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Improving working life in France – and the EU

Working better should come before working longer for all of Europe

In September, French citizens will see their working life extended with the entry into force of the pensions reform, which provides for the legal retirement age to be gradually pushed back from 62 to 64 years. This reform was adopted despite the opposition of all the trade unions and about 70 per cent of the population, leading to one of the strongest social protests in France in three decades.

In the wake of its adoption, the president, Emmanuel Macron, sought to appease the unions, opening a debate on improving the quality of working life with a view to a 'Pact on Life at Work'. This is a necessary debate and a welcome initiative, but its late arrival can only be deplored. Indeed, as urged notably by the *Confédération française démocratique du travail* (CFDT), the debate should have preceded that on the extension of life at work: working better should come before working longer.

A challenging situation

This debate should help calm relations with the unions by setting a path towards improving the quality of employment and work in France. It is a particularly urgent challenge, given many surveys and studies highlight a *malaise* in France when it comes to work.

In March, the European Trade Union Institute presented an update of its index assessing the quality of employment in Europe. The ETUI's Job Quality Index is based on six dimensions: wages, forms of employment and job security, working time/work-life balance, working conditions, skills/career development and collective representation. France occupies 16th place, the best performers being Denmark, Sweden, the Netherlands, Luxembourg, Austria, Finland and Germany. France is below the European average on three of the six dimensions: income quality, working conditions and skills/career development.

Indeed, the relative performance of France has deteriorated: the country occupied ninth place in the index in 2015. The European Survey on Working Conditions paints a similar picture and presents pointers to the poor performance of France, including higher exposure of employees to physical and psychological pressures, lower access to training and limited employee representation.

As with many other European countries, France is facing labour shortages which are increasing in many sectors – particularly construction, hotels and restaurants, health and personal care.

This is reflected notably in the health of workers – and, consequently, the performance of companies – with absenteeism reaching a record rate in France in 2022. Work stoppages have increased by 30 per cent in 10 years, the increase in psychological disorders being largely responsible. Thirty-nine per cent of French workers say that their health is at risk because of their employment activity, six percentage points more than the average for European workers.

Improving employment and working conditions must be an objective in itself but also appears today as a means of responding to a major challenge facing the French labour market. As with many other European countries, France is facing labour shortages which are increasing in many sectors – particularly construction, hotels and restaurants, health and personal care. Yet France is still far from full employment, which Macron hopes to achieve by the end of his five-year term in 2027. Although unemployment is at its lowest in 15 years (7 per cent), it remains above the European average (5.9 per cent).

There are many reasons for this combination of still high unemployment and labour shortages. The mismatch between the demand and supply of skills is certainly one of them, and not the least. Strengthening workers' skills is imperative in this context. But, as Eurofound points out, developing workers' skills will not be sufficient to tackle the problem of labour shortages.

A set of recommendations

Among the solutions to bring to bear, improving the quality of employment, to make jobs more attractive, is key. All the more so since the dual transitions under way – digital and green – are resulting in rapid and profound transformations of the labour market. These have major impacts on the quantity and quality of employment which must be anticipated and guided.

Renewing the dialogue with the unions following the pension reform will not be an easy task for the government.

In the framework of this new Pact on Working Life, the social partners must negotiate and translate into concrete proposals the president's good intentions: improve employees' incomes, share wealth better, enhance working conditions, advance careers, find solutions to professional wear and tear or help with retraining and increase the employment of older citizens. On this last aspect, the pact should take up the provisions of the pensions reform censured by the Constitutional Council, such as an index of employment of elderly workers at company level and a senior permanent contract, exempt from certain contributions, facilitating the recruitment of long-term job-seekers over 60 years old.

Negotiations must also be based on the recommendations of the *Assises du Travail*, a body launched last December to reflect on the future of work and its meaning. These recommendations are structured around four axes:

— promoting accessible management which involves workers more;

— adapting work organisation, promoting work-life balance and supporting transitions for workers;

— assuring effective and portable rights for workers throughout their professional careers, and

— safeguarding the physical and mental health of workers.

Renewing the dialogue with the unions following the pension reform will not be an easy task for the government, despite the arrival of new leaders at the head of the two main French confederations: Marylise Léon at the CFDT and Sophie Binet at the *Confédération générale du travail*. The social partners have however a responsibility to seize this opportunity, because improving the quality of working life, if that is not to precede its extension, must at least go alongside. This pact will certainly receive less media attention and mobilise fewer of the population – yet it is just as important.

Wider European considerations

The quality of employment and work is a key question for France but also for its European partners. Two recent reports from the European Commission – Employment and Social Developments in Europe 2023 and the 2023 Strategic Foresight Report – highlight its importance and the scale of the challenge. In the face of labour shortages and longer careers, the direction to take is the development of workers' skills and improving the quality of employment.

This issue is not new: more than 20 years ago, the European Union defined the 'Laeken indicators' relating to the quality of work, and many European initiatives – legislative and non-legislative – have contributed, within the limits of EU competences, to improving its quality. European action focuses in particular on working conditions, the fight against discrimination, work-life balance, training or health and safety at work. In this European Year of Skills, many initiatives are promoting lifelong learning.

The quality of work must be at the heart of the European agenda, particularly in view of the campaign for the 2024 European elections and the prospective programme of the next commission.

On another dossier, last month the commission adopted a communication on a 'comprehensive approach to mental health', which includes an essential aspect on mental health at work. In line with a call from the European Parliament in March 2022, this should be translated into a legislative proposal on the management of psychosocial risks and wellbeing at work – although the commission remains hesitant on this point. According to the commission, the total cost of mental health problems before the pandemic – including the impact on health systems and social-security programmes, as well as declining employment and productivity – was estimated at over four per cent of gross domestic product in Europe, or more than €600 bn per year.

These initiatives are welcome, but we need to move up a gear. The challenge is daunting and concerns all EU countries. The commission must play to the full its role of co-ordinating and supporting national action. The commissioner for jobs and social rights, Nicolas Schmit, has defended the four-day week as one of the solutions to Europe's labour shortage. Many experiments are taking place across the EU; on the larger canvas, the commission must grasp this debate to stimulate reflection on the flexibility of work organisation.

The Strategic Foresight Report stresses the need to focus on the wellbeing of current and future generations, and the quality of work must be at the heart of the European agenda, particularly in view of the campaign for the 2024 European elections and the prospective programme of the next commission. This can be a lever for the social and economic performance of the EU but also a response to the expectations of European citizens.

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