A standard contract for France: a potluck approach?

By Jacques Barthélémy and Gilbert Cette

The debate over a single standard contract [contrat unique] generally arises in relation to the duality of the labour market, with on the one hand employees who are highly protected, such as civil servants and permanent employees ("CDI" contracts), and on the other hand workers shifting between periods of unemployment and poorly protected precarious jobs (fixed-term "CDD" and temporary contracts). This contrast reflects gross inequalities, and has important social and economic consequences.

To deal with this dual labour market, proposals are often made for a "single contract" that would reduce the differences in status and rights between precarious and permanent contracts. But the concept of a "single contract" is often poorly defined. If we closely examine the major differences that exist in the content of the various proposals, it even begins to look like a potluck approach!

The three stated objectives of the proposal for a single contract are: (1) to reduce inequalities in status arising from the coexistence of so-called "precarious" contracts (fixed-term and temporary contracts) and permanent contracts; (2) to reduce the complexity and the costly uncertainties surrounding the legal treatment of redundancies; and (3) to partially internalize the social costs of redundancies. In an article in the Revue de l'OFCE, we show that a single contract cannot really meet these objectives, which would be better served by other means, and that it would give rise to major legal risks.

For more information, see: <u>J. Barthélémy and G. Cette, 2015</u>,

<u>« Le contrat unique: une auberge espagnole », Revue de l'OFCE no.146</u>.