



Temporary agency work: national reports

France

Summary

The status of temporary placement in France

The temporary placement sector in France: recent developments

Issues concerning temporary employment

Conclusion

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Summary

1

Temporary placement has been officially recognised in France for thirty years, and is strictly governed by law and by collective bargaining. The set of rules governing it determines the actual status, in fact dual status: the status of temporary work placement companies on the one hand, and that of temporary placement on the other. The activities of temporary employment undertakings are strictly supervised, and temporary employees (and the employees in the undertakings in which they work) are protected.

Temporary placement is still on a relatively moderate scale, particularly compared with other forms of temporary employment. As temporary placement trends are very sensitive to the slightest variations in manpower needs, they have fluctuated considerably in the past thirty years. Since 1995, the sector has been completely galvanised. It is going through radical change. It is penetrating new markets and developing new types of skills to offer a better service to users.

Three questions must be addressed in order to evaluate properly the situation regarding temporary employment in France.

- First, the official rules in France applying to temporary placement are precise and detailed. The nature of these rules, laid down by collective negotiations as much as by law, must be clarified. Then there is the question of the effectiveness of the rules. There is a quite considerable gap between the official rules adopted following bargaining or laid down by law, and actual practices.
- Second, the real situation of temporary placement is relatively well known, particularly in statistical terms. But one domain that remains quite obscure - not one of the least important - is working conditions. We do know that these conditions are tougher for temporary workers than for permanent staff, and also more difficult than for other forms of temporary workers.
- Third, the rules in the standard employment contract in France are the focus of debate. Should they be “modernised” and adapted to current flexibility needs? Temporary employment is at the heart of this debate, with the profession attempting to put forward its own position on this matter.

2 The status of temporary placement in France

In France, the legal nature of the employment contract is crucial in differentiating forms of employment, and specifically the various forms of temporary employment. The “ordinary law” employment contract is concluded i) for an “indefinite” period, ii) for a “full-time” job, iii) between the employee and a single, specified employer. The various forms of temporary employment and part-time work derogate from this rule. Among atypical forms of employment, temporary placement has special status.

In the eyes of the law, temporary placement is an innovative triangular relationship between the temporary placement employee, an undertaking known as the Temporary Work Placement Company (in French, *Entreprise de Travail Temporaire - ETT*) and a user undertaking. It involves two concomitant contracts, first a commercial “availability” contract between the temporary work placement company and its customer, the user undertaking, and second an employment contract based on so-called “assignments” concluded between the temporary employee and his employer, the temporary work placement company. Both contracts refer to two types of status, that of the temporary work placement company and that of the temporary employee.

The status of temporary work placement companies

Temporary work placement companies are “special” undertakings for two reasons. First, their exclusive task is to make employees available on a temporary basis to user undertakings. The exclusive nature of their work defines temporary placement and distinguishes it from subcontracting of labour for profit. Second, the act of making employees available for a limited period of time for one assignment delimits temporary work placement companies and distinguishes them from ordinary recruitment intermediaries.

Temporary work placement companies are subject to specific obligations that differ from those of an ordinary undertaking. In particular, they must submit declarations to the labour and employment authorities. They must provide financial guarantees. They must regularly forward a full statement of their activities to the authorities. Lastly, French law prohibits the lending of remunerated labour if this is not carried out pursuant to the measures relating to temporary employment.

Temporary placement cannot have the objective or effect of filling permanently a position connected with the normal, on-going activity of the undertaking. The law lays down a limited list of cases in which recourse can be had to temporary placement: replacement of an employee in the case of absence or termination of contract, or of departure from a post shortly to be abolished, temporary increase in the undertaking’s activity, and seasonal, urgent, exceptional or casual work. However, recourse to temporary placement is expressly forbidden to replace an employee on strike, for particularly dangerous work or following economic redundancies.

The availability contract must be set down in writing for each temporary employee sent on an assignment. It contains compulsory points concerning reasons for resorting to temporary placement and the duration of the assignment, plus clauses concerning any potential modification of the period of the assignment, a precise description of the post to be filled and of the employee’s professional qualifications, and the salary and its various components (bonuses and secondary payments), etc.

The assignment contract

The temporary employee’s assignment contract is, like the availability contract, set down in writing. It contains a number of compulsory points: copy of the availability contract, description, remuneration, possible

trial period, statement to the effect that subsequent hiring by the user is not prohibited, etc. It must be communicated to the temporary employee.

The temporary placement assignment must have a precise time limit set when the availability contract is concluded, with perhaps the possibility of renewal for a maximum period of 18 months. To prevent the same job being filled by a succession of temporary employees, hence preventing the recruitment of permanent staff, the post cannot be filled by a temporary employee again until after the expiry of a period equivalent to one-third of the duration of assignment contract.

The principle of parity of pay for jobs must be applied. To this end the availability contract and the assignment contract must indicate the salary which an employee with equivalent qualifications occupying the same post would receive in the user undertaking. Temporary employees are entitled to an end-of-assignment allowance to compensate for the precariousness of their situation. This allowance amounts to 10% of the total gross pay.

The works council in the user undertaking (or in the absence of this, staff representatives) must in some cases be consulted prior to the conclusion of a contract on the hiring of temporary employees. It must also be regularly informed of the situation regarding temporary employment in the undertaking.

Employer and employee duties and rights

The general principle is that the employer is in fact the temporary work placement company. It is fully responsible for paying and training temporary employees and for exercising disciplinary powers regarding them. But responsibility during the performance of the work (in particular for working conditions: working hours, night work, weekly breaks, hygiene and safety) lies with the user undertaking.

Staff representation and trade union rights are essentially the concern of the temporary work placement company. To be eligible to vote in staff representative elections in the temporary work placement company, temporary employees must be able to prove 3 months' seniority or 507 hours worked in the 12 months preceding the election. To stand for election, they must be able to prove 6 months' seniority or 1,014 hours worked in the 18 months preceding the election. The appointment of shop stewards by trade unions usually occurs in undertakings with fewer than 50 employees. The joint committees provided for in the agreement of 8 November 1984 at national, regional and local levels, have been set up and are responsible for issuing opinions on the interpretation and application of legal rules and for settling disputes of a collective or individual nature that emerge from the application of legislation and agreements.

In the user undertaking, temporary placement employees enjoy the normal rights of expression of employees regarding their working conditions. While they do not take part in the procedures to appoint staff representatives, they are taken into account in the calculation of thresholds for determining the conditions concerning employee numbers that apply to the appointment or election of staff representatives, in proportion to the hours they have worked in the undertaking in the previous twelve months.

Principles governing the status of temporary placement

The statutory principles have remained the same since 1972: exclusive nature of the activity of temporary work placement companies, and specific “assignment” contract between the temporary employee and his employer, the temporary work placement company.

The main legislative changes have concerned the reasons for resort to temporary placement by user undertakings on the one hand (as well as the reasons for prohibiting resort) and the duration of temporary placement assignments on the other.

The principle of a limited list of cases in which temporary placement could be used was laid down in 1972. This principle was abolished by the 1986 order, and then reasserted by the law of July 1990.

The maximum period authorised for assignments has been extended over time. The most recent measures are more restrictive than those that immediately preceded them, however. The maximum period, in general, is now 18 months. This is far longer than the 6 months laid down in the order of February 1982. But the principle of an assignment of limited duration is still in place.

In addition to legislative changes, there has been sustained collective bargaining efforts which, at the end of the 1980s and in the 1990s, considerably enhanced the mechanism to protect employees.

The temporary placement sector in France: recent developments

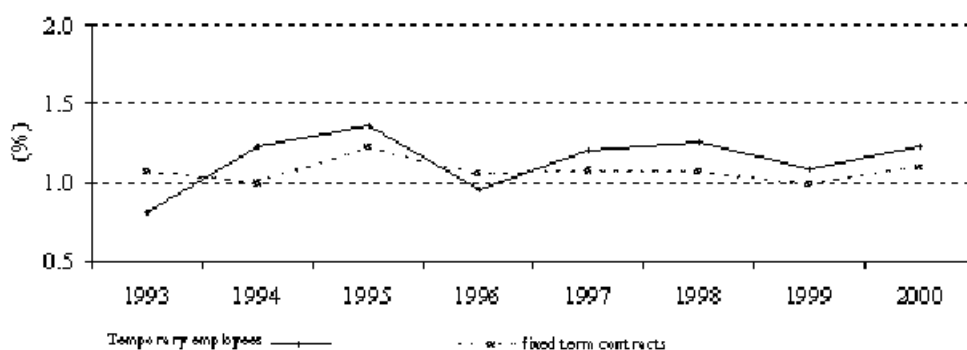
Temporary placement is currently going through radical change. Very rapid development of the market, swift changes in the profession and in particular a strong move towards concentration of the sector are the most marked features. However, some factors remain the same: concentration in unskilled labour and industrial jobs, and continuation of the strong trend regarding the closure and start-up of small temporary work placement companies. The current strategies can be clearly perceived: temporary work placement companies are diversifying their customers, staking out the market and extending the range of services they provide.

A dynamic temporary placement market

Temporary placement and fixed term contracts

Temporary placement and fixed term contracts have developed rapidly over the past fifteen years. Since 1995, however, the rate of growth of temporary placement has accelerated, significantly outstripping that of fixed term contracts. The rate is such that we can speak of a “boom” in this form of temporary employment: up to 37% in 1995, 25% in 1998 and 23% in 2000

Figure 1: Annual rate of growth of temporary jobs (%)

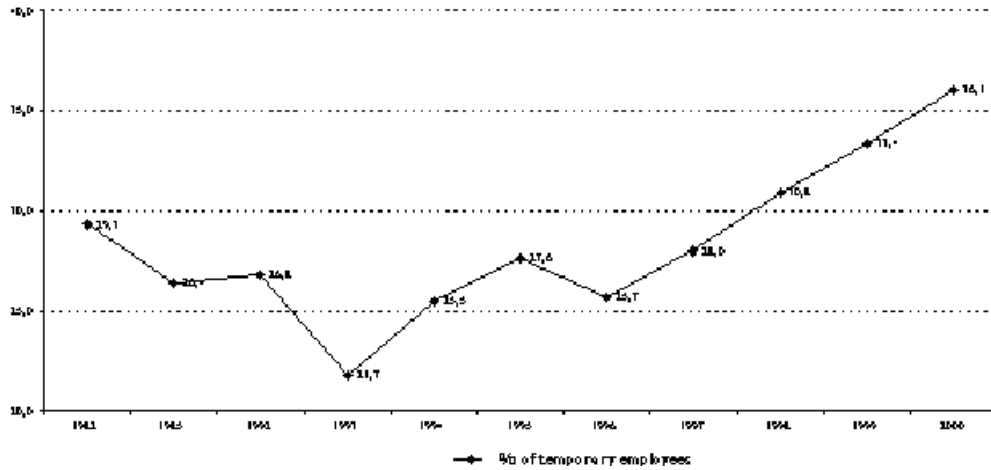


Source: *INSEE employment surveys*

Temporary placement is, however, far from being the most sought-after form of precarious employment in France, since in March 2000 it has accounted for only a little over 1/3 of temporary employment + fixed term contracts taken together, just to mention two of the main forms of temporary work: 550 000 temporary placements for 950 000 people hired on fixed term contracts

¹ Source: employment survey, INSEE (Institut national de la statistique et des études économiques - National institute for statistics and economic studies).

Figure 2: % of temporary employees in temporary employment as a whole (temporary employment + fixed term contracts)



Source: INSEE employment surveys

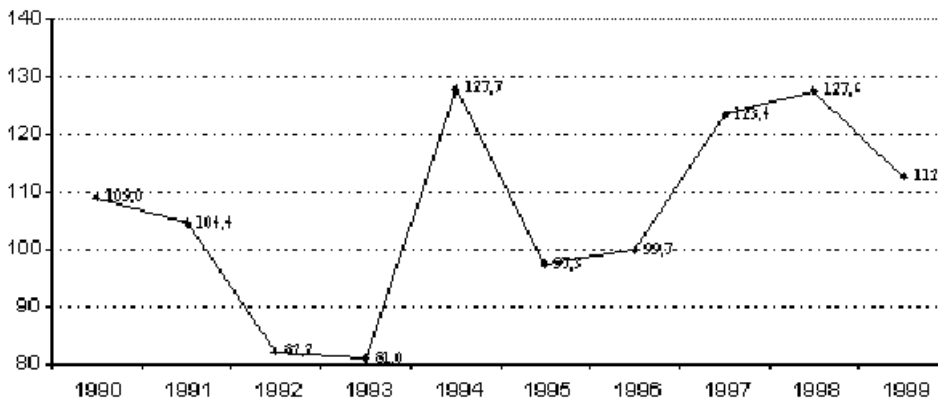
In full-time equivalent terms, for the year 1999 and all sectors of users taken as a whole, temporary placement constituted 3.3% of salaried employment. In all, 12 744 000 assignment contracts were concluded that year. The assignments lasted for an average of 1.9 weeks, with each temporary employee performing an average of 6 assignments throughout the year. That same year, temporary placement concerned 1 787 000 people who performed at least one assignment during the year. Thus on average each temporary employee worked for an equivalent period of 3 months' full-time employment in 1999².

The demand for temporary placement by user undertakings reacts speedily to fluctuations in workforce needs

Apart from long-term growth, temporary placement is very sensitive to the economic cycle. Fluctuations are considerable. The reduction in temporary placement actually fell by more than 15% during the year (in equivalent full-time years) at the start of the 1990s, a period of significant imbalances on the employment market. Growth reached annual rates of almost 30% with the resurgence of increased manpower needs at the end of the decade.

² Jourdain C. (2000), "Le travail temporaire en 1999", in Premières Synthèses (DARES [direction de l'animation de la recherche des études et des statistiques - directorate for the promotion of research, studies and statistics], MES [Ministère de l'Emploi et de la Solidarité - Ministry of employment and solidarity], no. 43.2, October, 8 pp. These figures come from UNEDIC [Union nationale interprofessionnelle pour l'emploi dans l'industrie et le commerce - National interprofessional union for employment in industry and commerce] (national organisation which manages unemployment benefit schemes) files based on compulsory declarations made by temporary work placement companies.

Figure 3: Annual increase in temporary employment

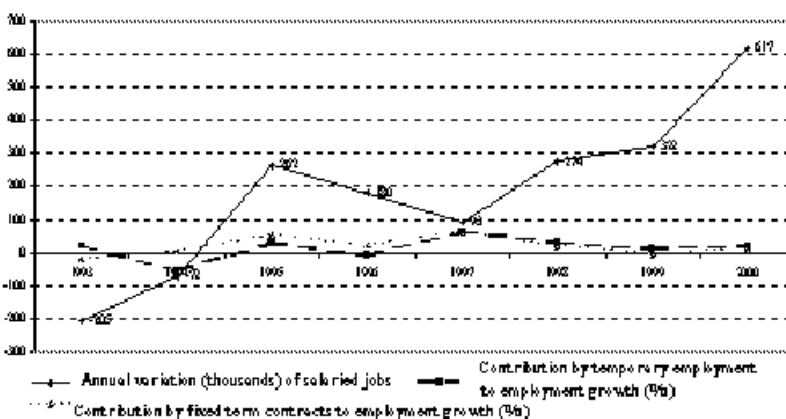


(Equivalent in annual full-time terms. Source: MES-DARES) - index base 100 = year

Temporary placement acts as a kind of regulator. Economic slow-downs are reflected very rapidly in its market, and even on that of temporary work as a whole. On the other hand, temporary placement makes it possible to respond swiftly to the manpower needs of undertakings in periods of strong growth and shortage of labour. The temporary labour market, and particularly that of temporary placement, to some extent “anticipates”³ global labour market fluctuations because of the speed of reaction.

The contribution which temporary employment has made to the growth in total employment becomes all the more important (in relative terms) as the employment situation stabilises, and is probably less important when the situation becomes stabilised on a more lasting basis.

Figure 4: Contribution of temporary employment to employment growth



Source: INSEE employment surveys

(Equivalent in annual temporary terms / overall annual equivalent apart from the State, local authorities, apprentices)

³ SETT [Syndicat des Entreprises de Travail Temporaire - Union of temporary work placement companies] (2000), “Rapport économique annuel - 1999”, Paris, 41 pp. (Direction des Affaires Economiques et des Relations Extérieures - Directorate of Economic Affairs and External Relations).

In 1997, while job creation continued to slow down, temporary employment enjoyed new growth, doubtless in anticipation of subsequent increased job creation. That year temporary placement accounted for almost 60% of the jobs created, including fixed term contracts. In other words, without the various forms of temporary employment, the level of employment would drop. The labour market began to improve from 1998. Temporary placement and fixed term contracts continued to increase, while still making up only slightly over 30% and 20%, respectively, of total job creation. In 1999, out of over 320 000 new jobs, an extraordinary figure for the 1990s, temporary placement contributed only 34 000, thus a little over 10%. Employment based on fixed term contracts is dropping. Between March 1999 and March 2000, a new record was set: over 600 000 salaried jobs were created, with temporary jobs gaining ground again by accounting for 17% and 13%.

Industry: still the main bastion⁴ of temporary placement

The rates of growth recorded in some sectors in which the rates of resort to temporary work are in fact extremely high lead us to believe, however, that the use of temporary placement goes beyond the simple anticipation of employment needs.

Table 1:

	Contracts concluded during the year	Average rates of resort	Volume of work in equivalent full-time employment
Agriculture	72 415	0.8	2 250
Industry	5 635 661	6.5	252 755
Including:			
Agriculture and foodstuffs	1 346 987	6.7	36 620
Consumer goods	822 888	4.7	33 604
Car industry	360 854	9.3	28 261
Intermediate goods	2 252 749	7.3	108 433
Capital equipment	792 728	6.6	54 911
Construction	1 820 439	7.8	93 910
Services	5 215 470	1.5	151 588
Including:			
Commerce	1 515 812	1.8	47 180
Transport	1 240 597	3.7	32 896
Services to undertakings	1 573 619	1.8	49 859
Total for all sectors	12 743 985	3.3	514 925

Source: *MES-DARES, based on UNEDIC files*

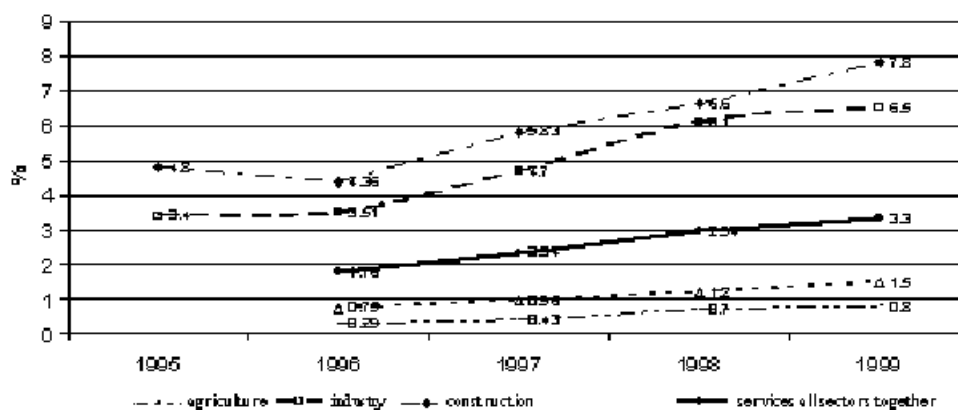
Demand is in fact very concentrated. The rate of resort to temporary placement (evaluated in terms of full-time equivalent employment) was 3.3% in 1999 for all sectors together. It amounted to only 1.1% in the services sectors, 6.5% in industry and 7.8% in construction. The car industry is the traditional leader as

⁴ Audirac P.A. et Jourdain C. (1998) "L'intérim au premier semestre 1998: près de 6% du volume de travail dans l'industrie", DARES, Premières Informations premières Synthèses, 98.12 - no. 51.1.

regards use of temporary placement, with a rate of 9.3%, again in 1999. In the services sector, the rates for transport (3.7%) and services to undertakings (1.8%) are also high.

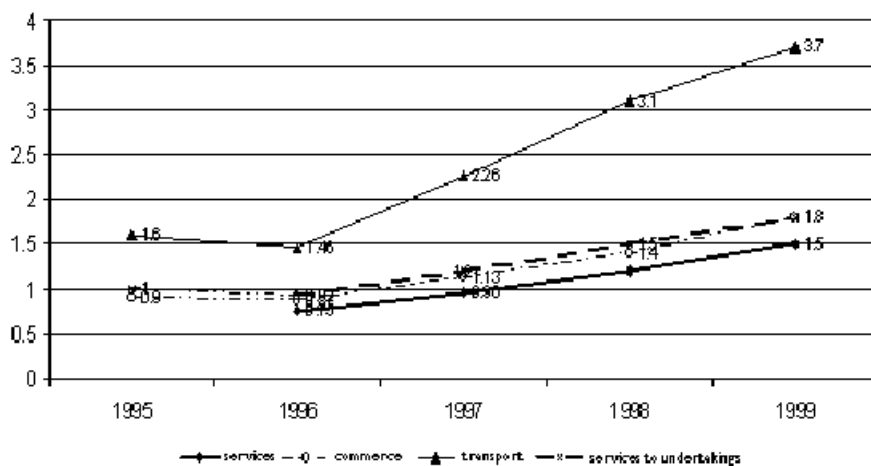
It can be seen that there is a kind of traditional sectoral divide between temporary placement and fixed term contracts. The services sector tends to focus on fixed term contracts, and industry on temporary placement, with the exception however of industries employing seasonal female labour. It can almost be said that temporary manpower needs are not met in the same way in France in industry (in any case the male labour industry) and in the services sector.

Figure 5: Rate of resort to temporary employment in the main sectors



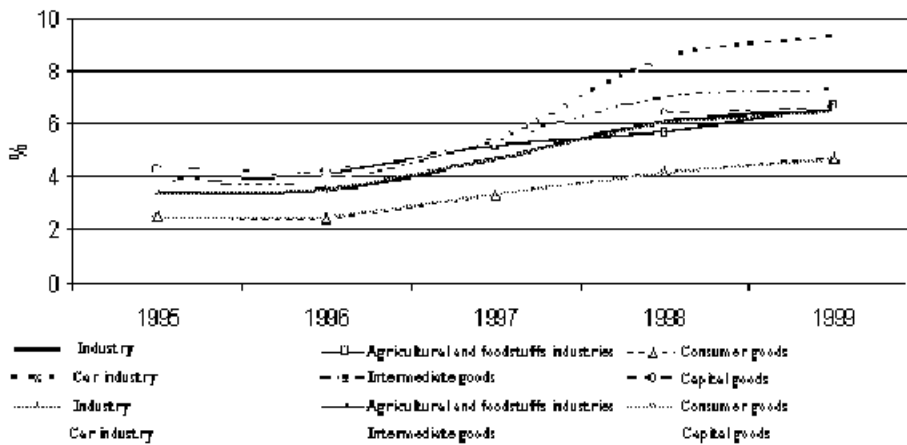
Source: MES-DARES, based on UNEDIC files

Figure 6: Rate of resort to temporary employment in following sectors



Source: MES-DARES, based on UNEDIC files

Figure 7: Rate of resort to temporary employment in following sectors



Source: MES-DARES, based on UNEDIC files

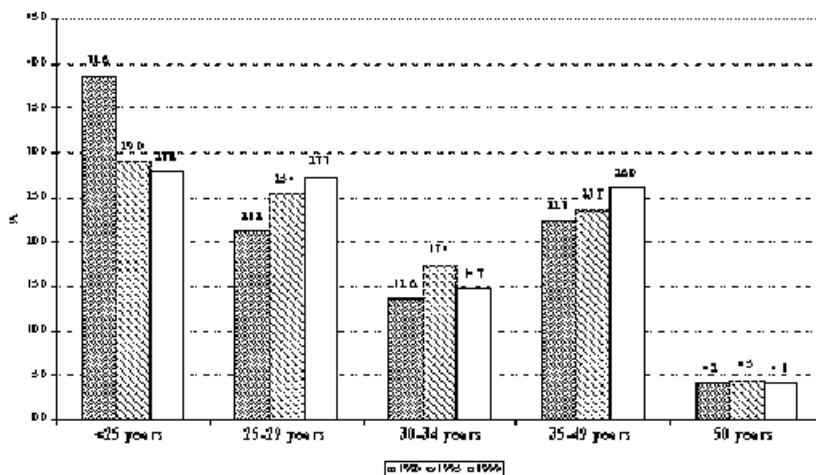
Things do seem to have evolved slightly in recent years, however. Temporary placement appears to have penetrated the niche of the fixed term contract, in particular in relation to seasonal industrial activities and even activities in which there are considerable constraints in terms of deadlines. It has developed in the services sector (transport and services to undertakings) and even in agriculture. This is still very uncertain, however, in terms of statistics.

Lastly it is worthwhile pointing out that assignments in industry last significantly longer than assignments in the services sector: over 5 weeks on average in 1999 in the car industry and capital goods, and under 2 weeks in most services sectors.

Temporary placement employees: unskilled workers, essentially young and male

Sectoral concentration is combined to a very large extent with professional concentration. Temporary placement essentially concerns unskilled trades and young people, frequently those seeking employment after leaving school.

Figure 8: Structure of temporary employment in %



(%, 100 = all percentages)

Source: MES-DARES, based on UNEDIC files

⁵ Source: MES-DARES, based on UNEDIC files.

The figure of the low-skilled worker, young and in the process of integration into the labour market, working temporarily in several quite characteristic industrial sectors, is predominant in terms of numbers. However it is not the only one. There is also the very real figure of the temporary woman secretary. But in services professions and sectors, flexibility is obviously based more on fixed term contracts and even on part-time work.

Recent developments include the ageing of the population in temporary placement in the past ten years. This change has accelerated since 1995 with the boom in the temporary employment market. At the same time, the balance has tilted slightly towards more skilled work than in the past.

The following qualifications breakdown was perceivable in 1999.

Table 2: *Qualifications relating to temporary placement (equivalent annual full-time employment)*

Unskilled workers	237 100
Skilled workers	196 924
Employees	42 323
Intermediary professions	31 942
Executives	6 636

Source: MES⁶ -DARES⁷ & SETT⁸ (1999)

The number of executives working on temporary placement is still low, accounting for only 1.2% of the total amount of temporary employment, whereas executives make up approximately 10% of the active population. This rate is rising very rapidly, however: + 56.3% compared with 1998, when it amounted to only 0.9% of the total.

We will see later that the comments by managers of temporary work placement companies reflect to these trends. They seem to see these trends in a strategic light, probably placing much more importance on them than can be perceived from the few statistics observable at the moment.

Changes in the profession

A sector that is becoming rapidly concentrated

The sector of temporary work placement companies has changed radically in recent times because of the alternation between the very stagnant market at the beginning of the decade and then the extremely dynamic market at the end of the decade, and also because of the interest in the French market shown by foreign companies working in human resources management. The French market is in fact the second biggest in the

⁶ MES (Ministère de l'emploi et de la solidarité - Ministry of employment and solidarity)

⁷ DARES (Direction de l'animation de la recherche des études et des statistiques - Directorate for the promotion of research, studies and statistics)

⁸ SETT (Syndicat des Entreprises de Travail Temporaire - Union of Temporary Work Placement Companies)

Temporary Agency Work: France

world after the United States in terms of turnover in the profession⁹. Mergers and acquisitions have succeeded one another, generating unprecedented concentration in the sector.

There were a total of 1 150 temporary work placement companies at the start of the 1990s, following several years of sustained market growth. This figure fell in the mid-1990s, at the high point of the employment crisis. It has been virtually stable for some years, standing at around 850 undertakings. Trends affecting the number of agencies are even more pronounced: a record number of 5 000 agencies in 1991; an all-time low of 3 600 in 1995, back to the 1988 level; and once again a resumption in the establishment of agencies¹⁰ in recent years. In 1999, the 850 companies were the leaders of a network comprising over 4 000 agencies.

Table 3: *Trend in the number of temporary work placement companies and agencies*

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Companies	912	995	1070	1146	1078	1006	1003	1035	880	850	850	850
Agencies	3610	4158	4764	5011	4562	3953	3928	3611	3741	3780	3800	4062

Source: *MES-DARES and SETT (2000)*

The report by SETT (*Syndicat des Entreprises de Travail Temporaire* - Union of Temporary Work Placement Companies) (2000) points out that agencies “are still concentrated in the main employment catchment areas”: 23% in the Ile-de-France region, 13% in the Rhône-Alpes region, 7% in Provence-Alpes-Côte d’Azur, and 6% in Nord-Pas-de-Calais and in the Loire region.

Underlying these trends are considerable numbers of start-ups and closures of small temporary work placement companies. In recent years with strong market growth, the balance between start-ups and bankruptcies has become positive again. But the increasingly numerous start-ups have not yet reached the same level as at the end of the 1980s. Bankruptcies have, however, dropped back to the low levels of the start of the decade.

The same annual report by SETT contains the following figures, taken from UNEDIC:

Table 4: *Trend in temporary work placement company start-ups and bankruptcies*

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
Start-ups	137	163	153	122	120	53	76	77	73	65	88
Bankruptcies	37	41	59	83	108	76	47	46	37	32	

Source: *UNEDIC and SETT (2000)*

Underlying the large number of companies and agencies is the most important phenomenon of all: the extremely high level of concentration in the sector, now largely dominated by a small number of major companies. The annual company survey showed that in 1997, the latest figures known, 43 temporary work

⁹ With the exception of the United Kingdom. Here the status of temporary work placement companies enables them to supply temporary employees and work as ordinary recruitment intermediaries, which obviously distorts the comparison.

¹⁰ Source: SETT, op. cit.

placement companies (5.6% of the total) had turnover of over FRF 100 million and produced 80% of the turnover of the sector. Two hundred and sixty-seven of them (35% of the number of companies) employed 100 people or more and accounted for 95% of the workforce in the sector (in equivalent full-time terms) and 92.3% of its turnover¹¹.

Faure-Guichard¹² provides a more comprehensive description of the structure of the temporary work placement sector, but one that is based on older figures (at 31/12/94): 993 temporary work placement companies, 4 000 agencies and 12 000 permanent employees. But 27 of the companies have over 1 000 employees, or 3% of the total of the 993, comprising 54% of the agencies, 2/3 of the permanent employees,¹³ 65% of the temporary workers and 65% of the turnover for the profession. De Boissieu and Deneuve (2000)¹³ state that in 1997, the 10 biggest companies in the sector accounted for 71% of the turnover, and comprised 77% of the workforce. The three big players - Adecco, Manpower and VediorBis - controlled 65% of the French market.

Mergers and takeovers of networks occurred over a short period of time. A merger between Adia and Ecco, and between Vedior and Bis. Holsten, an American company established in France, began buying up local or specialised companies by the dozen (SOGICA, for instance, for FF 1.2 billion) before being taken over itself by Adecco. The only exception among the big players to this external growth trend, but an important exception of course, was Manpower, which has continued developing its network internally.

Some regional temporary work placement companies tried to copy the movement by forming an Economic Interest Group (EIG) and therefore starting a national network. The EIG was soon dissolved to make way for a more traditional group structure, which was quickly bought up by a British multinational established in the United States.

The stabilisation of the total number of temporary work placement companies and the recent trend in start-ups and bankruptcies demonstrate, however, that small companies are not disappearing from the sector. Unable to develop networks on a nation-wide scale, it will be seen that small companies have continued to occupy specialised and/or localised niches.

New strategies by temporary work placement companies

A few years ago it was possible to say: *“The main temporary work placement companies focused on commercial strategies in the 1980s aimed at “naturalising” their profession (...). They considerably expanded their policy of “differentiation of services” in order to cope with the variety of motivations that lead to resort to temporary employees. The establishment of specialised agencies for certain sectors (IT, medical, social, etc.) or for certain categories of workers, the establishment of continuing training systems for certain temporary employees and the development of “business consultancy” activities by temporary work placement*

¹¹ INSEE (1998), “Les entreprises de services en 1996”, Insee Résultats, Système productif, no. 144-145, December (volume 1)

¹² Faure-Guichard C. (1998), “Le rôle des entreprises de travail temporaire sur le marché du travail”, in Méhaut P. et Mossé P., “Les politiques sociales catégorielles. Fondements, portée et limites”, tome 1, L'Harmattan (coll. Logiques Economiques), pp. 264 - 283

¹³ de Boissieu C., Deneuve C. (2000), “Le travail intérimaire dans la dynamique de l'emploi”, COE (Centre d'Observation Economique - Economic Observatory) of the Chambre de Commerce et d'Industrie de Paris (Paris Chamber of Commerce and Industry), 57 pp.

companies all form part of these development strategies. The impact of the strategies (for instance to what extent have the strategies to differentiate services resulted in additional demand for temporary employees by user undertakings?) over the last decade has never been systematically investigated”¹⁴.

What is the situation ten years later? A few professional and academic studies throw some light on recent strategies by temporary work placement companies. However there are not many such studies and they do not by any means describe the main strategies exhaustively.

Temporary placement and the 35-hour week

First, temporary work placement companies have for some time been engaging in more and more research on current developments in their market. In particular, they felt it was necessary to clarify the implications of the introduction of the 35-hour week for the flexibility needs of undertakings, since a reduction in working hours is often accompanied by the organisation of working hours on an annual basis, which would be likely to reduce resort to external means of flexibility. Manpower, for instance, commissioned a survey among a sample of 1 000 undertakings. The results show that flexible forms of work used by undertakings are mainly fixed term contracts (88%, regularly or occasionally), followed by overtime (75%), and then by temporary placement (69%). Overtime and temporary employment are regarded as the forms of flexibility that are “easiest to implement”. Undertakings that have already reduced their working hours appear to use temporary placement a little more than the others do. Two-thirds of undertakings considered that the 35-hour week would not change their resort to temporary placement. It should be noted that these results are corroborated by other studies.

A report on the evaluation of the effects of the Robien mechanism on small and medium-sized enterprises¹⁵ already underlined the fact that while recruitment conducted as a result of the reduction of working hours had affected to a significant extent temporary placement workers already engaged in assignments in these undertakings, a reserve of temporary placement staff was soon, albeit partially, re-formed.

Macro-economic figures do not indicate any slow-down in growth of temporary placement since 1998, as we have said, although the 35-hour week was gradually being introduced during this period. Contrary to what one might think, given the conditions introduced to ensure financial aid for working hour reductions, the latter do not seem to have led to a squeeze in the temporary placement market. The contrary could even be true since the process of reducing working hours is accompanied by restructuring within undertakings and since temporary employment can facilitate such restructuring, as is often its role.

¹⁴ Michon F. and Ramaux C. (1992), “CDD et intérim, bilan d'une décennie”, in *Travail et Emploi*, no. 52, 2 / 1992, pp. 37-56).

¹⁵ It is worthwhile pointing out that the Robien mechanism introduced in June 1996 to encourage undertakings to reduce working hours allowed employers exemptions from social contributions in return for commitments concerning employment and on condition that the measures adopted were collectively bargained. This mechanism preceded the introduction of the 35-hour week. The Aubry Act of 1 June 1998 contained principles of the same kind to facilitate the changeover to the 35-hour week by volunteer undertakings and to anticipate their legal obligations. Cf. Bloch-London C., Coutrot T., Didry C., Michon F. (1999), “Découvrir la réduction et l'aménagement des temps de travail, la mise en œuvre des accords “Robien” dans douze petites et moyennes entreprises”, in *Travail et Emploi*, no. 79 (2/99), pp. 89-109.

Establishing loyalty of temporary placement employees

It is significant that Manpower, faithful to its on-going concern to establish the pedigree of its trade, asked the BVA Institute to conduct a survey among the “temporary colleagues” working for it for over 14 months¹⁶. The declared objective was to clarify the career profile and expectations of “temporary employment professionals”. These “professionals” in fact make up only 25% of all the company’s “colleagues”, but they account for 62% of its turnover. Hence the decisive strategic stake involved: how to establish temporary employee loyalty.

For one-quarter of this group, temporary employment is “a permanent solution in terms of work”. Half of them consider that they have as many social benefits as when they had open-ended contracts or fixed term contracts, while three-quarters see temporary employment as a provisional solution in terms of work rather than a permanent solution. 69% state that they have rejected an offer for an open-ended contract which was put to them while they were working for an undertaking on a temporary basis. However a quite large proportion of temporary employees also say that if such an offer was put to them now, they would accept it. It is true that a large majority admits that one cannot remain a temporary employee all one’s life, although the group interviewed were divided over the possibilities of “making a career out of temporary placement”. Above all, a majority saw temporary employment as a way of finding work quickly, as “a necessary form of work because it is no longer possible today to keep a job for long”. A majority also emphasised the skills requirements and need to be able to adapt, and refused to admit that temporary placement concerned low-skilled jobs.

A survey conducted by the CSA-TMO institute for SETT describes the situation of temporary employees one year after their temporary assignments: in June 1999. Almost 40% were in salaried employment, on a fixed term or open-ended contract, and almost half of this percentage had been recruited by the undertaking to which they had been assigned temporarily. These are scarcely temporary placement “professionals”.

Quite a number of the findings converge. Two visions of temporary placement clash, or rather complement each other, since temporary placement is of a dual nature and not homogenous. First, temporary placement “professionals”, well-adapted and even taking advantage of the situation (in terms of independence and of salary); they make up a minority group but are quite numerous nevertheless and contribute, as we have said, over 60% of turnover. Second, the non-voluntary temporary workers, who make up the majority, who are using the opportunities of temporary placement to find a stable job.

Do temporary work placement companies deploy similar or different strategies for these two sets of customers? How do they organise themselves on each market?

Stabilising relations with user undertakings

VediorBis commissioned an opinion poll from the Louis Harris institute concerning a sample of company directors on the one hand and a sample of private sector employees on the other¹⁷. The study shows that almost three-quarters of undertakings prefer “whenever possible” to use open-ended contracts. But temporary

¹⁶ MANPOWER Institute of Forward-looking Research into Human Resources (1999), “Profession: intérimaire”, Etude 99, 30 pp.

¹⁷ VediorBis (2000), “Louis Harris réalise pour VediorBis une étude quantitative d’opinion: les entreprises et les salariés du privé face aux évolutions du monde du travail”, press release, 21 September (www.vediorbis.com/pages/a_presse/210900a.html).

employment was obviously seen as a good way of trying out a candidate before recruitment. Almost half of them were willing “to outsource” (from a temporary work placement company) “human resources management tasks: training (34% of undertakings), recruitment of permanent staff (31%), and advice on safety at work and legal assistance with social legislation (29% and 27% respectively). Only a minority would agree to hand over management of payment services”. The convenience of “simplifying administrative tasks” by calling upon temporary work placement companies was clearly perceived (89%) as was, of course, “adaptation of the workforce as closely as possible to needs” (87%).

Belkacem and Hirlet¹⁸ highlight two points in particular, which complement one other. First, the wish for flexibility which is assumed to justify resort by users to temporary employment is rather reductionist since the reasons for using this form of employment are much more diverse. They also note that the highly seasonal nature of the temporary placement market concerns much more the number of assignments at a given time than the number of users. In other words, user undertakings appear to regularly resort to temporary placement, and not on an ad hoc basis, even though the extent of their demands fluctuates on a seasonal level. This would lead us to believe, if it does not prove this rigorously, that temporary placement is integrated into the management systems of the user undertakings and is much more than a stopgap measure to cope with unexpected situations. The study by Belkacem and Hirlet does concern a special situation, of course, that of the crossborder employment catchment area of Longwy. Probably quite a specific catchment area, as mentioned by the authors: temporary employment concerns low-skilled industrial jobs, more men and more young people than the national average. The main trends in the national situation are accentuated here. Finally, in a comparative study of France and Germany,¹⁹ Belkacem likened temporary work placement companies to sub-contractors of user undertakings¹⁹, thus indicating just how far removed they are from simply providing assistance with the management of fluctuating workloads.

Gorgeu and Mathieu²⁰ show how in the car industry, the leading sector when it comes to using temporary placement, the main French car and parts manufacturers have been working for a long time with a permanent reserve of temporary workers in order to reduce their risk-taking and to cut back on costs. They consider that temporary workers are better trained than their permanent staff, are multi-skilled, and are paid the minimum wage despite being better qualified and having more skills. The way they manage temporary placement has considerably changed: this is an input like any other, negotiated with the supplier in the same way. Above all, it is negotiated centrally with the temporary work placement company to obtain the best conditions.

¹⁸ Belkacem R., Hirlet P. (2000), “Le recours aux travailleurs intérimaires dans le bassin d'emploi de Longwy: une pratique structurelle”, GREE (*groupe de recherche sur l'emploi et l'éducation* - research group on employment and education) - CNRS - Univ de Nancy 2 et LASTES (Laboratoire de sociologie du travail et de l'environnement social - Laboratory of employment sociology and the social environment) - Univ Nancy 2, 12 pp. (communication au colloque “*Dimensions de la précarité*”, LESSOR [*Laboratoire d'économie et de sciences sociales de Rennes* - Economic and social sciences laboratory of Rennes], Université de Rennes 2), seminar on 28 and 29 October 1999)

¹⁹ Belkacem R. (1998), “*L'institutionnalisation du travail intérimaire en France et en Allemagne. Une étude empirique et théorique*”, Paris, L'Harmattan (coll. Logiques économiques),

²⁰ Gorgeu A., Mathieu R. (1995), “Nouvelles usines: nouvelle gestion des emplois ?”, in *La lettre du Centre d'Etudes de l'Emploi*, no. 36, February, 10 pp.

De Boissieu and Deneuve²¹ turn to the conclusions of the same study by the Centre de l'Emploi²² to point out that temporary placement may turn out to be less costly for undertakings than fixed term or open-ended contracts, at least in the case of so-called "group" or "big account" contracts. In the 1990s, temporary work placement companies engaged in a price war to keep customers, offering advantageous reductions on contracts covering large quantities, thus compensating the loss of turnover per unit through the effect of quantity. De Boissieu and Deneuve note that 35% to 40% of the temporary employment market is negotiated using such group contracts.

These "big accounts" now form an important part of the strategies pursued by temporary work placement companies. But they can only involve large networks. Small companies must use other methods to cope with this competition.

Small and large temporary work placement companies

Several studies have drawn attention to the differences between the large and small companies. However not much is known about this area.

The study by Turquet²³ points out that large temporary work placement companies work on standardising procedures, computerising files and developing customer relations on the basis of time and stable and precise specifications, with group contracts being a particular means used. At the other end of the scale, it can be said that the personal and local links and confidence between the temporary work placement company, its customer undertakings and temporary employees are characteristic of the methods of organisation and functioning of small companies.

Faure-Guichard²⁴, in his description of the "temporary placement world", pointed out that large groups are engaged in allied activities such as technical and financial assistance (for instance the ECCO group obtains only 60% of its turnover from the temporary placement activity itself). At the other end of the scale, small temporary work placement companies are mainly organised in terms of general agencies, with a minority operating specialised agencies in a particular market segment. However, they work locally, as we know, and can probably adapt very precisely to the special features of the local market.

²¹ Op.cit.

²² Gorgeu A., Mathieu R., Pialoux M. (1998), «Organisation du travail et gestion de la main-d'œuvre dans la filière automobile», in *Dossier du Centre d'Études de l'Emploi*, no. 14.

²³ Turquet P. (1997), "L'entreprise de travail temporaire: un intermédiaire local sur le marché du travail. Enquête auprès des "agences d'intérim" du bassin de Rennes", in Bessy C. et Eymard-Duvernay F., dir, "*Les intermédiaires du marché du travail*", Paris, PUF (Cahier 36 du Centre d'Etudes de l'Emploi), pp. 143-182

²⁴ Faure Guichard, C. (1999), "Les salariés intérimaires, trajectoires et identités", in *Travail et Emploi*, no. 78 (1/99), pp. 1-20.

4 Issues concerning temporary employment

There are three questions to be answered today. First, if temporary placement is tightly governed by a very comprehensive set of rules, we must question the nature of these rules and above all their scope and the way in which they are applied. Second, the high level of social protection which temporary employees enjoy in France obviously does not prevent them from having to deal with tough working conditions, if only because of the types of jobs for which temporary employees are in demand. Third, a major debate was launched in France in the second half of the 1990s concerning the rules of employment. In other words, the possible need to make the rules of standard employment contracts more flexible because they constitute a barrier to the flexibility required by economic activity. Temporary employment obviously plays a significant part in the debates.

Nature and effectiveness of the rules

It is no surprise that regulation in France is mainly by legislative means, for temporary placement and for many other issues. Yet this statement is misleadingly simplistic. Particularly with regard to temporary placement, which therefore causes several problems as regards the scope of social protection enjoyed by temporary workers.

Temporary placement is in fact governed by old and closely overlapping sets of legal measures and provisions collectively negotiated by the two sides of industry. However, given the French system of industrial relations, particularly the low level of unionisation in small enterprises, the effectiveness and even efficiency of these rules must be questioned.

The overlapping of legislative and collectively negotiated rules

On several occasions, the law has simply reiterated rules relating to many points negotiated previously by the social partners. Starting with the first French temporary placement act in 1972 which comprised many previous measures adopted by Manpower France. In 1990 again, the Government made use of the so-called extension option offered by the French industrial relations system to give legal effect to a national agreement concerning all aspects of temporary employment, thus extending the scope.

Since 1990, a number of collective agreements have been signed by the temporary placement sector concerning social protection, vocational training, occupational medicine, trade union rights and staff representation. Two joint employer/union organisations, the *Fonds d'Action Sociale du Travail Temporaire* (FAS-TT - Social Action Fund for Temporary Work) and the *Fonds d'Assurance Formation du Travail Temporaire* (FAF-TT - Training Insurance Fund for Temporary Work) collect contributions from temporary work placement companies and manage the resulting funds. With regard to the FAS-TT, these contributions are used for housing, consumer credit, mutual insurance and aid for children's education or holidays. With regard to the FAF-TT, they are used for any training activities undertaken pursuant to sectoral agreements (training plans, individual training leave and alternate job/training schemes for young people).

Rules governing temporary placement currently include a coherent set of diverse provisions negotiated at a number of levels: the branch of activity consisting of temporary work placement companies, the sectors that are users of temporary employment and the undertakings themselves, both temporary work placement companies and user undertakings.

As far as the SETT is concerned, there is nothing to choose between these rules and those governing permanent workers. In fact sometimes the conditions are even better, particularly as regards pay. A bonus for precarious employment is added to the salary paid to temporary employees, which is supposed to be on a par with the salaries paid to permanent staff, for identical jobs of course.

The effectiveness of the rules

The question of how effective the rules are can be put in two ways. First, the social protection of temporary placement uses collectively agreed provisions to a large extent. Yet these provisions provide inadequate coverage for an entire section of temporary placement: small work placement companies. Moreover, the legal rules are not always complied with. There are many ways of circumventing the law while formally complying with the prescriptions. The precise nature of the rules does not prevent deviations in practice.

The limits of collectively negotiated regulation

Temporary placement is traditionally an important instrument for employment management, offsetting in particular the rigid features of standard employment contracts, regarded as highly excessive by employers. Employers of large enterprises in the sector had in fact called very early on for the standardisation of the profession in order to limit abuse. Manpower France was a forerunner in this respect. The employers also organised themselves very early on. After many twists and turns, including internal disagreements among employers, a single union, the SETT was formed. The members consist of 400 temporary work placement companies, accounting for 85% of the volume of activity of the profession.

Obviously therefore temporary placement is based less on French-style “government-controlled” regulation than on original and close overlapping interplay between government-controlled regulation and collectively agreed regulation. It is worthwhile pointing to the limitations of this overlapping however. Only undertakings belonging to the employers’ organisation are required to apply the negotiated provisions. Since these provisions are not eligible for the regulatory “extension” procedure adopted by ministerial decision and giving them legal force, they are not applied very much in practice by non-member undertakings, in other words most small temporary work placement companies. It is true that these small companies have very little influence on the activity of the sector (see below). The unionisation rate is also very low, probably much lower than the temporary employment sector in general. Therefore there is a world of difference between the few big players in the temporary employment sector, the purely local work placement companies with one or two permanent employees and the one hundred or so temporary employees simultaneously on assignments in undertakings. As for the rules that have been collectively negotiated, in the absence of trade unions, small enterprises that do not belong to SETT (hence practically the entire sector of small undertakings regardless of activity) make up a grey area in France in which the law is not applicable.

“Circumvention” practices

It is virtually public knowledge that regulatory provisions are only formally respected in relation to two essential issues.

- The duration and repetition of temporary placement assignments are tightly regulated. Everyone knows, however, and in any case the Labour Inspectorate is aware, that it is easy to circumvent these limits on duration. It is enough to declare to the authority concerned a succession of formally separate assignments, for instance by changing the job title, by moving the temporary employee within the undertaking or by ceasing to use the temporary employee concerned a few days after the end of the assignment and then re-hiring that person quickly on a new contract in the same job.

- The borderline between the supply of temporary placement on the basis of assignments to the actual outsourcing of human resources (in other words outsourcing of labour which in principle is forbidden by law in the case of profit-making activities) is very vague, if not obscure. It is easy to move from the simple selection, recruitment and supply of temporary placement to pre-recruitment, testing and preliminaries to definitive recruitment (which is frequent nowadays and widely recognised), then to the training of this workforce (to send them on temporary assignments for which they are immediately operable), then to human resources/management consultancy in relation to the temporary workforce, or even further to the management of permanent human resources, since one must be linked with the other.

Many of these practices are now demanded by temporary work placement companies. They can be justified on two counts: not only are they in the interests of the user undertaking because of the management facilities they offer, but they are also in the interests of temporary employees themselves who thus have access to a job, perhaps eventually a permanent job. Temporary placement thus becomes an essential instrument to make the labour market less rigid and to combat unemployment.

One aspect not well-known: the working conditions of temporary employees

Statistical investigations encounter a series of unknown factors, of which working conditions is not the least. First, because the actual situation regarding working conditions is not easy to grasp by conducting surveys, without direct observations in the field. It involves very strong degrees of subjectivity. It requires the use of very precise questioning, capable of identifying a huge variety of dimensions of working conditions as well as considerable interrelations linking them. Second, surveys available dealing specifically with working conditions rarely apply sufficiently refined criteria relating to employment status to provide a description of the working conditions specific to temporary placement, or even to all temporary workers.

European surveys note that throughout Europe temporary placement workers in general have more difficult working conditions than permanent staff²⁵. It is no different in France. But it must be added right away that on the basis of the information available, it is difficult to assess whether this is due to a sectoral and professional effect or to the effect of the status of temporary placement itself. Temporary employees work in France in jobs and sectors that have the toughest working conditions. The vast majority are labourers (over 80%) working in industry and construction (over 70%). Do they have the same working conditions as their permanent colleagues in the same industry? Or are the toughest jobs “reserved” for them?

It is well-known that unskilled workers, both temporary and permanent, as a whole engage in more repetitive work at high speed and suffer more sound and thermal pollution and vibrations than other professional classes. More of them also have to cope with manual handling of weights or having to remain standing for over 20 hours per week²⁶.

²⁵ European Foundation for the Improvement of Living and Working Conditions, "Precarious Employment and Working Conditions in the European Union", 1997, Office for Official Publications of the European Communities, 8 pages

²⁶ Survey - SUMER 1994, MES-DARES. Cf. "Expositions aux contraintes et nuisances dans le travail Sumer 94", in Les dossiers de la DARES, no. 5-6/98, 149 pages.

Over half of temporary placement employees from all professional categories are exposed to manual handling of weights compared with 41% on fixed term contracts and 37% on open-ended contracts²⁷. 37.8% of temporary workers are exposed to this for over 20 hours per week compared with 20.5% for fixed term contracts and 18.4% for open-ended contracts. Lastly there are constraints on their working hours, which are less regular and less predictable, if only because of the brevity of temporary employment assignments (a single day for one-fifth of assignments, a general average of 1.9 weeks in 1999²⁸) and the importance of the job to which they are assigned. Only 57.3% of temporary employees have a regular work rhythm compared with 67.9% of fixed term contracts in the private sector and 72.3% of other private sector employees²⁹. Thus there are serious grounds for suspecting that employees have to cope with difficult working conditions.

Precise figures³⁰ show that temporary placement workers suffer more occupational accidents than workers do in general. Based on an index of 100 for all workers, the index for the rate of accidents among temporary placement workers in 1994 was 610, compared with 364 for workers on fixed term contracts and 194 for workers as a whole.

A specific examination of the INSEE^{31 32} employment survey concerning 1998-99, not yet published, confirms this. The survey points out that temporary placement workers have worse working conditions than all other workers. They do much more overtime (albeit paid at a higher rate), and work much fewer "extended" hours (not paid). They work nights more frequently, but not weekends. They have less freedom to determine their working hours (strictly determined by employers) and less freedom in their work (more demands in terms of pace).

Effect of the job or of the status of temporary employees? The balance is obviously tilted towards a combination of both. Moreover, it is possible to apply to working conditions in general the assessment by Thomas Coutrot³³ concerning autonomy at the work place: the probability of a company having recourse to temporary employees is reduced by 28% when the organisation of work there requires considerable autonomy. We can add that it increases considerably when working conditions are particularly difficult and in relation to jobs involving less responsibility.

²⁷ Cf. «La manutention manuelle de charge», in *Les dossiers de la DARES*, no. 5-6/98 (La documentation française, Paris, July 1999, p. 29).

²⁸ Jourdain C and Tanay A. (2000), «Le travail temporaire au premier semestre 1999», *Premières informations et premières synthèses*, 2000.02, no. 06.1, February 2000, DARES, MES.

²⁹ Boisard P. and Fermanian J-D. (1999), «Les rythmes de travail hors normes», in *Economie et Statistique*, no. 321-322.

³⁰ Cristofari M.F. and Germain C., «les accidents du travail en 1992», *Premières synthèses*, 94.03, no. 38, January 1994, DARES, 8 pages

³¹ INSEE (*Institut national de la statistique et des études économiques* - National institute for statistics and economic studies).

³² Cottrell M., Letremy P., Macaire M., Meilland C., Michon F (2001), «*Le temps des formes particulières d'emploi*», IRES, Noisy-le-Grand (France), to be published (report for DARES, MTES (*Ministère du Travail, de l'Emploi et de la Solidarité* - Ministry of Labour, Employment and Solidarity))

³³ Thomas Coutrot, «Les facteurs de recours aux contrats temporaires», *Premières informations et premières synthèses*, 2000.06, no. 25.3, June 2000, DARES, MTES.

Temporary placement: the French debate on employment

The French regulation system, at the core of the rules governing social protection, comprises an employment standard which is usually and roughly described as consisting of the open-ended full-time contract. Nowadays contemporary economies are marked by growing uncertainty since they are increasingly regulated by the market. Necessary flexibility is undermined by the rigid nature of this standard. With the development of many different kinds of atypical work and the spread of varieties of outsourcing, employees in France fit into a wide range of configurations. What is more, the frontiers in French law traditionally separating the employment contract from a commercial³⁴ contract (which governs economic relations between partners in trade) are being increasingly questioned .

This is the opening which provided temporary work placement companies with an opportunity to expand their activities. For 20 years temporary employment had been developed as an atypical and special form of employment that derogated from ordinary labour law, while at the same time efforts were made to endow it with rules to protect the employees involved. As we said, a large part of these rules arose from collective bargaining. In other words, the temporary work placement companies were themselves involved in “raising the moral standards of the profession” and calling for regulation to prevent abuse and guarantee protection. The debate has now changed tack. It is no longer a question of developing rules that derogate from the law and exist alongside ordinary employment status. The need to change the latter is itself being questioned. The demands by the main employers’ organisations, the Mouvement des Entreprises de France (MEDEF - Mouvement des Entreprises de France [French Business Movement]) concerning Social Reform is the most visible consequence of this debate. In the current situation, temporary work placement companies are striving to demonstrate their professional skills as recruitment intermediaries and private placement agencies (in France there is a public monopoly over placement, which is the responsibility of the Agence Nationale Pour l’Emploi (ANPE - National Employment Agency), and even as human resources consultants.

What changes are needed in employment contracts?

The Boissonnat³⁵ report, produced by experts at the request of the Commissariat Général du Plan (General Commission for the National Plan), is the first step in this debate. Published in 1995, it attempted to “define a new employment policy in a new legal and social context, in line with the extraordinary changes we will witness in the next twenty years”. One measure it proposes is to ensure that “employment contracts” are included in “business activity contracts”, without allowing them to disappear altogether. It calls for guarantees for the “continuity of rights and obligations” of the parties involved throughout active life while adapting “to the diversity and rhythms of professional careers”, while not opposing the fact that active life may comprise a succession of periods of employment, periods of training and even periods of unemployment or withdrawal from activity, while facilitating integration into employment to a certain extent, as well as transition periods between jobs and between working and training, and while separating social rights and duties from simultaneous occupation of a job, as is the case today.

³⁴ Morin M.L. (2000), "Le risque de l'emploi", in *La Revue de la Confédération française démocratique du Travail* (CFDT - French democratic trade union confederation), no. 30, April, pp. 18-26 (Mutations du travail et innovations sociales)

³⁵ Boissonnat J. (1995), «Le travail dans 20 ans», Paris, O. Jacob.

The Supiot³⁶ report, commissioned by the European Communities, was also drafted by experts. It contains a commentary on the necessary redefinitions of the legal and social framework of employment and labour to adapt it to the “extraordinary changes we will witness in the next twenty years”. It calls in particular for a “reconfiguration of the concept of security” which can now be distinguished from employment stability, since employment is now better insured. While it clearly states that legal rules to govern the employment relationship are still quite necessary (“the parties in an employment relationship are not in control of its legal status”), this must be completely redesigned: “professional status must be redefined to guarantee the continuity of a career rather than stability of employment”, with social protection thus becoming a system of “social drawing rights”.

Both the Boissonnat and the Supiot reports are firmly in favour of the principle of maintaining the role of legislative and regulatory channels to regulate labour and employment. The former wants to reform French labour law to restore its functions fully, while the second urges that all forms of employment contracts be covered by European social law, rather than weakening legal regulations.

The Boissonnat and Supiot reports alike were given wide coverage, both favourable and critical, in French academic, employers’ and trade union circles. They have resulted in a stimulating debate. In France today, this is no longer a debate between experts but rather one of the key issues being discussed by the social partners.

Efforts to achieve “social reform”

Since the collapse in the autumn of 1998 of the great intersectoral bargaining round to introduce a 35-hour week, launched by the authorities, the counter-offensive by MEDEF on the question of social reform is an attempt to broaden the debate to the many aspects of the employment relationship.

MEDEF reached agreement, at least with the CFDT (Confédération Française Démocratique du Travail - French democratic trade union confederation), the main employee trade union, on one essential aspect of the debate: the new rules of the employment relationship must be invented in negotiations between the employers and employees, and not by the authorities. The social partners must prove that they are capable of this. This is a real challenge in France where industrial relations are particularly conflicting, and the authorities must often legislate and regulate because it has proved impossible for the social partners to reach agreement.

MEDEF has in fact outlined the main strategies of the reform. The joint employer/employee regimes for unemployment allowances and pensions have, at its initiative, been the focal points of the discussion to date. In relation to the question of managing and compensating unemployment, the employers’ organisation brought the employment contract onto the negotiating table, proposing two new types of contract in the spring of 1999. The “project” or “assignment” contracts would be based on the principle of the construction site contract in force in the construction sector. “Maximum length contracts” would increase to five years, the maximum period for fixed term contracts.

The trade unions opposed these proposals immediately, fiercely accusing the employers’ organisation at best of needlessly increasing the number of employment contracts, and at worst of attempting to replace fixed term contracts and temporary employment contracts by the new ones. The Minister of Employment, Ms Aubry, said

³⁶ Supiot A., dir. (1999), "Le travail en perspectives", Paris, LCDJ.

she was against the proposals, underlining the fact that the real question which the MEDEF initiative was intended to address was in fact the mobilising and training of human resources to cope better with economic challenges. This could not be done by making jobs more precarious.

Various counter-proposals were tabled by the trade unions: raising the cost of precarious employment in order to compensate better for the resulting unemployment, thus taking up an idea put forward in the past, and organising training for workers in precarious situations or to improve upgrading opportunities, or managing the reduction of precarious employment on a joint employee/employer basis, etc.

The negotiations were unsuccessful. However, they characterised a climate in which temporary work placement companies were attempting to play their own game. Challenged by one of the main aspects of social reform, the role of intermediaries on the labour market and their ability to re-integrate job-seekers could not but provide temporary work placement companies with effective justification for their activities. The MEDEF representative in the talks on the employment contract was none other than the director of a medium-sized temporary work placement company.

Against this background, the temporary employment professionals did not seek to highlight the advantages of a temporary contract, but instead underlined the professionalism of the sector: professional skills of temporary employees, trained and ready to work, and the professionalism of the temporary work placement companies in their tasks of selecting, recruiting, training and assigning of employees, etc. Temporary work placement companies are endeavouring to set themselves up as essential recruitment intermediaries, if not human resources management bodies.

The development of cooperation with the National Employment Agency (ANPE)

Cooperation (which would have been unthinkable a short time ago) is now being developed between the ANPE, the public body responsible for placing job-seekers (and which still officially has a monopoly over this) and temporary work placement companies. The objective is of course to find employment for job-seekers. But it is reasonable to assume that if these relations are further developed, they could significantly change the way in which temporary work placement companies operate on the labour market.

Since 1990, the authorities have been working with the ANPE to improve its results in terms of employment. They have signed three contracts to achieve progress (1990-1993, 1994-1998 and 1999-2003), the objectives of which concern satisfying as many employment offers as possible as quickly as possible, and providing support for people seeking employment or training by attempting to reduce the risks of exclusion.

A partnership agreement between the ANPE and the temporary work placement sector (the two employers' unions represented temporary work placement companies at that time) was signed during the third contract. The agreement had two goals: first, to encourage temporary work placement companies to place their assignment offers with local employment agencies, and second to commit the ANPE to provide a tailor-made, differentiated service to temporary employees in line with the treatment negotiated with the temporary work placement companies.

This agreement also encouraged the temporary work placement companies to develop national, local and regional partnerships, where appropriate, based on three dimensions:

- sharing their know-how by exchanging information and advice (recruitment and reference tools, statistics on employment catchment areas and sectors recruiting workers, etc)
- improving recruitment and training of job-seekers (communication to the ANPE of assignment offers that could not be met, organisation of joint training schemes, participation in recruitment fairs and forums, etc.)
- developing activities aimed at promoting the employment and re-employment of specific target groups (the disabled, young people in difficult situations, job-seekers registered as unemployed for over 2 years, job-seekers over 50 years of age, etc).

In conclusion, it is worthwhile recalling several important points broached in this report. Despite the age-old existence of temporary placement, it is still relatively little developed in France and concentrated very much in low-skilled labourers' jobs with difficult working conditions. It has become increasingly dynamic in recent years, however. Moreover temporary work placement companies no longer confine themselves simply to acting as intermediaries on a particular labour market - temporary needs - promoting transparency by bringing together job offers and applications. Their professional skills in the field of human resources (selection, recruitment, training, supplying of teams ready for work, and human resources consultancy management) are now obvious and constitute a major development strategy for them.

Temporary employment may turn out to be a winner in a social climate marked by strong opposition by the employers to the current rules governing employment contracts and by a demand for flexibility based on competitiveness requirements, and in an economic climate characterised by significant employment needs and the emergence of labour shortages, despite the persistence of a very high level of unemployment. But the current situation is paradoxical. To solve the unemployment problem employers are proposing introducing a number of forms of temporary employment. This could undermine temporary placement as it stands today, obliging temporary work placement companies to turn into private placement agencies, as in Britain. The groundwork is already being laid for such a change, which is not necessarily something that the entire profession wants. Trade unions are emphasising the fact that unemployment cannot be combated by increasing the precarious nature of employment. But in so doing they are probably legitimising the current status of temporary placement in order to promote development within this framework. The challenges are considerable, and no decisions have yet been taken.

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EF/02/26/EN