

# BARSERVICE

## Towards smart bargaining in the financial sector in France

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## Executive summary

This report reviews key trends and challenges and explores the current state of collective bargaining in France's financial sector.

### Key Trends

The French banking sector is highly concentrated, with six dominant groups driving the market, alongside a growing presence of competitive digital banks used by 72% of the population. Employment in the sector has risen steadily, from 750,000 in 2013 to 806,000 in 2023, reflecting a stable and dynamic industry.

### Collective Bargaining Structure

The French collective bargaining system remains centralized, with industry-level agreements setting the framework for employment conditions, complemented by company-level negotiations. High collective bargaining coverage is achieved through state-backed mechanisms, despite a low unionization rate. In the financial sector, three main unions and the AFB (employers' association) lead negotiations, with recent agreements focusing on minimum wages.

### Key Challenges

The sector faces significant challenges, including outsourcing and deregulation, with large companies relocating operations abroad and affecting job security and regulatory consistency. Plus, the slow adoption of initiatives on digitalization and wage equality hinders progress, together with low unionization rates, which limits collective bargaining effectiveness.

### Path Forward

To modernize collective bargaining, a focus on trust-building and stronger legal enforcement is crucial. Agreements must address emerging challenges such as digitalization, while ensuring protections for outsourced operations. Enhanced use of European legislation and cross-country collaboration can strengthen negotiations and improve outcomes for workers.

### Conclusion

The French banking sector must embrace innovative bargaining strategies, supported by robust legal and European frameworks, to foster fair working conditions, sustainability, and competitiveness in a globalized economy.

## I. Methodology

This report has been drafted through the conduction of desk and field research. The desk research was carried out through the consultation of scientific and grey literature on the topic of collective bargaining, together with statistical data concerning employment trends in the French financial sector.

The field research was instead carried out through the conduction of one online interview, involving a French national-level trade unionist active in the financial sector [R1]. The choice of the interviewee aims to reflect the point of view of a relevant sectoral stakeholder, with experience on the topics which the Report focuses on.

The interview has been carried out in French, and the translation of the quotes has been freely conducted by the author of this Report.

## II. Sector identification and trends

The French banking sector is characterized by a high rate of concentration, being dominated by six large banking groups, which are to be identified as the major players in the sector. This is true despite the surge of new digital banks, which contribute to make the financial market for digital banking services highly competitive. In fact, the use of digital banking services by the French population appears to be on the rise: in 2023, these kinds of services were used by 72% of the population in France, a percentage that rises over 86 percent in age group 25-34 and over 80% in age group 35-44 years (Statista, 2024).

In the recent years, the sector is experiencing stable growth, together with a surge in employment: the number of employees active in the French financial sector has risen from 750 million in 2013 to 806 million in 2023 (Insee, 2024). With specific concern to the French banking sector, the workforce is primarily composed by women (56,7%) and workers over 45 years old (44,4%) (AFB, 2023).

## III. Current state of collective bargaining

Collective bargaining in France is organized in a two-tier system, with industry-level collective agreements regulating most aspects of employment and working conditions, and company level collective agreements integrating their provisions. Cross-industry collective agreements are also a crucial part of the French collective bargaining system, regulating specific employment aspects (i.e., telework) through provisions applicable in all sectors of the economy.

The French collective bargaining system can still be defined as centralized, despite company-level collective bargaining experiencing an increasing autonomy from

industry-level collective agreements over the last years, together with a general weakening of the favorability principle (Vincent, 2019).

Contrary to other Western European countries, the state plays a very important role in supporting the French industrial relations system, especially through the frequent use of extension mechanisms, directly impacting the scope of application of collective agreements (Vincent, 2019).

*“When a branch-level agreement is negotiated, it applies to all employees in the sector, whether they are union members or not. Unlike in the United States, where only union members benefit from negotiated improvements, in France, agreements cover all employees.” [R1]*

The frequent use of extension mechanisms by the French Ministry of Labour contributes to explain the very high collective bargaining coverage in France (98% in 2018) despite the below-average unionization rate (10,8% in 2016). The employer representation rate is, surprisingly, much higher (79.2% in 2017) (OECD/AIAS, 2018)

The three main trade unions in France (CGT, CFDT and FO) account for 80% of total union membership (Vincent, 2019). Differently from other European countries, the emerging of new unions is not a relevant phenomenon in France, nor it is considered desirable by current industrial relations actors.

*“In countries like Spain or Italy, we sometimes see the emergence of new unions, including far-right unions. [...] In France, this is not an important factor, because there are already long-established unions in France that work to improve working conditions, wages, equality, and prepare for the future, including the impact of artificial intelligence. I don't see why new players would need to emerge in the union world. Their impact, for me, would not be significant.” [R1]*

The financial sector follows the highlighted general trends: low unionization rate (10%) and concentration of union membership in three main federations active in the sector, i.e., CGT Banques et Assurances (FSPBA CGT), CFDT Banques et Assurances (FBA CFDT), Syndicat National de la Banque et du Crédit, Confédération générale des cadres (SNB CFE-CGC). The main employers' organization in the French financial sector is the Association Française des Banques (AFB).

These social partners signed the main sectoral collective agreement in the French financial sector, i.e., the “Convention collective nationale de la banque” on January 10, 2000, and extended by order of the Ministry of Labour in 2004. The most recent renewal of this collective agreement has been signed on April 25, 2024, and mostly impacted minimum wages in the sector.

## IV. Challenges to collective bargaining

One of the most relevant challenges to collective bargaining highlighted by the interviewee are the practices of outsourcing and deregulation, which characterize the activities of large multinational banking companies also active in France and impact employment conditions in the sector.

*“Large companies like Société Générale and BNP Paribas frequently relocate some activities to countries with lower labor costs, such as Romania, Poland, or Spain. This poses challenges in maintaining a uniform regulatory framework and ensuring fair working conditions” [R1]*

Moreover, the field research showed how European legislation and/or social partners' initiatives concerning current and important challenges in the financial sector seem to be rarely adopted and/or adopted with delay by French actors.

For example, with concern to digitalization, it has been underlined how the Joint declaration on Employment aspects of Artificial Intelligence, signed by the European social partners in the banking sector (EBF, ESBG, EACB, UniEuropa Finance) on May 14, 2024, struggles to be applied in the French context.

*“A joint declaration was signed between European social partners to address the impact of artificial intelligence (AI) in the banking sector. The declaration stipulates that companies must inform and consult unions about the use of AI. However, this declaration is still rarely implemented by employers, although discussions are intensifying at the union branch level to anticipate AI's social and environmental impacts.” [R1]*

The delays in the transposition of European directives from the French legislator has also been listed as a relevant obstacle for tackling significant issues concerning the sector, such as wage equality between men and women.

Lastly, the low unionization rate in the sector has been listed by the respondent as a significant factor hindering the efficacy of collective bargaining.

## V. Towards Smart Bargaining

When asked about what could make collective agreements in publishing “smart”, the interviewee classified the need to foster a higher level of trust between the existing actors of collective negotiations as very important. Increasing trust levels would have the effect of strengthening of trade union organizations, encouraging employers to negotiate at company level and increasing the frequency of negotiations.

Moreover, it has been underlined how changing current collective bargaining practices would need the intervention of both cultural and legal factors. In fact, awareness-raising

initiatives concerning the importance of more conscious negotiation have been stressed as extremely relevant, as well as the introduction of legislative reforms aimed at enforcing the stipulation and the application of collective agreements.

*“Companies won’t act on their own if they’re not required to. Without legal constraints, they are unlikely to negotiate voluntarily”. [R1]*

The interviewee also focused on the need to improve the content of collective agreements in the financial sector, stressing the importance of adapting collective provisions to the rising phenomenon of digitalization.

Telework was mentioned as a crucial element to be tackled by collective agreements, being also strongly related with working time reduction.

*“Before COVID, many employees in the banking sector in France did not work remotely. Since then, telework agreements have been established, but they might need to be renegotiated. [...] In France, many see working from home as a newly acquired social right, so it’s essential to regulate it properly.” [R1]*

*“There are pilot programs in certain French administrations and companies testing a 32-hour work week [...]. Currently, the legal working time in France is 35 hours per week [...]. The pandemic crisis and the rise of telework have prompted efforts to better distribute workloads by reducing working hours, aiming for a healthier balance between private life and professional life.” [R1]*

Artificial intelligence was also mentioned as an extremely relevant topic to be addressed by future collective agreements in the financial sector, since a large percentage of employees will be affected by the rise of this new technology.

*“The goal should be to improve agreements so that employees in roles that are easily automatable can upskill through professional training and adapt to future demands. Enhancements should include establishing social safety nets, professional development, and recognition for employees’ contributions.” [R1]*

Lastly, according to the interviewee, smart bargaining should also be directed at protecting vulnerable groups of workers from discrimination and unlawful practices, and mentioned global framework agreements as a useful practice to ensure that minimum standards of working conditions are met in firms performing outsourced financial activities as well.

*“At the branch level, there are global framework agreements negotiated with organizations like UNI Global Union. These agreements incorporate International Labor Organization (ILO)*

*conventions to prevent practices like child labor and discrimination based on gender, religion, or sexual orientation.” [R1]*

## VI. European Perspectives

The Directive on Adequate Minimum Wages has not been transposed into French law yet, despite the deadline being already expired (15 November 2024). However, a draft legislation is currently under discussion (ETUC, 2024). The draft law is expected to impact the current statutory minimum wage legislation in France (Salaire Minimum Interprofessionnel De Croissance – SMIC).

Nevertheless, the French legislator will not need to implement an action plan aimed at increasing collective bargaining coverage – as per art. 4 par. 2 of the Directive – since the coverage rate currently surpasses the minimum threshold identified by the Directive itself (80%).

The interviewee underlines the importance of European legislation to support union activities and protecting working conditions in the financial sector, especially in a globalized world characterized by outsourcing and strong deregulation.

*“It is challenging to impose more constraints on branches and companies in each country. Nonetheless, we must continue to enforce such constraints and reduce deregulation, ensuring that companies provide labour standards coverage for all European employees. Additionally, there should be legislative measures on taxation and wages across European countries. One of the major reasons why multinational companies in banking relocate is the lower labor costs in other countries, whether European or not. To preserve jobs [...], Europe needs stronger regulations on taxation and employee representation.” [R1]*

However, he argues that trade unions need to learn how to better communicate the improvements in labour standards brought by European directives to their members and make the best use of EU provisions to negotiate better collective agreements.

*“Several challenges remain, like improving communication about European directives. If we fail to enforce strong European laws, workers’ rights in banking, finance, and insurance could be undermined by deregulation, particularly with competition from Chinese or American firms. Strong and binding European directives are therefore essential, also to protect the competitiveness of European firms. Unions must improve communication to negotiate better collective agreements.” [R1]*

The importance of communication was highlighted also when discussing cooperation and sharing of best practices at the European level. According to the respondent, these kinds of initiatives – especially if supported by European-level social partners – can



facilitate the development of stronger collective agreements.

*“I can confirm that, as I’ve experienced it firsthand. For example, when Italian colleagues face challenges with a French company, having mutual knowledge and collaboration—through UNI Europa, for instance—helps streamline understanding of labor laws in each country and improves collective agreements for everyone.” [R1]*

## VII. Conclusions

The key phenomena interesting the French financial sector are digitalization – fostering competition between traditional and digital banks – and outsourcing of activities, with large companies relocating operations abroad and affecting job security and regulatory consistency.

Despite collective bargaining coverage being quite high – especially thanks to the presence of industry-level collective agreements and the frequent use of state-backed extension mechanisms – the low unionization rate of the French financial sector hinders the regulatory efficacy of collective agreements, especially with regard to relatively innovative elements such as telework and artificial intelligence.

In order for collective agreements to become “smarter”, their structure and their content should be updated to reflect the transformations concerning the financial sector. As an example, global framework agreements may be stipulated in order to ensure standard labour conditions also to workers employed in outsourced firms. Moreover, specific provisions concerning the up- and re-skilling of workers should be included in collective agreements concerning artificial intelligence. In this sense, mutual cooperation and learning from social partners active in other countries’ financial sectors might be beneficial for the regulation of specific topics. In this sense, the intervention of European-level social partners is desirable.

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