

Job retention schemes in Europe

France

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Note on ETUI classification of job retention schemes (JRSs): All job retention schemes (JRS) share the objective of preserving the ties between companies and their employees in times of temporary economic difficulties. They support incomes of workers who keep their employment contract even if the work is fully suspended. Depending on the primary objective and the nature of support, three different categories of JRS can be distinguished:

(1) Short-time Work Scheme (STW): The key objective of STW schemes is to provide support to companies to retain their employees in times of economic difficulties. The company receives financial support for the employees' wages paid for the time not worked. The extent of working time reduction can vary, including also a full work suspension.

(2) Furlough Scheme (FS): FSs can be best understood as temporary unemployment. The financial support is thus paid directly to the worker for the period of partial or full working time suspension. The aim of a FS is to enable companies to reduce their wage bill by temporarily laying off (parts of) their workforce. While retaining the ties with the employer, workers on the FS scheme are available to seek alternative employment. Integrated into the existing system of unemployment insurance, FSs can be seen as a tool to facilitate the transition towards a new job.

(3) Wage Subsidy (WS): The main objective of WS is to preserve employment through subsidizing companies' wage bills. For this purpose, a company in temporary financial difficulty receives financial support per employee, regardless of whether or not working time of specific employees is reduced. The employees keep receiving their wages. Permissible wage adjustments are not directly related to working time reductions.

Key characteristics of the job retention scheme

ETUI classification of the job retention scheme (JRS)	STW: partial unemployment scheme (AP) STW: long-term partial unemployment scheme (APLD)
Name of the scheme	<i>Activité Partielle</i> (AP – partial unemployment scheme) and <i>Activité Partielle de Longue Durée</i> (APLD – long-term partial unemployment scheme).
Start date of the implementation of the special Covid-19 JRS rules	The 27 March 2020 Ordinance on the emergency measures for partial unemployment scheme (modified by ordinances adopted on 22 April 2020, 24 June 2020, 14 October 2020 and 21 December 2020) introduced specific crisis measures to the partial unemployment scheme valid until the end of 2020. Many decrees specify or modify the rules, depending on the restrictive measures taken against the pandemic (16/04/2020, 29/06/2020, 29/08/2020, 10/09/2020, 30/10/2020, 26 and 31/12/2020, 27/02/2021). In addition to the existing partial unemployment scheme, the 17 June 2020 Law, supplemented by the 28 July 2020 decree, introduced a new so-called long-term partial activity scheme (APLD) in order to support companies faced with a prolonged reduction of activities. Under the APLD scheme working time can be reduced by up to 40% (in exceptional circumstances by up to 50%) on condition that the employment level is maintained. The two key differences between the AP and APLD are that, first, the implementation of the APLD must be based on a sectoral or company-level agreement; and second that after April 2021 under the APLD the support for companies is more generous than under the ordinary AP.
Eligibility	The scope of the partial unemployment scheme has been extended to almost all categories of employee, including executives, temporary workers, domestic workers and childminders, travelling salesmen and employees at most public companies. In addition, part-time workers enjoy the same rights to monthly remuneration as full-time employees. Employees who work on an annual fixed-day or fixed-hour basis (<i>forfait jours</i>) will be eligible for partial unemployment if the number of hours they work is lowered. All private sector companies have access to AP and APLD, including state-owned enterprises.

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Exceptions (category of workers or companies excluded from support)	Any employee with an employment contract under French law is likely to benefit from AP. As a result, the only category of workers excluded from the scheme are non-standard workers, particularly the self-employed.
Duration of support (maximum duration for which JRS support is paid)	The duration of the STW allowance in the AP scheme is six months, renewable within a limit of six months, for a maximum of 12 months consecutive or not. Applications can be submitted until 1 April 2021. The duration of the APLD scheme is 24 months, which do not have to be taken consecutively but can be split up into periods of six months. Deadline for application is 30 June 2022.
Level of support for employees (percentage of gross or net wage, please also specify whether social security contributions are covered)	<p>Employees in partial unemployment (and in APLD) continue to be paid by their employer. Those on the minimum wage see their wages maintained. Apprentices paid below the minimum wage are also compensated with 100% of their normal remuneration. Other employees receive 70% of their original gross wage, which amounts to approximately 84% of the original net wage. These allowances are not subject to social contributions or taxation.</p> <p>The employer may decide to increase the compensation rate.</p> <p>From 1 April 2021, the 'ordinary' STW allowance (see below) will cover only 60% of the original gross wage. The APLD allowance will remain at 70%, making it a more attractive tool.</p>
Cap on support (maximum amount of JRS support payable)	The maximum amount of the STW allowance (AP and APLD) is 4.5 times the minimum wage.
What share of the support is covered by the state and by the employer?	<p>The wage subsidies received by the employer are covered by the state budget and by Unedic, the French Public Unemployment Insurance scheme (67% and 33%, respectively).</p> <p>For each employee placed in partial unemployment, the subsidy paid to the employer is a percentage of the previous gross wage, with an upper limit of 4.5 times the minimum wage and a minimum floor of €8.03 per hour (€8.11 since 1 January 2021). The STW allowance is a replacement income excluded from social security contributions. The compensation rate has been changed several times since the beginning of the pandemic crisis. Since 1 June 2020 and until 1 April 2021, it varies depending on the company's situation:</p> <ul style="list-style-type: none"> - for sectors or enterprises open to the public and closed by administrative decision, and for companies particularly affected by the health crisis (whose turnover has fallen by more than 80%) the subsidy covers 70% of the gross hourly wage of STW employees. There are therefore no remaining costs for employers; - for other enterprises in 'ordinary' STW, the common legal rate is 60%. <p>From 1 April 2021 the wage subsidy for 'ordinary' STW will be reduced to 36% of the gross wage with an upper limit of 4.5 times the minimum wage and a minimum floor of €7.30 per hour. Until 31 June 2021 the wage subsidy for sectors and employers in the first category will still cover 70% of the original gross wage, with a floor of €8.11, as previously. The wage subsidy under the APLD scheme will remain at 60%.</p>

Overview of evolution of STW support*

	Ordinary STW (AP)	APLD
Sectors or enterprises open to the public but closed by administrative decision and for companies particularly affected by the health crisis		
Until 1 April 2021		Not applicable (NA)
- Allowances for employees	70%	70%
- Wage subsidy for employers**	70%	60%
- Employer's responsibility	0%	10%
From 1 April 2021 (or 1 May)		
- Allowances for employees	70%	70%
- Wage subsidy for employers	70%	60%
- Employer's responsibility	0%	10%
Other enterprises		
Until 1 April 2021		
- Allowances for employees	70%	70%
- Wage subsidy for employers	60%	60%
- Employer's responsibility	10%	10%
From 1 April 2021 (or 1 May)		
- Allowances for employees	60%	70%
- Wage subsidy for employers	36%	60%
- Employer's responsibility	24%	10%

* For employees with wages above SMIC.

** With an upper limit of 4.5 times the minimum wage and a minimum floor of €7,30 per hour.

Dismissal protection STW employees – and only them – may not be made redundant under the scheme. Otherwise the state reclaims the subsidy. APLD agreements may provide for stricter prohibitions on dismissals.

Role of collective bargaining in the adoption and implementation of JRS support Implementation of partial unemployment can be decided unilaterally by the employer. If the company has more than 50 employees, they simply have to inform the works council about the approach to be adopted and the monitoring of implementation. The individualisation of partial unemployment – which means putting in STW only some of employees at the company, department or workplace, including those falling under the same professional category (Art. 8 Ordinance of 22 April 2020 authorised this deviation from a collective approach) – can be implemented only by a majority collective agreement or with the works council's consent.

Since the beginning of the health crisis, some 200 company agreements have been signed on the implementation of partial unemployment: most concern individualisation and the monetisation of paid holidays, but some also provide for compensation going beyond the legal obligations for employees in STW. The most common is the retention of STW employees' wages. Some agreements provide for the financial solidarity of executives or higher wages for low-wage employees.

In contrast, APLD can be implemented only by a sectoral or company agreement. The agreement must lay down the duration of APLD, the activities and employees concerned, the maximum reduction in working hours, the procedures for informing employee representatives and the commitments made in terms of employment and training. It may also make solidarity-oriented demands on shareholders (see below). Some 29 sectoral agreements were signed between June, when the APLD scheme was launched, and December 2020: in metallurgy, IT services, trade and culture. The 70 company agreements signed on APLD involve large companies mainly in the metallurgy, notably in aerospace. In February 2021, however, APLD accounted for only 3% of all pre-authorisation requests for STW. The changes to the compensation rules planned for April 2021 for AP should enhance the attractiveness of APLD.

Special conditions for support to avoid misuse of the system (for instance, ban on paying out dividends or bonuses; ban on share buybacks or operating from tax havens) Only in the case of APLD agreements but these are optional clauses. These clauses may, in particular, provide for financial solidarity on the part of CEOs or shareholders 'commensurate with what is required of employees'.

Special provisions as regards training/requalification/reorientation of employees on JRS

Companies are encouraged to provide vocational training for employees currently not working.

Quantitative data

How many workers were on JRS each month? (Please indicate whether these are applications for JRS or the actual numbers of workers on JRS)	Number of employees actually on STW (millions)	
	March 2020	
April 2020		8.4
May 2020		7.0
June 2020		3.6
July 2020		1.9
August 2020		1.2
September 2020		1.3
October 2020		1.8
November 2020		3.1
December 2020		2.5

Source: 'Situation sur le marché du travail durant la crise sanitaire', Dares, Ministry of Labour.

Which sectors were most affected at the beginning of the pandemic in March/April and towards the end of the period studied in November/December? (as a percentage of overall number of workers on JRS)

Three sectors were significantly more affected than others:

- hotels and catering: 96% of employees in the sector were in STW in April 2020; 63% in November;
- artistic, leisure, repairs or personal service activities: 73% in April 2020; 47% in November 2020;
- retail sector: 60% in April 2020; 22% in November 2020.

It should be noted that the building sector was hit hard during the first lockdown with 95% employees in STW, but only 3% of employees were in STW in November.

It is also worth noting that the industrial manufacturing sector had the largest number of employees on STW in April but no longer in November 2020.

Number of employees in STW (AP+APLD) by sector ('000')

	STW employees April 2020	STW employees November 2020	Total sectoral workforce T3 2020
Hotels and catering	923	722	1139
Artistic, leisure, repair or personal service activities	545	357	766
Industrial manufacturing (without transport and energy)	1070	258	1840
Food processing industry	153	45	786
Building	1044	38	1489
Retail	1530	685	3074

Source: 'Situation sur le marché du travail durant la crise sanitaire', Dares, Ministry of Labour.

Is there any data on how much money the state spent on JRS and over time? (in absolute figures and as a percentage of GDP)

Total amount of compensation (from March to December 2020): €27.1 billion, around 1% of GDP.

Information on non-standard workers and JRS²

Do non-standard workers (NSW) have access to the regular JRS scheme or are there other support schemes, for instance for the self-employed? ³	<p>The JRS schemes cover workers with an employment contract, such as workers on fixed-term contracts or temporary agency workers. Among NSW, workers without contracts, particularly the self-employed, do not have access to the JRS schemes.</p> <p>Measures have been taken to support artisans, shopkeepers and freelance workers, as well as self-employed people such as platform workers: this includes deferring social contributions or income taxes; suspension of rents and energy bills; secured loans with deferred repayment, solidarity fund, etc.</p> <p>The solidarity fund has been granting financial assistance to employers since March 2020; this aid also concerns the self-employed:</p> <ul style="list-style-type: none"> - For enterprises open to the public but closed by administrative decision and for enterprises particularly affected by the health crisis (whose turnover has fallen by more than 50%), the aid compensates for the fall in monthly turnover within the limit of €10,000 per month. - In other enterprises whose turnover has fallen by more than 50%: the aid compensates the fall in monthly turnover within the limit of €1,500 per month.
What are the eligibility criteria?	For employers.
How is the financial support for non-standard workers calculated?	See above.
Which sectors were most affected in terms of providing support to non-standard workers?	Not applicable.
Are there any measures for training/ requalification/ reorientation for non-standard workers?	No.

2. Non-standard workers include workers with a temporary work contract, platform workers, temporary agency workers, multiparty employment, disguised employment/dependent self-employment, freelance workers, etc.
3. The following questions refer to any existing schemes for non-standard workers.