

France mulls law to let strikers ransack offices

AP By SARAH DiLORENZO | Associated Press - 1 hour 9 minutes ago

PARIS (AP) — With its long vacations, short hours and myriad workers' rights, France has a reputation for being a hard place to do business. Now add this to the mix: A law working its way through parliament would grant amnesty to workers who have ransacked their company's offices or threatened their bosses during a labor dispute.

Tensions — and even confrontation — between unions and management have long been the norm in France. Strikes and protests have periodically paralyzed the country. The country saw a raft of "boss-nappings" in 2009 as companies tried to lay off staff during the first wave of the financial crisis. In 2010, workers opposed to raising the retirement age shut down refineries for weeks, choking transport around France.

The new bill, which was written by senators from the Communist and other far left parties, has sparked debate about whether the country, under the leadership of Socialist President Francois Hollande, is becoming more hostile to business.

"Business leaders who have been hearing about this ... whatever the size of their business, are dumbfounded," Laurence Parisot, the head of the country's largest business lobby, Medef, told Europe 1 radio after the Senate passed the bill in late February. In the next few weeks, the bill will be taken up by parliament's lower house, the National Assembly, where parties on the left have a substantial majority.

The amnesty would apply to people who caused property damage, issued threats or defamed management during a labor or housing dispute over the last six years, and were sentenced to five years in prison or less. Acts that caused physical harm to someone else would not be covered. It's unclear how many people would benefit, but French media reported it could be as few as several dozen.

Nonetheless, it sends a worrying signal. As France's neighbors try to get people back to work by enacting deep reforms to make their labor markets more competitive, some economists warn that Europe's second-largest economy risks getting left behind.

Spain and Italy have already made their labor markets more flexible and cut through excessive regulation to kick start their economies and recover from Europe's financial crisis.

The fear is that as they start to reap the benefits of their reforms, Spain and Italy could attract business away from France. And France can't afford to lose any business: The unemployment rate is already 10.6 percent and the country is on the brink of falling back into recession, having contracted 0.3 percent in the final quarter of 2012.

There are near-daily reminders of how difficult relations between labor and management are in France as company after company announces layoffs and unions vow to block them at any cost.

Last week, there were violent clashes in northern France as Goodyear tire workers demonstrated against their plant's closure by burning tires, setting off firecrackers and fighting with riot police. At one point, a protester grabbed a policeman's shield out of his hands, while another set upon the officer, punching him in the head.

Police say several officers were injured, including one seriously. Interior Minister Manuel Valls has promised that charges will be brought against those responsible.

But CGT union representative Mickael Wamen, who noted six protesters were also injured, was defiant.

"I will never condemn the workers, I condemn the management of Goodyear," he told RTL radio. "If there's a confrontation between Goodyear and the security forces, there is only one person responsible: That's first of all the employer, Goodyear, which wants to close our factory, and then the government that pretends to be on the left."

And it wasn't only union members defending the Goodyear protesters. Some politicians said the anger was understandable and pointed to it as a justification for the amnesty.

"Of course we have to condemn violence, but we have to understand also that these men, these women are exasperated," said Marie-George Buffet, a Communist representative in the National Assembly. "Sometimes, you lose your cool. You're so angry that you lose your cool. I'm not going to condemn them."

She said that it was "unacceptable" in cases where employees are "defending their jobs" to drag them before courts.

Clashes such as the one outside Goodyear promote the image of the French economy as being in control of unions and inflexible regulations. However, as Gerard Dussillol, an economic specialist at the pro-market Institut Thomas More think-tank, points out, unions in France represent a very small percentage of the working population. In 2009 membership stood at just 7.4 percent, compared with more than 20 percent in both Britain and Germany.

Their small numbers and their power to negotiate on behalf of non-union workers tend to make them more radical, he said, even if they aren't representative of the French population, in general. Plus, unions form a large part of Hollande's electoral power base and hold considerable sway over the fortunes of his Socialist party.

"They give a false image," he said. "But if you have a poor image, people are not very keen on investing in your country."

France's government has started to make some steps towards reform and economic discipline. Its 2013 budget held spending even and raised taxes to close the deficit. It has also sent a bill to parliament that would increase some employee benefits in exchange for offering companies in difficulty more flexibility in setting workers' hours and pay.

But many analysts say that while the measures are a step in the right direction, they fear it's a case of too little, too late — plus the history of protest in France will make any reform difficult to implement.

"The history of labor protests in France makes me concerned that those changes would be even more costly than in Italy," said Peter Morici, an economist at the University of Maryland.

"You saw in Italy they elected a comedian to a prominent position in parliament; in France, they're liable to shut the city down for a month."

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