the family environment in order to facilitate the preparation for an integration of children.

287. The guidelines for simplifying family assistance and the reform of social security funding were included in the white paper submitted to the National Assembly at the end of June last year. The purpose of this document, in its prospective section, is not to announce reforms already decided upon but rather to open a public debate on the future of our system of social welfare, which has so far not taken place; both labour and management will therefore be consulted.

#### C. Changes in unemployment benefits over the period 1974-1984

##### 1967-1979

288. Over this period a dual system of unemployment compensation was in existence, instituted under the Agreement of 31 December 1958 between labour and management, which had established the unemployment insurance scheme, and Ordinance 67-580 of 13 July 1967, which had extended to all workers the benefit of the dual system of State assistance and unemployment insurance and established the principle of the right to a replacement income for workers without employment.

##### Public assistance allowance

289. The decree of 25 September 1967 enacted pursuant to the above-mentioned ordinance had established the conditions of eligibility for public assistance allowances. These conditions of eligibility varied little until the allowances were discontinued in January 1979. Public assistance allowances were a modest benefit intended as a State-financed minimum cushion.

##### Insurance benefits

290. Benefits paid under the unemployment insurance scheme over this period changed in several ways: lengthening of the period of compensation; increase in the rate of compensation; increase in benchmark wages; establishment of new benefits.

291. The special allowance intended to compensate dismissed employees has been in effect since 1967 at a rate of 40.25 per cent for the first three months and 35 per cent thereafter.

##### Income maintenance

292. On 22 March 1972 management and labour signed an agreement guaranteeing 70 per cent of their daily benchmark wage to dismissed employees over the age of 60. In June 1977 a new agreement extended this benefit to employees over the age of 60 who agree to resign.

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Temporary supplementary allowance

293. The crisis which began in 1974 led to a great many dismissals. It was decided to provide a new benefit to assist workers dismissed for economic reasons by maintaining their full income for one year.

294. This new benefit, established under an additional agreement of 31 October 1974, is known as the temporary supplementary allowance.

295. Thus, for one year workers dismissed for economic reasons receive an allowance equal to 90 per cent of their gross working wage, which more or less corresponds to 100 per cent of their net wage.

296. This relief comprises three separate allowances:

- (a) The public assistance allowance;
- (b) The special allowance, equal to 35 per cent of the benchmark wage;
- (c) The temporary supplementary allowance, which complements the others.

January 1979–November 1982

297. During the preceding period, the disparity in unemployment benefits paid to job-seekers and the coexistence of two systems of unemployment compensation gave rise to a number of criticisms by job-seekers, who were subjected to dual and disparate formalities by the two systems, and who did not clearly discern the differences in the regulations and laws in force. Further, the organizations signatory to the Labour Agreement of 31 December 1958 raised the problem of financial disengagement by the State from unemployment compensation. While, in view of the increase in the number of job-seekers, the cost of the unemployment insurance scheme had greatly increased.

298. In view of these problems, and the increase in the number of those seeking employment, a major overhaul of the unemployment compensation system had become necessary.

299. The Outline Act of 16 January 1979 unified the system of unemployment compensation and entrusted its management to the unemployment insurance scheme. The Act is based on the following principles:

- (a) Unification of the two schemes, leading to elimination of the public assistance allowances as from 31 December 1979;
- (b) Replacement income fully covered by the unemployment insurance scheme;
- (c) Extension of the scope of the latter to cover all employees;
- (d) The scheme is funded by employers' and employees' contributions, and by a flat-rate block subsidy from the State.

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300. Four benefits are paid under the new scheme:

(a) The flat-rate allowance, paid mainly to those entering the labour market for the first time and to certain other specific categories;

(b) The basic allowance paid in the event of dismissal;

(c) The special allowance paid in the event of dismissal for economic reasons, payable at a lower rate and adjusted downwards quarterly. It is set at 65 per cent of the benchmark wage for the first quarter, falling subsequently to 60 per cent, 55 per cent and 50 per cent. In addition to this sum, a fixed amount of 20 francs is payable, adjusted periodically;

(d) The end-of-entitlement allowance intended to assist the long-term unemployed.

301. Further, the income maintenance scheme had been continued both for workers who were dismissed and those taking an agreed termination.

302. In February 1981, given the increase in the length of unemployment and the large number of workers not receiving benefits under unemployment insurance, the special relief allowance was established, equal in amount to the fixed portion of the unemployment allowance but financed entirely by the State.

#### November 1982-April 1984

303. However, the new scheme implemented on 1 July 1979 experienced serious financial difficulties which resulted in the Collective Agreement of 31 December 1958 being denounced. In order to help restore the financial balance of UNEDIC, the public authorities took, under the Decree of 24 November 1982, a number of economy measures relating in the main to a reduction in the period of compensation, a reduction in the rate of the special allowance paid to workers dismissed for economic reasons and of the income maintenance allowance, and the introduction of waiting periods.

304. It should be noted that the income maintenance allowance was deleted from the benefits paid under the unemployment insurance scheme under the Act of 5 July 1983.

305. However, this Decree was intended only to establish a transitional scheme for a period of one year to allow labour and management to study and conclude a new collective agreement.

306. Following negotiations which started in October 1983, some representatives of labour and management signed on 10 January 1984, a protocol setting out the provisions to be included in a collective agreement for the establishment of a new unemployment insurance scheme with effect from 1 April 1984. Close co-operation with the Government ensued, followed by the signing, on 9 February 1984, of a summary of conclusions by all the employers' and employees' organizations which had taken part in the negotiations. Further to this summary, the Government adopted Ordinance No. 84-106 of 16 February 1984, which establishes a dual system of unemployment compensation managed by a single institution.

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307. With effect from 1 April 1984, the new system of unemployment compensation comprises two schemes: first, the unemployment insurance scheme financed by contributions from employers and employees which will cover employees who are dismissed or whose fixed-term contract has expired.

308. This scheme provides for only two kinds of benefit: the basic benefit and the end-of-entitlement benefit, the special benefit for workers dismissed for economic reasons having been abolished.

309. Secondly, the "solidarity" scheme financed by the State provides for two kinds of benefit: the initial benefit, principally intended for first-time job-seekers, and the "solidarity" benefit, which will cover employees leaving the insurance scheme.

D. Improvements made in different branches of social security  
sickness and maternity insurance

310. The Act of 4 January 1982 provides for the maintenance of the social rights of unemployed workers whose unemployment benefits have been exhausted, provided that they continue to look for work.

Disability benefits

311. Act. No. 82-599 of 13 July 1982 provides that a disability pension will be converted automatically into an old-age pension at the age of 60 only if the insured person does not object.

Old-age benefits

312. Since the adoption of Ordinance No. 82-270 of 26 March 1982 relating to the lowering of the retirement age, an insured person who can provide evidence of a qualifying period of at least 150 insurance quarters may receive a full pension from the age of 60.

313. This provision was supplemented by Act No. 83-430 of 31 May 1983 relating to the minimum old-age pension, which had the effect of establishing a minimum old-age pension for insured persons claiming the award of benefits at the full rate at the age of 60.

314. This new minimum, the amount of which is established by decree at 2,200 francs per month for 1983, takes account of the length of the period of insurance.

Unemployment benefits

315. Decree No. 82-991 of 24 November 1982 amended the conditions for the payment of unemployment benefits.

316. Since 1 April 1983, the income maintenance allowance has not been paid to beneficiaries aged over 60 who have more than 150 validated quarters under the old-age insurance scheme.

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317. Further, this decree established a waiting period before the payment of unemployment benefits, being the number of days equal to half of the ratio between, on the one hand, the compensation which directly relates to the dismissal and which is paid in addition to compensation required by law, and, on the other, the daily benchmark wage.

318. Finally, periods of compensation shall henceforth vary according to the length of the period of insurance under the unemployment insurance scheme and the age of the beneficiary.

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ANNEXES a/

- I. Statistics on unemployment and the labour market (December 1983).
- II. Statistics on the labour market (main series - June 1981 to June 1983).
- III. Report on the implementation of ILO Convention No. 122.
- IV. Reports on the implementation of the following ILO Conventions, the provisions for which are applicable in the overseas territories of New Caledonia and French Polynesia: Conventions No. 3, No. 17, No. 18, No. 24, Nos. 25 and 36, Nos. 37 and 38, Nos. 2 and 44, No. 84, No. 87, No. 88, No. 95, No. 98, Nos. 26 and 29, No. 100, No. 115, No. 120, No. 122.

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a/ These documents, as received from the French Government, may be consulted at the Secretariat of the United Nations.