

## **A labor policy at the service of productive recovery For a general state of the world of work**

**Thierry Rochefort**

The world of work is suffering the full force of the takeover of shareholder capitalism. In most companies, the achievement of financial objectives has thus gradually imposed itself as the main purpose of managerial activity, drastically reducing the consideration of other considerations. Every day, the essence of restructuring can be understood in terms of the exclusive power of finance, which considers all productive activities that do not generate an average of 10 to 15% profitability per year to be obsolete. To achieve this objective, labor is always a cost to be reduced, the law an obstacle to the freedom of capital, and the unions collective actors that should be marginalized. Employees pay a high price for this unlimited seizure of power by capital: unemployment, precariousness, degraded working conditions, *burn-out*, an explosion of occupational diseases.

The emergence of the shareholder value imperative aims in particular to control the managers of large companies by aligning their interests with those of investors. A community of interests is then established between these senior executives, whose forms of compensation are directly indexed to stock price trends, and the financial sector, which is dominated by equity holders.

Thus, one of the effects of financialization on corporate strategies is to reverse the relationship between productive investment and finance and to guarantee shareholders a stable level of return, despite economic difficulties in the real sphere. It is understandable that in this configuration, work naturally becomes an adjustment variable.

### **How can this trend be reversed and the world of work be given new prospects for progress?**

The problems of adapting the social model to economic changes are not new. They arose forcefully at the end of the 19th century and the beginning of the 20th century, then at the Liberation and during the period of growth. At the end of the 19th century, between the liberals, the anarcho-trade unionists and social Catholicism, the Republicans and the Socialists were able to assert their values and carry out transformation projects, notably thanks to Waldeck-Rousseau, then Clemenceau, thus allowing the recognition of the trade unions and the birth of a fully-fledged Ministry of Labor. At the Liberation, with the CNR, the creation of works councils and the rise in power of branch negotiations made it possible to modernize social relations and to equalize the conditions of competition in an economy that was still largely national. The Auroux Laws then made it possible in the 1980s to bring democracy more strongly into companies, notably through expression groups and the new means granted to trade union organizations.

How can we build new social compromises favorable to the world of work in a largely globalized and financialized economy? How to re-found an intellectual hegemony on labor issues that gives hope to the people. How to concretely protect employees from the deleterious effects of certain modes of organization that lead to burnout?

On economic and social issues, the triptych justice-efficiency-democracy is a good reference point, as it is true that there is no sustainable efficiency without social justice and economic democracy.

In short, a fully socialist leftist labor policy must be capable of raising France to the level of the general interest without being a prisoner of the short-sighted logics of the MEDEF, nor of the leftist incantations of part of the social movement.

The social-democratic compass indicates a course: the valorization of work and the renewal of social relations as levers and means of productive recovery. Moreover, while labor costs may pose a problem in certain very specific sectors, the future of the French production system as a whole rests above all on innovation, differentiation, and product marketing, in short, non-price competitiveness based on increasing employee qualifications and skills<sup>1</sup>.

### **For general states of work!**

In a developed country, there is no strict separation between the economic and the social, the production and distribution of wealth, the productivity of companies and the health of employees. All these elements are part of a system, the productive system, and are closely interdependent. To touch one element without thinking about the overall coherence is to run the risk of creating serious imbalances.

François Hollande's presidency laid the foundations for productive recovery: public investment bank (BPI), competitiveness tax credit (CICE), relocation of activities, creation of future-oriented sectors, savings geared towards industry, etc.

These efforts are to be commended and amplified. However, deindustrialization has come a long way: the policy of the strong franc and then the strong euro has favored finance to the detriment of industry and rent over productive investment, which continues to decline. For twenty years, the elites sold off industry and now present the bill to the employees, deprived of jobs and prospects.

Productive recovery will not be against the employees and the world of work. It requires a spirit of justice, mobilization of energies, trust, and a dynamic of social transformation. It is in this perspective that we must propose a general assembly on labor and social innovation.

The spirit of these Estates General will have to irrigate several fields: pensions, working hours, social and professional relations, occupational health, etc. In terms of professional training, we must lead an unprecedented effort to raise the skills of job seekers and working people. Today, only 10% of the unemployed receive training. To prepare for the future in an innovative economy and in a logic of upgrading products and services, we also need more technology and information processing to produce as accurately as possible in a logic of global performance. For this, it is essential to have increasingly well-trained employees and managers capable of supporting the development of SMEs.

The medium-term challenge is clear: to break the spiral of a low-wage economy that puts us at the mercy of increased cost competition.

Reflection on the sectors of the future will not be able to dispense with reflection on the professions and know-how available, bearing in mind that there is no doomed industry, only obsolete processes and poorly adapted products. The current experience of relocating shoe production activities to Romans, for example, shows us how to reconcile modernity and tradition, innovation and territorial anchoring.

Improving working conditions often remains a blind spot in company policies, even though it can contribute both to improving competitiveness and employee health. Today, work is changing (digital development, distance working, obsolete boundaries between organizations) and citizens' expectations at work are evolving: work-life balance, the need for recognition, the development of female employment. We advocate a closer articulation of obligations in terms of arduousness, professional equality, prevention of psychosocial risks, senior citizens, quality of life at work. The challenge is to encourage the development of work organizations that are both more responsive and more favorable to the health of employees, especially those at the end of their careers. This requires greater autonomy, responsibility, initiative and trust. The innovation economy in which we operate

---

<sup>1</sup>Michel Aglietta, *Europe emerging from the crisis and inventing the future*, Michalon, 2014 and Pierre Veltz and Thierry Weil, *L'industrie, notre avenir*, preface by Louis Gallois, Eyrolles, 2015.

will be curbed if bureaucratic blockages persist and if the role of middle management does not evolve towards more support, backing and real listening to difficulties.

In this period of doubt and crisis, we must send a message of hope to the world of work. It is time together to turn France around with a view to progress.

## **10 proposals**

1. Develop the role and presence of employee directors on company boards of directors and supervisory boards.
2. Reaffirm the key role of the State in labour policy.
3. Recognize *burn-out* as an occupational disease.
4. Grouping and merging the number of professional branches to give more strength to social dialogue.
5. Develop and promote an "active aging" policy to keep seniors in the workplace.
6. Bringing together in a mandatory three-year negotiation process working conditions, professional equality, senior citizens, stress, quality of life at work, disability and digital transformations.
7. Promote policies for upgrading products and processes by developing employees' qualifications and skills in parallel.
8. Reaffirm social public order in labor law.
9. Couple for companies in difficulty partial unemployment and training of employees in the company.
10. Enable institutions such as the ANACT (National Agency for the Improvement of Working Conditions) or the INRS (National Institute for Research on Safety) to develop for companies, with significant financial means, preventive tools for occupational health.