

French labour reforms

Clients who do business in France will no doubt be watching with interest the labour law reforms being rolled-out by President Macron.

Macron won the French Presidential election in May this year, and his election platform included promises of a new approach to labour law. He is now implementing more than 30 new measures, with a stated aim of assisting small-medium enterprises (in France, more than 50% of the workforce is employed by SMEs).

In our view the most important changes are as follows:-

- Compensation awards for unfair dismissal claims will now be limited by law (providing employers with more certainty in dealing with termination claims)
- For foreign multinational businesses operating in France, it will be lawful for redundancy/layoff decisions to be taken by reference to the performance of the local business (previously, French courts have taken the view that if the French business was underperforming but, globally, the business was doing well, there was no reason to downsize in France)
- More businesses will be able to negotiate working terms & conditions directly with their employees, rather than negotiating through a union

If you are doing business in France and would like more information on these and the other changes, let us know – our French colleagues will be more than happy to assist.

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