



mesmer+

Mapping European Social Economy:
Employment, Social Dialogue
and the European Pillar of Social Rights

Country report

FRANCE

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Contents

01 Introduction	2
02 Industrial relations: national context	3
03 Social dialogue	5
3.1 Legal framework	5
3.2 Levels and practices of social dialogue	5
3.3 Main actors	8
04 Social economy	10
4.1 Brief (recent) history	11
4.2 Official definition	11
4.3 Legal forms in national law	12
4.4 Main sectors where SE entities can be found	13
4.5 Actors	13
4.6 Bodies dedicated to SSE representation	14
05 Social dialogue and the social economy	15
5.1 Social dialogue in the social economy	15
5.2 Social economy in the social dialogue	17
06 Conclusion	21
References	23

/01

Introduction

This national contribution covers the interrelations between industrial relations, social dialogue and the social economy in France in the framework of the MESMER+ project. The research objective of the MESMER+ project is to provide a better and up-to-date critical description and understanding of the representation and participation of the social economy in the social dialogue institutions as organised in one candidate country and eight member states, including France.

In line with this objective, this report aims to provide answers with regard to the situation in France regarding the two research questions raised in the MESMER+ project:

- ✦ **RQ1** *How inclusive are social dialogue institutions towards social and solidarity economy players?*
- ✦ **RQ2** *How do social and solidarity economy players make their voice heard within national industrial relations systems?*

This national contribution is based on a desk research and semi-structured interviews conducted with key stakeholders and experts on the topic of social

economy and social dialogue, from one cross-sectoral (“multiprofessional”) employers’ organisation (UDES), one sectoral employer organisation in social services, two trade unions representatives involved in the social dialogue within the social economy sectors, and one legal expert in labour law and social economy.

The structure of this report is organised to provide a comprehensive exploration of the interplay between industrial relations, social dialogue and the social economy. It first delves into the national context of industrial relations, shedding light on the overarching framework (legal underpinnings, levels and practices) within which social dialogue unfolds. Then the report shifts its focus to the social economy, providing a concise history and an official definition. Legal aspects, including forms recognised in national law, key actors and bodies, are expounded upon. The synthesis of social dialogue and the social economy as a central theme is explored in the last chapter “Social dialogue and the social economy”. These sections investigate social dialogue within the social economy and, reciprocally, the role of the social economy in the broader social dialogue context.

/02

Industrial relations: national context

The French model of industrial relations is often seen as part of a Mediterranean model that includes Italy, Spain, and Portugal, characterised by trade union pluralism and a heritage of Communist-dominated unionism. This model is known for being “polarised and state-centric”, with a high level of conflict, frequent state intervention, and instability of collective bargaining. Initially, the French industrial relations system has had a complex history of relations between trade unions and employers. They were adversarial, but this was compensated by strong state interventionism. However, in the 1980s, reforms were adopted under pressure from the unions to boost collective bargaining at the workplace level. More recently, since the turn of the century, reforms have been driven mostly by the employers’ organisations, leading to tripartite concertation at the peak level. A feature of the French system is the strong role of the state in collective bargaining. The system’s strength and prevalence have never depended on the existence of powerful bargaining parties, but on the support of the state. One of the reasons for this configuration was the hostility of the political system, which resulted from the French Revolution, towards intermediate bodies, symbolised by the Le Chapelier Law of 1791,

which prohibited the reconstitution of “corporations” considered as a relic of the *Ancien Régime*. Following this perspective: there should be no representation of the people other than the parliamentary one.

During the Second World War, the trade union confederations (mainly CGT and CFTC) played an active role in the Resistance movement against the German occupation and were represented in the National Resistance Council. In 1944, the council developed a programme of “economic and social democracy” with four pillars: nationalisation, planning, participation of workers in the management of companies, and the entire national economy. This programme was implemented after 1944.

In 1946, the preamble of the Constitution of the Fourth Republic proclaimed: “Every worker participates, via his delegates, in the collective determination of working conditions and the management of businesses.” This orientation paved the way for the introduction of works committees within organisations and the development of collective bargaining at the sector level.

Moving forward to 1958, the first article of the Constitution underscores the importance of these principles, stating that “France is an indivisible, secular, democratic and social Republic.” This establishes social democracy as an intrinsic and constitutionally valued condition. Social democracy, in the context of labour law, implies that public authorities consider the viewpoints of social partners, fostering a genuine dialogue for consultation and collective determination of applicable norms. This application is embodied by the principle of workers’ participation, as defined in the eighth paragraph of the Preamble to the Constitution of 27 October 1946.

Since the end of the Second World War, the right to worker participation has been a principle of constitutional value that underpins the legitimacy of all social dialogue practices developed within or outside the company.

/03

Social dialogue

3.1 LEGAL FRAMEWORK

In the more recent period, the industrial relations system in France has undergone numerous reforms since the second half of the 20th century. Additionally, from 2000 to 2020, several reforms have aimed to structure the involvement of social partners in collective bargaining and policy-making. These include the “Fillon law” on Vocational Training and Social Dialogue of 2004, the Larcher law on the Modernisation of Social Dialogue of 2007, the Law on the Renovation of Social Democracy of 2008, the 2014 law relating to vocational training, employment, and social democracy, the Rebsamen law on social dialogue and employment of 2015, the El Khomri law on labour, the modernisation of social dialogue, and the securing of professional career paths of 2016, and the Macron orders of 2017.

These legal reforms have significantly altered the framework for collective bargaining in recent years. Broadly speaking, these changes have progressively elevated the significance of company-level agreements at the expense of industry-level negotiations. Simultaneously, they have refined and clarified the rules governing who is entitled to bargain and the circumstances under which agreements are considered valid.

The Law on the Renovation of Social Democracy of 2008 and the 2014 Law Relating to Vocational Training, employment, and social democracy have influenced the determination of applicable thresholds for the representativeness of trade unions (2008) and employers’ organisations (2014) (cf. *infra*. “Main actors”).

3.2 LEVELS AND PRACTICES OF SOCIAL DIALOGUE

Collective bargaining in France occurs at various levels: the national, industry (which can involve national, regional, or local bargaining), and company levels. At each level, specific rules govern who can engage in negotiations and the prerequisites for an agreement to be considered valid. The overall coverage of collective bargaining is remarkably high, standing at 98%.

While industry-level agreements, often referred to as “*branches*” are the most prevalent in terms of coverage, recent legislative changes have accorded precedence to company-level agreements in certain domains. The Law on Vocational Training and Social Dialogue of May 2004 expanded the opportunities for stakeholders to negotiate agreements deviating from higher-level conventions. Additionally, the bargaining framework established by the 2017 decrees, known as the “Macron orders”, introduced a shift in the

coordination between bargaining levels. Unlike the previous “favourability principle,” the new framework relies on a distribution of bargaining topics among various levels.

At the **company level**, several bodies used to play (until the Macron orders of 2017) a crucial role in ensuring effective social dialogue. Delegates exercising workers’ participation rights include elected employee representatives and union-nominated representatives. These individuals are elected by employees and hold mandates within the company, with different types of mandates coexisting. The number of delegates depends on the number of employees in the establishment and legal thresholds, necessitating elections for each representative institution. Until 31 December 2019 (and the start of the implementation of the Macron orders), three representative institutions, namely employee delegates, works councils (*comités d’entreprise*), and the health, safety, and working conditions committees (*CHSCT, comités d’hygiène, de sécurité et des conditions de travail*), were empowered to exercise workers’ participation rights. However, starting in 2020, these three institutions gave way to the single Social and Economic Committee (*CSE, comité social et économique*), streamlining representation with similar competencies but fewer representatives.

The Social and Economic Committee (SEC) is established at both the company and establishment levels, comprising elected employee representatives, company management representatives, and union-nominated representatives. The SEC receives information on economic and social issues and

new technology, and is consulted on the strategic orientation of the company.

Moving to the **industry level**, a reorganisation initiated in 2014 aimed to reduce the number of branches from over 400 to 200, merging certain *branches* and redefining the scope of agreements. This restructuring has been driven by governmental impetus, with involvement from social partners, including social economy stakeholders.

At the **interprofessional level**, social dialogue plays a crucial role in shaping policies related to employment, vocational training, and working conditions. Representative organisations of employees and employers are consulted before the enactment of laws, emphasising the tripartite nature of social dialogue. The Law of 5 March 2014 establishes a national governance body with regional bodies for consultation between public authorities and economic and social actors on vocational training and employment.

Besides collective bargaining, the practices of social dialogue in France are diverse and involve various forms of consultation, negotiation, and joint decision-making between social partners and public authorities.

In terms of policy concertation, a tripartite social dialogue is being developed at the regional or local level. The 2007 law on Modernisation of Social Dialogue makes it mandatory to consult national-level representatives of trade unions and employers’ organisations before proposing reforms in the field of industrial relations, employment, and vocational training. In non-emergency situations, the government

should provide these organisations with a policy document presenting the diagnoses, objectives, and principal options of the proposed reform. The social partners can then indicate whether they intend to embark on negotiations and how much time they need to reach an agreement.

The **governance of social protection** in France is also heavily influenced by social partners. The social partners are involved in the management of certain social security provisions, such as public health insurance, unemployment benefits, and social welfare boards. They also play a central role in the supplementary private health insurance system and pension plans, as well as in the system of vocational training.

The concept of **territorial social dialogue** has emerged in relation to the development of local public policies. This form of social dialogue complements more traditional and centralised forms of dialogue and can take different forms. Four different approaches to territorial social dialogue have been identified:

- ✦ Consultation linked to decentralised or deconcentrated policies, through various joint or multiparty bodies or in a less formal manner around a locally defined project;
- ✦ Territorial pooling of social dialogue, originally designed for small businesses;
- ✦ Real negotiation between social partners in a regional, departmental or local framework;
- ✦ Joint territorial consultation within professional branches on employment and vocational training, such as in the metallurgy sector.

In addition, **territorial governance** is a broader form of dialogue that goes beyond social dialogue *stricto sensu*. It involves a national (CESE, *Conseil économique, social et environnemental*) and 23 regional economic, social, and environmental councils (CESER). These councils, comprising representatives from social partners and civil society organisations, facilitate localised decision-making, ensuring policies align with regional needs. While the CRESS is not designed for social dialogue, the Regional Economic, Social, and Environmental Council (CESER) brings together representatives of regional civil society, with the social economy represented as an employer. Additionally, the National Collective Bargaining Commission (CNNCEF) and Regional Committees for Employment, Training, and Vocational Guidance (CREFOP) provide platforms for social partners to discuss and evaluate government proposals related to industrial relations, employment, and vocational training.

Finally, environmental conferences have been held since 2012 to promote dialogue and collaboration among environmental organisations, consumer associations, youth movements, elected officials, social partners, and state representatives. This integration of environmental considerations into decision-making processes contrasts with social conferences, which do not allow for this kind of integration.

3.3 MAIN ACTORS

Trade unions

In France, trade union membership is relatively low, standing at 10.8% (OECD & AIAS 2021), making it one of the lowest in the EU. The country hosts five major trade union confederations: CGT (*Confédération générale du travail*), CFDT (*Confédération française démocratique du travail*), FO (*Force ouvrière*), CFTC (*Confédération française des travailleurs chrétiens*), and CFE-CGC (*Confédération française de l'encadrement – Confédération générale des cadres*), which often compete for membership, leading to a fragmented landscape. While these confederations exhibit considerable rivalry, their differences, at times, extend to the political positions of their leadership.

Historically, these confederations were considered “representative” at the national level, granting them negotiation and candidate nomination rights. However, in 2008, significant changes were introduced. The new criteria required a union to secure at least 10% of the votes at the workplace level to be considered representative at the company level, and 8% at the industry and national levels. This marked a departure from the previous representativeness criteria based solely on mutual recognition.

Besides the five main trade union confederations, other union groupings like FSU (Fédération Syndicale Unitaire), UNSA (Union nationale des syndicats autonomes), and Solidaires, while influential, lack the legal status of the five “representative” confederations. In 2008, the Law on the Renovation of Social Democracy reshaped industrial relations in French companies. The legislation aimed to redefine

relationships between employee representatives (unions) and employers, emphasising the determination of various rules, including salary levels and working hours. This led historically divided and competing trade unions to engage in negotiations to establish new rules for union representativeness and collective bargaining. While no legal agreement was reached, four of the eight social partners involved endorsed a text titled “*Position Commune sur la Représentativité, le Développement du Dialogue Social et le Financement du Syndicalisme*” (Common Position on Representativeness, Development of Social Dialogue and Trade Union Financing).

Employers’ organisations

In 2014, during the discussion preparing for the 2014 Law Relating to Vocational Training, Employment, and Social Democracy, Minister of Labour Michel Sapin (PS) emphasised the need for new rules to establish the representativeness of employers’ organisations.

There are three main employers’ confederations (MEDEF, CPME and U2P) which are recognised as representative. MEDEF (*Mouvement des entreprises de France*) claims to represent companies of all sizes in all sectors, while CPME (*Confédération des petites et moyennes entreprises*) is focused on SMEs, and U2P (*Union des entreprises de proximité*) is oriented towards the skilled craft sector and liberal professions. Compared to trade union density, employers’ organisations’ density is estimated to be 79.2% (OECD & AIAS, 2021).

The 2014 reform stemmed from discussions following the reform of trade union representativeness (2008),

with the aim of moving beyond mutual recognition as the sole basis for employer representativeness. The government allowed employers' organisations to negotiate and define what representativeness could entail for them. This process involved various stages, including initial agreements among major employers' organisations such as MEDEF and CGPMA, followed by discussions involving UDES, UNAPL and others. The final step resulted in a common position among six employers' organisations. The measure adopted focused on the number of companies adhering to branche employer organisations, with a representativeness threshold set at 8% of all companies in the branche. Alongside the introduction of representativeness criteria for employers' organisations, the 2014 law also led to the effective recognition of a "multiprofessional" level of representation and negotiation.

The multiprofessional negotiation level, introduced as a result of the 2014 reform, marks a significant development in the representation of the social economy in France. The reform established multiprofessional representativeness, resulting from consultations between employers' organisations outside the traditional scope and interprofessional employers' organisations at that time through the conclusion of an employer agreement protocol. This framework allowed the recognition of UDES (Union des employeurs de l'économie sociale et solidaire) as a legitimate social partner for national-level dialogues, and granted it numerous prerogatives associated with representative status (presence in institutionalised bodies, participation in consultations, etc.). Consequently, the visibility of the social economy through UDES significantly improved,

especially in relation to other social partners and government authorities.

Despite these strides, the formal recognition of multiprofessional collective bargaining in the labour code was not granted, limiting its potential impact. The absence of specific regulations for multiprofessional collective bargaining and the lack of creation of multiprofessional union representativeness hinted that the multiprofessional space was not envisaged as a distinct area for collective negotiation. This limitation hampers the potential impact of multiprofessional bargaining and the role of the social economy therein (cf. infra. "Social dialogue in the social economy").

/04

Social economy

The recognition of the social economy in France, commonly referred to as the Social and Solidarity Economy (SSE), is notably characterised by its highly institutionalised status, as emphasised by Monzón and Chaves in 2017. This acknowledgment extends across various sectors, including public institutions at local and national levels, research initiatives, civil society, the broader public, and the media. Moreover, France has emerged as a global leader in championing the international recognition of the social economy. A notable example is the collaborative effort between the former Social Economy Secretary of State, Marlène Schiappa, and the Spanish government, which resulted in a historic UN resolution in support of the social economy.

In the domestic context, there are ongoing debates surrounding the potential of social economy activities to serve as levers for transformative change within existing frameworks, addressing social and societal challenges. Despite this positive reception, concerns have been raised by some social economy actors regarding the risk of the sector's becoming invisible within ministerial portfolios, as highlighted by ESS France in 2023. Notably, recent French political history reveals a fluctuating commitment to the social economy, with periods of dedicated ministerial representation and others where the sector is divided

among different portfolios without explicit mention. However, a significant development occurred in November 2023 with the appointment of a delegate for social economy (délégué à l'économie sociale) working alongside the delegated minister. This recent appointment has garnered satisfaction among various social economy stakeholders, signalling a potential reinvigoration of attention and support for the sector within the government.

Despite its recognised status, the SSE also sometimes encounters challenges in accessing common law, similarly to conventional companies, where SSE organisations are not consistently considered. For example, during the COVID-19 crisis, certain social economy entities faced difficulties in accessing the necessary forms to request state support. To address this issue, specific measures were implemented by the state secretary responsible for social economy through the "Urgenc'ESS" initiative, aimed at supporting small associations and facilitating the access of SSE entities to common law mechanisms.

Testimonies collected in the framework of MESMER+ research activities also mention that SSE representatives are sometimes forgotten, even in consultative mechanisms where they are supposed to be present, via the Higher Council for the Social

Economy (CSESS). The SSE is nevertheless sometimes consulted, notably in the National Council for Economic Transition. On the other hand, it is absent from certain key decision-making places in terms of economic policy, such as the Strategic Committees of the sectors – for example the Strategic Committee of the bicycle sector, where the SSE has played a pioneering role.

4.1 BRIEF HISTORY

The history of the social economy in France has deep roots, dating back to its long-standing tradition (Dreyfus 2017). A turning point regarding Social Economy recognition occurred in the 1970s with the establishment of the National Liaison Committee for Mutual, Cooperative, and Associative Activities (CNLAMCA). This committee, representing cooperatives, mutual societies and associations, marked a crucial milestone. In 1980, CNLAMCA published the “Social Economy Charter,” providing a defining framework for social economy organisations. According to the Charter, these entities operate democratically, adhere to a specific ownership and profit distribution regime, and use surpluses to enhance the organisation and improve services for members and society. Concurrently, the concept of the solidary economy gained traction in France during the same period, emphasising an economy where the market is not the sole component.

The 2000s witnessed a unification of the social economy movement and the solidarity economy movement, culminating in the adoption of the term “Social and Solidarity Economy” (SSE). Subsequently, pivotal milestones reflected the public recognition

of the social economy in conjunction with social dialogue.

In 2001, a transversal social dialogue group for the social economy (*Groupe de Dialogue Social*) was established, fostering collaborative efforts within the sector. In 2006, a defining moment arrived with the formulation of the multiprofessional field of the social economy, encompassing 14 sectors. This period saw the signing of five multiprofessional agreements between UDES and trade unions within the GDS.

The year 2012 marked a significant development with the creation of a dedicated ministry for the social and solidarity economy (ESS ministry). However, it was not until the enactment of a landmark law in 2014, spearheaded by then-Minister delegate to the social and solidarity economy, Benoît Hamon, that the SSE quest for recognition achieved a breakthrough.

4.2 OFFICIAL DEFINITION

The Law of 31 July 2014 defined SSE as a form of entrepreneurship and economic development adhered to by private legal persons that meets the following conditions:

- ✦ *The aim pursued is not only profit distribution;*
- ✦ *Democratic governance, defined and organised by the enterprise's statutes, which provides for information to members, workers and stakeholders in the aims of the enterprise, and for participation, which is not linked to capital or financial contributions alone;*
- ✦ *Management in accordance with the following principles:*
 - *Profits mainly devoted to the aim of sustaining or developing the activity of the enterprise;*

➤ *Mandatory reserves set aside, which are indivisible and non-distributable, although the statutes of the enterprise may authorise the General Meeting to assign part of the reserves set aside to increasing the value of the shares or to a distribution of free shares. In the event of dissolution or liquidation, the liquid assets shall be assigned either to another SSE enterprise or as indicated by special provisions regulating the entity being dissolved or liquidated.*

The objective of the 2014 Law on Social and Solidarity Economy is to officially recognise the ESS as a distinct sector, organise it to facilitate communication with governmental bodies, and stimulate its growth¹¹. The law has enhanced the visibility of SSE organisations in dealing with public authorities, primarily by institutionalising the SSE. Consequently, it has established a supportive framework that influences how the SSE is regarded in policy concertation. However, this influence remains limited when it comes to organising social dialogue. According to SSE representative organisations involved in social dialogue, the 2014 Law fell short of fully structuring the ESS to establish a favourable framework for social dialogue within the SSE, lacking a more cohesive and suitable delineation of its scope.

4.3 LEGAL FORMS IN THE NATIONAL LAW

The legal definition included in the 2014 Law on SSE identifies the legal statutes of social economy entities. *The activities that make up the SSE are conducted by:*

¹¹ The Higher Council of the SSE carried out an assessment of the 2014 law on the occasion of its 10th anniversary. This assessment mainly concluded that it was necessary to strengthen the resources devoted to the SSE in order to develop it on the basis of a programming law.

1. Private legal persons established as cooperatives, mutual societies, foundations or associations. 2. Commercial companies that by their articles of association also have a social utility purpose (support to persons in a situation of fragility, fight against exclusion and inequalities, education in citizenship, sustainable development) and whose management meets the following criteria: the financial surpluses must be allocated in priority to the social mission and to compulsory reserves; the company's shares cannot be negotiated on capital markets; and an equitable wage policy (with a wage scale in which the highest salary does not exceed 10 times the lowest salary) must be implemented. These commercial enterprises can be accredited as "solidarity enterprises of social utility" (entreprises solidaires d'utilité sociale, or ESUS) by public authorities (préfectures).

Some representatives of the social economy highlight the potential risk of increasingly transforming SSE into "social entrepreneurship" due to the inclusion of commercial enterprises within the scope of the law. The 2014 Law on SSE indeed enables the establishment of connections between the SSE and the commercial and profit-oriented sectors. The door is therefore open and such initiatives encouraged to some extent by some policy-makers.

On the other hand, some representatives highlight the risk of certain deviations within the world of the SSE that they associate with practices typical of the commercial sector, such as extreme managerialisation.

4.4 MAIN SECTORS WHERE SE ENTITIES CAN BE FOUND

Based on the number of jobs, the social and solidarity economy (SSE) is mainly present in the tertiary sector. Two-thirds of its employees are concentrated in three areas: social action, financial and insurance activities, and education. It is also worth highlighting that the combined fields of social action, education and health, which place a significant emphasis on non-market activities, account for approximately 60% of SSE employment.

According to figures from 2015, there are 2.4 million people employed in the SSE (the great majority, 1.852 million, working in associations), 68% of them being women. Overall, it represents 10.5% of salaried employment in the country (ESS France, 2022).

Since 2016, regional social economy chambers started a statistical monitoring of SSE activities in their territories.

4.5 ACTORS

There are several national organisations aiming to represent the social and solidarity economy.

- ✦ *Union des employeurs de l'économie sociale et solidaire (UDES)* is an umbrella organisation that brings together 23 groups and employers' unions representing associations, mutuals and cooperatives, as well as 16 professional branches and sectors. It is the only multiprofessional organisation in the social and solidarity economy and represents 80% of the federated employers in this sector;

- ✦ *ESS France* (merged with CNCRESS in 2020) represents and promotes the social and solidarity economy to the national government in the framework of "civil dialogue";
- ✦ *Mouvement Impact France* brings together social entrepreneurs in an active and open community, advocating their expectations and solutions in public debates and policies;
- ✦ *Mouvement pour l'économie solidaire (MES)* promotes the solidarity economy and fosters cooperation and networking among its actors;
- ✦ *Réseau des collectivités Territoriales pour une Economie Solidaire (RTES)* brings together more than 140 local authorities with the goal of promoting, valuing and developing the social and solidarity economy in their territories.

Beyond these "generalist" SSE interest organisations, other organisations represent specific segments of the SSE, mainly structured according to legal statutes.

- ✦ *Mouvement Associatif* for the associations;
- ✦ *CoopFR, Coopérer pour entreprendre, Copea and CG Scop* for cooperatives;
- ✦ *Centre français des fonds et des fondations de France (CFF)* for foundations and philanthropic organisations;
- ✦ *Fédération nationale de la Mutualité Française* which gathers almost all health mutuals in France;
- ✦ Organisations representing work integration activities: *COORACE, Fédération des entreprises d'insertion*;
- ✦ Organisations representing protected and adapted work: *Union Nationale des Entreprises Adaptées (UNEA), GESAT network*.

All together, these umbrella organisations represent a great many social economy entities on the ground. It is important to note that among these entities, not everyone identifies with the SSE.

There are no distinct trade unions specifically tailored to the SSE; instead, the structuring is more pronounced on the employers' side. There is nevertheless a trend whereby trade unions are becoming more engaged. For instance:

- ✦ In the CGT trade union: development of a section dedicated to "salaried employers" (*employeurs salariés*);
- ✦ In the CFDT trade union: ongoing work is being done on the inclusion of trade union delegations within cooperatives;
- ✦ SudAsso: A union platform for employees within associations that is beginning to open its doors to salaried employers.

During discussions on the subject within the framework of MESMER+ activities, it was noted that some individuals perceive the risk that the creation of a workers' union specific to the SSE might potentially marginalise workers. Hence, there is a challenge for existing union structures to address ESS-related issues and train delegates in this field. Progress has been made, but there appears to be room for further advance in this regard.

4.6 BODIES DEDICATED TO SSE REPRESENTATION

The creation and existence of SSE representative bodies is organised by the 2014 Law on SSE. They are described by Monzón and Chaves (2017) in their report for the European Economic and Social Committee:

*The **High Council of the SSE** is entrusted with ensuring dialogue between SSE actors and the national and international authorities. It is consulted in relation to legislative projects that concern the SSE and social entrepreneurship; contributes to defining the national strategy for SSE development (art. 4); and adopts the guidelines defining the conditions for continual improvement of good practices in SSE enterprises (art. 3). The **French SSE Chamber** ensures national-level representation and promotion of SSE enterprises (art. 5) and the **regional SSE Chambers** ensure their representation and promotion at local level (art. 6).*

These regional SSE Chambers (CRESS, *Chambres Régionales de l'Economie Sociale et Solidaire*) are present in each region, and bring together SSE companies and networks present in the territory. They ensure a role of representation, coordination and structuring of the SSE in their region. They also support the development and consolidation of SSE companies, and promote networking with the regional SSE ecosystem.

Regarding social dialogue bodies, the **Social Dialogue Group** (GDS, *Groupe de Dialogue Social*) for the SSE aims at organising collective bargaining (to a limited extend) while the **Regional social dialogue spaces** (ERDS, *Espaces régionaux de dialogue social*) aim to link the agreements reached at the GDS level with the territorial level, as well as to initiate and monitor the implementation of development projects related to the SSE in their respective regions in a dynamic of proximity with local stakeholders.

/05

Social dialogue and the social economy

5.1 SOCIAL DIALOGUE IN THE SOCIAL ECONOMY

Discussions held during the MESMER+ research activities showed that addressing social dialogue within social economy entities and representative organisations is imperative for several reasons. Given the significant share of employment within the social economy, traditional social dialogue topics, including wages, working conditions and training, are equally pertinent in this sector. However, a notable discrepancy exists, with many leaders in the SSE aligning themselves with solidarity values without adequately considering the employees carrying out the activities. SSE entities struggle to integrate considerations about work within their activities, despite being a space where societal aspirations regarding the world of work are acknowledged and translated into innovative initiatives. This mismatch between professed values and democratic governance practices can pose a challenge. While employers support the democratic values of the SSE, these values are not automatically translated into practices at organisation level.

This leads to “suffering in a committed environment” that is prevalent in certain SSE branches and organisations (Cottin-Marx 2021; Le Grimm 2017; Zalzett & Finn 2020; Russo 2020). This issue, affecting both employees and employers, becomes particularly pronounced in the absence of institutionalised social dialogue in the workplace, even in large structures like big NGOs. The existing framework for social dialogue, though subject to improvement, serves as a means to prevent and manage such situations, providing a structured approach to working conditions and rights, including training.

Formalising social dialogue is acknowledged as an important achievement to prevent instances where, in the absence of dialogue, respect for labour law diminishes. Trade unions emphasise that issues in implementing social dialogue in the SSE echo challenges found in other sectors, such as difficulties reaching out to workers and varying company sizes. It is also acknowledged that in specific categories of SSE organisations, like mutual societies, social dialogue is more structured than in others, such as associations.

The need, therefore, is to bridge this gap and view SSE employees as ordinary legal employees, shedding the pretext that they work for companies “with a purpose.”

Employer role

While social dialogue bodies exist in SSE organisations, there is a dynamic needed wherein both employees and employers recognise and agree on their role and representation. However, in some organisations SSE employers are hindered from fully embracing their roles. Examining the employers’ perspective within the SSE reveals challenges in acknowledging their roles as employers, encompassing responsibilities related to management, financing, calls for projects, and more. Compounding this, some leaders, serving as volunteers, find it challenging to fully embrace the employer’s role. In specific SSE branches, employers operate under state supervision, prompting the suggestion that social dialogue should occur in a tripartite manner involving the state.

Reflecting on the historical context of collective agreements in the SSE, the emergence of organised employers’ organisations resulted from pressures exerted by SSE workers and employees. Movements like *Mutualité française* and Usgeres (which became UDES in 2013) played pivotal roles in initiating these employers’ organisations.

Structuring SSE employers’ organisations alongside the “SSE movement” whose organisations are involved in the advocacy of the SEE’s interests towards public authorities is also perceived as a challenge. Unlike the mainstream employers’ organisation MEDEF, which functions as both a movement and a union for employers, the SSE

exhibits a trend towards the movement, sometimes leaving the employer function in the background.

When SSE employers’ organisations are well structured and play their role, union representatives tend to note a more fluid dynamic in dialogue with SSE employers compared to mainstream employers’ organisations, citing shared values and a similar mindset between workers’ and employers’ unions. However, potential forms of schizophrenia may emerge and must also be taken into account, particularly in cases like cooperative employees who simultaneously serve as service producers and owners of a cooperative project – a duality that can be overcome through careful consideration. Examining the takeovers of companies by workers, often led by former trade union shop stewards, provides an intriguing case study. In these instances, careful consideration and formal establishment of social dialogue become crucial through the creation of employee representative institutions.

Employees’ participation in the SSE in relationships with trade unions

An additional hurdle arises from the historical underinvestment of trade unions in the social and solidarity economy (SSE) sector. Paradoxically, innovations often originate from individuals closely associated with trade union structures or linked to the trade union movement. Despite this connection, dialogue between the SSE and the trade union movement is occasionally challenging. In spite of unions’ support for employee participation in companies, there seems to be a gap between the advocacy for this principle and its actual implementation within SSE entities.

For instance, cooperative societies of collective interest (SCIC, *sociétés cooperatives d'intérêt collectif*) and business and employment cooperatives (CAE, *cooperatives d'activités et d'emploi*) played crucial roles in the creation of the first delivery workers' cooperatives. The law on SCICs, adopted in 2001, organised employee participation in organisational governance. However, the competitive landscape, especially in the context of tenders, puts associations in competition with commercial structures, leading to workers becoming the adjustment variable in the face of decreasing subsidies. Tensions arise when addressing battles, such as the increase in the minimum wage, a subject feared by associations despite their mission to combat poverty. Similarly, volunteer work conditions raise questions about volunteers covering their own expenses. How workers' unions and associations react to these challenges varies, a situation which calls for organisations to respond more consistently in alignment with the values they uphold regarding work.

5.2 SOCIAL ECONOMY IN THE SOCIAL DIALOGUE

SSE multiprofessional social dialogue

The 31 July 2014 Law on SSE overlooks the aspect of social dialogue. It was the Law of 5 March 2014 relating to vocational training, employment and social democracy that laid the foundations for multiprofessional employer representativeness, acting in favour of integrating the SSE into the national social dialogue framework. This law marked a significant step in recognising UDES as a fully-fledged social partner, establishing a multiprofessional level between branches and interprofessional levels of social dialogue. As a

multiprofessional employers' organisation, UDES can advocate for the voices of SSE employers, defending the specificities of their enterprises in national and territorial forums. It can also to a certain extent (without a deliberative voice) engage with interprofessional social partners (MEDEF, CPME, U2P) in the negotiation of National Interprofessional Agreements.

The multiprofessional level, accessible to UDES and SSE employers, differs from the industry and interprofessional levels of social dialogue. In the SSE, negotiations primarily occur at the branche level, but participants acknowledge that this may not always be the most appropriate level. At the multiprofessional level, actors are not fully recognised social partners based on the legal representativeness threshold (UDES does not currently reach the 8% employer representation required for representativeness). They are recognised by the state, and UDES is acknowledged as a social partner through an agreement with trade unions that recognise it as an employers' organisation.

Collective bargaining at the multiprofessional level is facilitated through the Social Dialogue Group (GDS, *Groupe de Dialogue Social*). This cross-sectoral social dialogue group within the social and solidarity economy serves as a forum for debate, proposals, and recommendations concerning the practice of cross-sectoral social dialogue in the realms of employment and training. It plays a role in social deliberation, preparing for the negotiation of multiprofessional agreements within the social and solidarity economy. Subsequently, these agreements must be translated and implemented by the 16 branches that constitute the multiprofessional level of the SSE.

While UDES has gained legitimacy in the employer universe, the multiprofessional level allows for a broader understanding of the SSE – yet it has its shortcomings. In social dialogue, branches are organised based on the company's activity rather than its legal status. Some branches are purely SSE, comprising only associations. There are also mixed branches with both SSE and non-SSE companies, where for-profit and nonprofit organisations adhere to different employer organisations. It means that SSE entities are represented by dedicated sectoral organisations at branche level and by UDES at multiprofessional level, while non-SSE companies can be represented at the interprofessional social dialogue level through other employers' organisations.

SSE representation in governance structures related to work and social protection

The governance of social protection presents another hurdle for the SSE, as exemplified by UDES's exclusion from relevant bodies due to legal constraints dictating the composition of governing bodies. The law, while including interprofessional organisations, does not account for multiprofessional ones, hindering the SSE's direct participation in vital discussions. The SSE therefore faces a critical juncture as it endeavours to expand its influence in various areas of governance, particularly concerning social security and employment policies. For instance, the transformation of the national public employment service, "Pôle Emploi", into "France Travail" symbolises the SSE's efforts to secure representation, notably through entities like UDES. The challenge is to position the SSE as indispensable in addressing work and employment-related issues, both in diagnosing

current problems and in crafting solutions. However, despite the SSE's relevance, questions linger about its impact within the broader ecosystem and SSE organisations need to forge alliances to enhance its representation.

Traditionally confined to a consultative role in such governance bodies, the SSE organisations have to manoeuvre to exert substantial influence in decision-making processes where actors possess deliberative voting power. Being included in governance bodies as a participant with a non-deliberative voice is already perceived by SSE representatives as a first step allowing them to exert their influence.

Delimitation of SSE

The scope of the social and solidarity economy in civil dialogue (in the sense of the 2014 Law on SSE) does not align with the SSE's social dialogue scope (organised at the multiprofessional level). In practice, the SSE's scope is broader than the multiprofessional field, leaving some structures excluded from the multiprofessional scope despite belonging to the SSE. Many of these structures, not falling within the multiprofessional scope, fall into the interprofessional scope, and thus have their interests related to SSE principles and statutes diluted. This includes structures from branches represented by UDES, where one of the representative employers' organisations in the branche adheres to an interprofessional employer organisation. Additionally, certain SSE structures scattered across various branches fall within the interprofessional scope, such as socially-oriented commercial companies and cooperatives.

It is crucial to emphasise the lack of alignment between the SSE's scope defined by the 2014 Law (covering cooperatives, mutuals, mutual insurance companies, associations, foundations and socially-oriented commercial companies) and the scope of the multiprofessional framework (which comprises 16 professional branches for SSE). On one hand, the organisation of social dialogue is based on the primary activity of the company as structured within branches. On the other hand, the 2014 SSE Law focuses on the legal statuses of organisations constituting the SSE to organise civil dialogue. This creates a challenge in structuring the SSE as it comprises organisations with diverse statuses and involves a range of actors, limited to specific branches with no alignment between statutes and professional branches. Managing this complexity is an ongoing challenge.

Examining the legal framework, the SSE Law of 2014 establishes a framework for the SSE but presents a juxtaposition between statutes and fields of activity. The structured field observed in social dialogue at the multiprofessional level effectively represents activities. However, these activities are linked to the SSE through the status of organisations as outlined in the law. Structuring the SSE is challenging owing to its being made up of organisations with different statuses and involvement in specific branches, requiring continuous navigation of complexity.

Despite the growth of multiprofessional collective bargaining, it encounters limitations due to conditions for accessing multiprofessional employer representativeness. One such restriction prohibits considering branches within the interprofessional

scope if a representative employers' organisation in the branche adheres to an interprofessional employers' organisation. This constraint compelled UDES and employee trade union confederations to confine their agreements to strictly multiprofessional branches, unintentionally fragmenting the unity of the social economy. While UDES strives to promote SSE unity, this limitation underscores the need to enhance negotiating capacity at the multiprofessional level. This creates an additional challenge to federate SSE interests and to strengthen its representation in social dialogue.

Territorial dialogue – SSE at the crossroads of social and civil dialogue

There are innovative initiatives aiming to transcend traditional social dialogue frameworks. Regional Spaces for Social Dialogue (ERDSs) specific to the social and solidarity economy have been established in regions, where the SSE represents approximately 12 to 15% of employees. The creation of these spaces prompts questions about their structure and how to enhance the territorial responsibility of SSE companies, given the challenge posed by the diverse sizes of SSE companies, including small and very small enterprises. Currently, there are 12 ERDSs in France, not intended for collective bargaining but as forums for exchange and consultation. Their work aligns with the decentralisation of national multiprofessional agreements through a logic of providing support directly to SSE employers.

The establishment of ERDSs resulted from exchanges within the Groupe de Dialogue Social (GDS), involving UDES and five multiprofessional trade union confederations around 2010-2015. These spaces were

envisioned as regional extensions of the national GDS, focusing on proximity and dialogue. Developing alternative forms of cooperation and dialogue rather than altering national rules is a strategy in favour of which some of the SSE representatives plead.

In the framework of civil dialogue, the Regional Chambers of SSE (CRESS) vary widely in their recognition and collaboration with the SSE entities in different regions. Furthermore, there is a critical need for funding at the intersection of the legal missions of Regional Chambers of Social and Solidarity Economy. Social Economy actors anticipate state funding for supporting activities and job creation in territories. In contrast to the well-funded territorial ecosystems of the conventional economy, particularly consular chambers, their counterparts in the SSE currently lack comparable financial support. In non-formal social dialogue models or civil dialogue models like in territorial dialogue, the importance of tri- or quadripartite models involving funders, such as local authorities and the state, in shaping and implementing social policies is crucial and could be improved. This would allow challenges like funders refusing to finance agreements reached to be tackled.

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Conclusion

This contribution aims to provide answers with regard to the situation in France regarding the two research questions raised in the MESMER+ project:

- ✦ **RQ1** *How inclusive are social dialogue institutions towards social and solidarity economy players?*
- ✦ **RQ2** *How do social and solidarity economy players make their voice heard within national industrial relations systems?*

To provide tentative answers to these questions for the case of France, the MESMER+ research activities underscore the imperative need to address social dialogue within social economy entities and their representative organisations. While traditional social dialogue topics are highly relevant in the social and solidarity economy (SSE), notable discrepancies exist.

An overarching issue pertains to the definition of SSE as outlined in the legal framework that acknowledges the SSE and provides a specific definition for it. The problem lies in the broad definition derived from the statutes of entities within the social economy, which does not align with the structure of social dialogue based on economic activities and sectors.

Within SSE entities, the organisation of social dialogue is sometimes inexistant or challenging. Many SSE

leaders align themselves with solidarity values without adequately considering the employees, leading to a challenge where democratic values are not seamlessly translated into organisational practices and fair working conditions. The absence of institutionalised social dialogue exacerbates “suffering in a committed environment,” particularly in certain SSE branches and organisations. This issue becomes pronounced in large structures like NGOs, emphasising the crucial role of a structured social dialogue framework in preventing and managing such situations. Formalising social dialogue is recognised as essential to prevent instances where respect for labour law diminishes, emphasising the need for improvement in the existing framework.

The landscape of social dialogue within the SSE is complex, requiring an examination of the roles and challenges faced by employers and employees alike. While social dialogue bodies exist, a dynamic is needed for both parties to recognise and agree on their roles and representation. Some SSE employers struggle to fully embrace their responsibilities, hindering the effective operation of social dialogue. The historical context reveals that organised employers’ organisations in the SSE emerged due to pressure from SSE workers and employees. Structuring SSE employers’ organisations proves challenging, with a

trend toward the movement rather than a traditional union for employers. Employee participation in the SSE faces hurdles due to weak investment by trade unions, despite their connection to individuals within the SSE who seem to face difficulties in mobilising and organising to improve their working conditions.

Examining the SSE's integration into national social dialogue frameworks, the multiprofessional level is identified as a significant step, allowing UDES, the SSE multiprofessional employers' organisation, to advocate for SSE employers and engage with interprofessional social partners. However, challenges exist in the representation of SSE entities at different levels, and the SSE's exclusion from certain governance bodies poses hurdles in influencing policies related to work and social protection. The lack of alignment between the SSE's scope as defined by the 2014 Law on SSE and the multiprofessional framework further complicates the structure of social dialogue, emphasising the ongoing challenge of managing the complexity inherent in the SSE's diverse composition.

To cope with the challenges identified, various recommendations emerged from the discussions held during the policy lab organised in the framework of the MESMER+ project in Paris on 21 September 2023.

- ✦ SSE leaders should play their role as employers;
 - ✦ Improve the consideration of SSE companies by the public authorities and their access to common law;
 - ✦ Formalise social dialogue in organisations where it is not or only rarely used in order to mobilise the tools it includes as a solution to the problems of suffering at work;
 - ✦ Develop territorial cooperation mechanisms that:
 - take into account territorial heterogeneity;
 - involve all stakeholders necessary for the implementation of the agreements;
 - in conjunction with the social dialogue of the branches;
 - ✦ Make employer-employee subordination relationships more visible in SSE wage relations;
 - ✦ Invest in institutional spaces for the governance of employment and social security policies and advocate going beyond the status of an actor with an advisory voice to obtain a deliberative voice.
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- ✦ Encourage actors in the field of SSE to think more about work dimensions within the SSE organisations;
 - ✦ Consider SSE employees as common law employees, without hiding behind the pretext that they work for companies "with a purpose";

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