

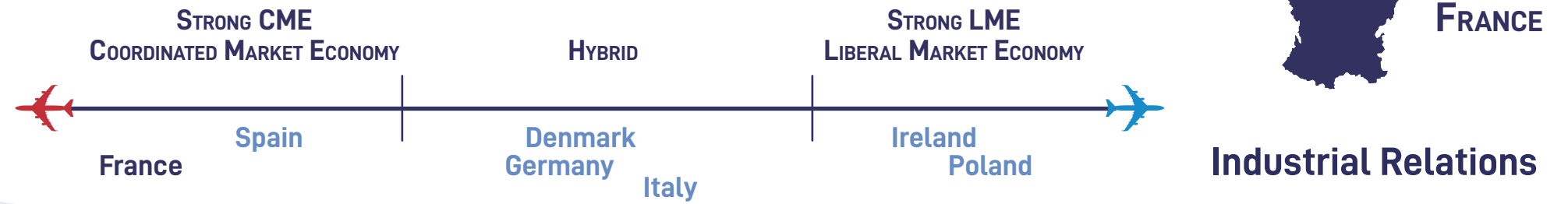


VS/2021/0188



Varieties of Industrial Relations in Aviation Lockdown

# ROLE OF STATE LEGISLATION IN INDUSTRIAL RELATIONS



## LABOUR UNION REPRESENTATION

### UNION DENSITY



8.4% IN THE PRIVATE SECTOR



19% IN THE PUBLIC SECTOR

CONFÉDÉRATION GÉNÉRALE DU TRAVAIL (CGT)

CONFÉDÉRATION FRANÇAISE DÉMOCRATIQUE DU TRAVAIL (CFDT)

FORCE OUVRIÈRE (CGT-FO)

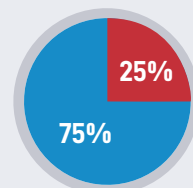
CONFÉDÉRATION FRANÇAISE DES TRAVAILLEURS CHRÉTIENS (CFTC)

CONFÉDÉRATION FRANÇAISE DE L'ENCADREMENT  
CONFÉDÉRATION GÉNÉRALE DES CADRES (CFE-CGC)

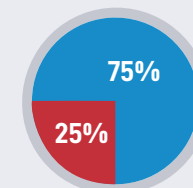
MAIN TRADE UNIONS

### EMPLOYER REPRESENTATION

% OF TOTAL COMPANIES REPRESENTED BY EMPLOYER ASSOCIATIONS



% OF WORKFORCE EMPLOYED BY THOSE COMPANIES



Main employer representatives:

MOUVEMENT DES ENTREPRISES DE FRANCE (MEDEF)

CONFÉDÉRATION DES PETITES ET MOYENNES ENTREPRISES (CPME)

UNION DES ENTREPRISES DE PROXIMITÉ (U2P)

### COLLECTIVE BARGAINING COVERAGE



% private sector employees covered by a Collective Bargaining Agreement (CBA)

Bargaining occurs primarily at the sectoral level

Since 2017, legislation has encouraged a process of "organised decentralisation" by increasing the importance of company-level agreements at the expense of sectoral CBAs

\*This high collective bargaining coverage, alongside low unionisation rates, is explained by the State's erga omnes extension of sectoral agreements.

## WORKPLACE REPRESENTATION

Dual-channel:

SHOP STEWARDS COMMITTEES

EUROPEAN WORKS COUNCILS



### REGULATION OF INDUSTRIAL RELATIONS

State-centric system  
Through state regulation, sectoral contract coverage extended *erga omnes*

\*In practice, the strong union presence within works councils neutralizes potential conflict between these two bodies



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FRANCE

### Air Transport Sector

#### AIR TRANSPORT PRE-COVID

Market share of airlines operating with a French license:



Flagship Carrier  
Air France  
Private company  
French state owns 15% stake



#### INDUSTRIAL RELATIONS IN THE FRENCH AIR TRANSPORT SECTOR

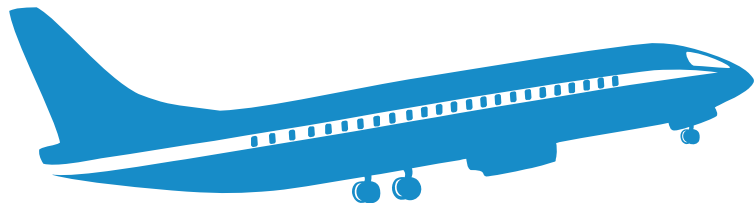
##### MAIN ACTORS TRADE UNIONS

- SNPL (Syndicat national des pilotes de ligne) main pilots' trade union
- SNPNC (Syndicat National du Personnel Navigant Commercial) flight crews trade union
- UNPNC-CFDT (Union Nationale du Personnel Navigant Commercial) flight crews trade union
- UGICT-PNC (Union Générale des Ingénieurs, Cadres et Techniciens – Personnel Navigant Commercial) flight crews trade union

#### EMPLOYERS' ORGANISATIONS

##### FNAM

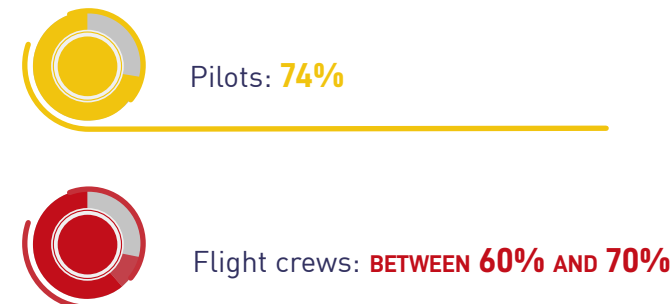
(Fédération Nationale de l'Aviation et de ses Métiers) main employers' association



#### WORKPLACE REPRESENTATION



#### UNION DENSITY:



IN AVIATION, COLLECTIVE BARGAINING OCCURS AT THE COMPANY LEVEL, MAKING THIS SECTOR AN ANOMALY WITHIN THE FRENCH SYSTEM OF IR BASED ON SECTORAL AGREEMENTS.



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FRANCE

### Impact of COVID-19

#### IMPACT ON AIRPORTS

#### CPH AIRPORT



In France, passenger air transport in the second quarter of 2020 decreased by **97%** (representing a decrease of **44.2 MILLION** passengers) compared to the second quarter of 2019.

-97%

Paris Charles de Gaulle airport ranks second (after Frankfurt) in the list of European airports with a decrease in absolute numbers of commercial air flights from January to October 2020 compared to the same period in 2019.



DECREASE OF **232,200** FLIGHTS

#### FRENCH RESPONSE



Policy response focused on maintaining employment, using partial-unemployment and short-time working schemes to reduce costs without separating employees from their employer.

#### PAY CUTS FOR PILOTS:

**20-40% OF WAGES**



#### AIR FRANCE



Air France received **€7 BILLION** loan from the French state to support the legacy carrier during COVID.



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FRANCE

## Case Studies

### COLLECTIVE PERFORMANCE AGREEMENTS (APC)

#### THE USE OF COLLECTIVE PERFORMANCE AGREEMENTS (APC) TO RESPOND TO THE COVID-19 CRISIS

 INTRODUCED BY ORDINANCE NO. 2017-1385 OF SEPTEMBER 22, 2017

 RATIFIED INTO LAW ON MARCH 29, 2018

 EFFECTIVE 1 JANUARY 2018

 CALLED THE "SWISS ARMY KNIFE" OF COMPANY RESTRUCTURING

 APCS SUPERSEDE PRIOR AGREEMENTS AND ALLOW COMPANIES TO CHANGE WORKING CONDITIONS IN A POTENTIALLY LASTING WAY

 NO ROLE FOR THE PUBLIC ACTOR IN REGULATION APCS

 EMPLOYEES WHO DON'T AGREE TO APC MAY BE TERMINATED

#### APCS PRE-COVID

 **75%** of agreements studied were open-ended

 Average duration: **14 MONTHS**

 **50+%** not signed by trade unions

 **37.8%** increased working hours

 **19%** make the organisation of working time more flexible

 **30%** organize one-off or permanent variations in the workplace


 Only **6%** cite economic challenges as the reason for the APC

 **7%** call for reduction in pay


#### APCS POST-COVID

 **86%** increase in APCs following first lockdown

 **50+%** cite economic challenges as the reason for the APC

 **50%** are fixed term agreements

 **5 MONTHS** average duration

 **68%** of APCs call for reduction in pay





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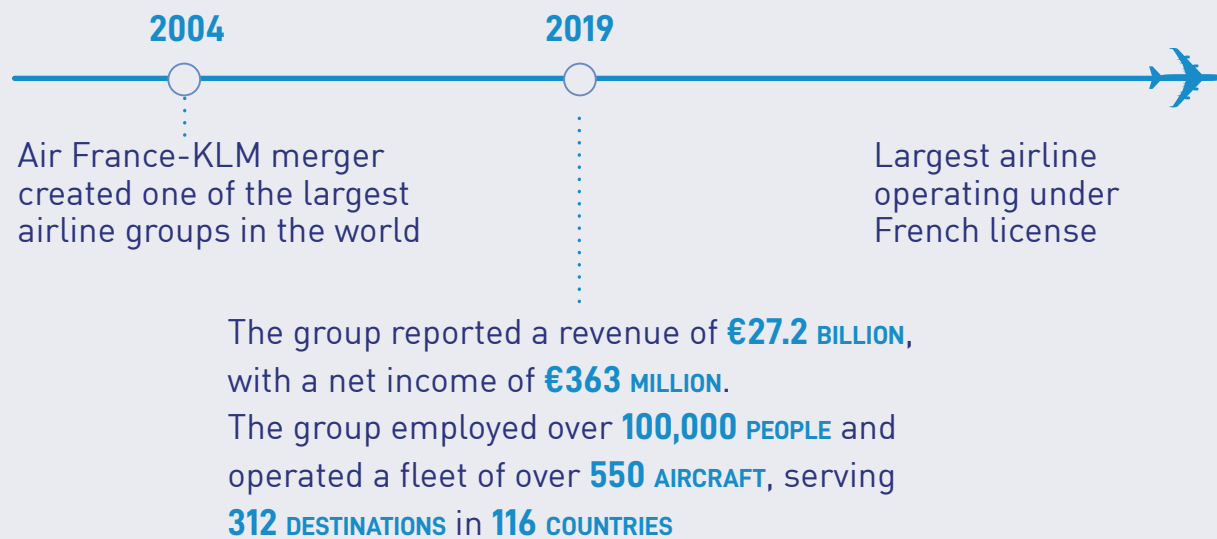
FRANCE

### Case Studies

## SOCIAL DIALOGUE IN THE SHADOW OF THE STATE

### AIR FRANCE, ITS PILOTS, AND THE STATE-GUARANTEED LOAN

#### OVERVIEW



#### INDUSTRIAL RELATIONS IN AIR FRANCE

- “Tripartism in one company”
- Unionisation among pilots: **70-75%** of pilots

- Main pilots unions:
- SNPL** (by far the largest pilots’ trade union in the company)
  - SPAF** (2nd trade union)
  - ALTER** (the smaller of the three)
- Post 2018 Industrial Relations become less conflictual, more collaborative

#### IMPACT OF COVID 19

- MAY 2020**  
State guarantees **€4 BILLION** in loans  
State loans additional **€3 BILLION**
- APRIL 2020**  
State loan converted to **€3 BILLION** “hybrid capital instrument”  
**€1 BILLION CAPITAL** injection through subscription of new shares

#### KEY CONDITIONS FOR RECEIVING STATE SUPPORT

