


Minimum Wage &
Collective Bargaining in

France

2025

 France

Statutory Minimum Wage

✓

Monthly Min. Wage

1802.00€

Hourly Min.Wage

11.88€

62.00%

• MW as % of Median Wage

50.00%

• MW as % of Gross Average Wage

Gender pay gap

12.20%

98.00%

• Collective bargaining coverage

Process of transposition:

Partially Transposed

↔ Compare with other countries



Minimum wage system in France

France has a long tradition of the state setting a lower wage limit. A general statutory minimum wage was first introduced in 1950. Following fundamental reform in 1970, the general minimum wage (salaire minimum interprofessionnel de croissance, SMIC) assumed the form still in effect today. The SMIC was designed to be a dynamic response that would enable all employees to benefit from economic growth and minor wage inequalities. Since 1970, according to Articles L3231-2 to L3231-11 of the French labour code ([LégiFrance-Code du travail](#)), the rate of the SMIC has been set by the government unilaterally every 1 January.

Its adjustments depend on two indicators:

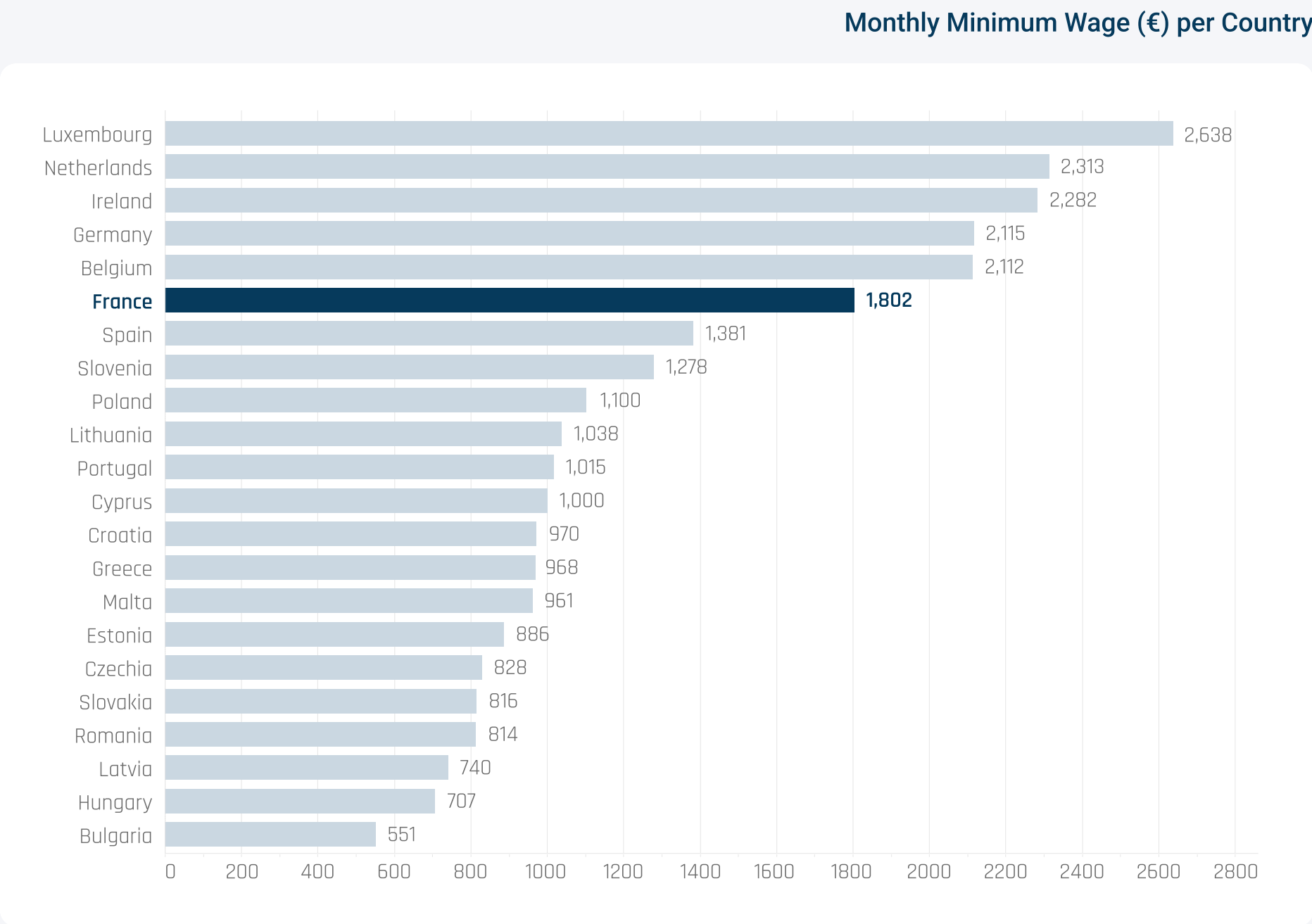
- (i) The annual rise in the consumer price index. If the inflation rate exceeds 2 per cent in a year, an exceptional adjustment takes place immediately; and
- (ii) at least half the increase in the purchasing power of the gross hourly wage earned by bluecollar workers and employees (SHBOE, ‘Salaire horaire de base des ouvriers et des employés’).

Furthermore, the government may grant an additional ‘boost’, the so-called ‘coup de pouce’, depending on the socio-economic and political context. However, the last ‘boost’ dates back to July 2012 (this does not include the 2 per cent increase in the minimum wage decided on 1 November 2024 in anticipation of the increase scheduled for January 2025). Before the French government adopts a decree to increase the minimum wage, it consults the national commission for collective bargaining, employments and vocational training (Commission nationale de la négociation collective, de l’emploi et de la formation professionnelle), which is made up of representatives of the representative trade unions and employers’ organisations, as well as various ministries.

The statutory minimum wage in France is currently among the highest in Europe. At the time of writing (February 2025), the SMIC gross hourly rate is 11.88 euros (€) per hour, corresponding to a gross monthly wage of €1,801.80 for a 35-hour week. It applies to all employees over the age of 18 working in France (excluding Mayotte), regardless of how they are paid (by time, performance, task, piecework, commission or tip).

An employee under the age of 18 who has not yet completed six months' employment in their sector of activity may receive a reduced minimum wage (80 per cent of the SMIC for under 17s, 90 per cent for workers between 17 and 18). The SMIC is the minimum legal compensation for all workers: if the sectoral agreed minimum wage is lower than the SMIC, the employer must pay a supplement to reach the SMIC amount.

In the past two decades, the French minimum wage has remained relatively constant at around 62 per cent of the median gross wage. The relationship between the minimum wage and the average wage shows a largely parallel development. After reaching its highest level so far in 2005 at 54 per cent, the French minimum wage is now just below 50 per cent of the average gross wage.



<div>Statutory Minimum Wage</div> <div>Yes</div>	<div>Wage inequality (inter-decile Ratio P90/P10)</div> <div>2.90</div>	<div>Gender Pay Gap</div> <div>12.20%</div>
<div>Hourly Minimum Wage</div> <div>11.88€/hour</div>	<div>Nominal Growth rate of Wages</div> <div>2.00%</div>	<div>In-work poverty rate</div> <div>7.00%</div>
<div>Monthly Minimum Wage</div> <div>1802.00€/ month</div>	<div>Real Growth rate of wages</div> <div>-0.40%</div>	<div>% of workers covered by minimum wage</div> <div>11.60%</div>



Minimum wage system in France

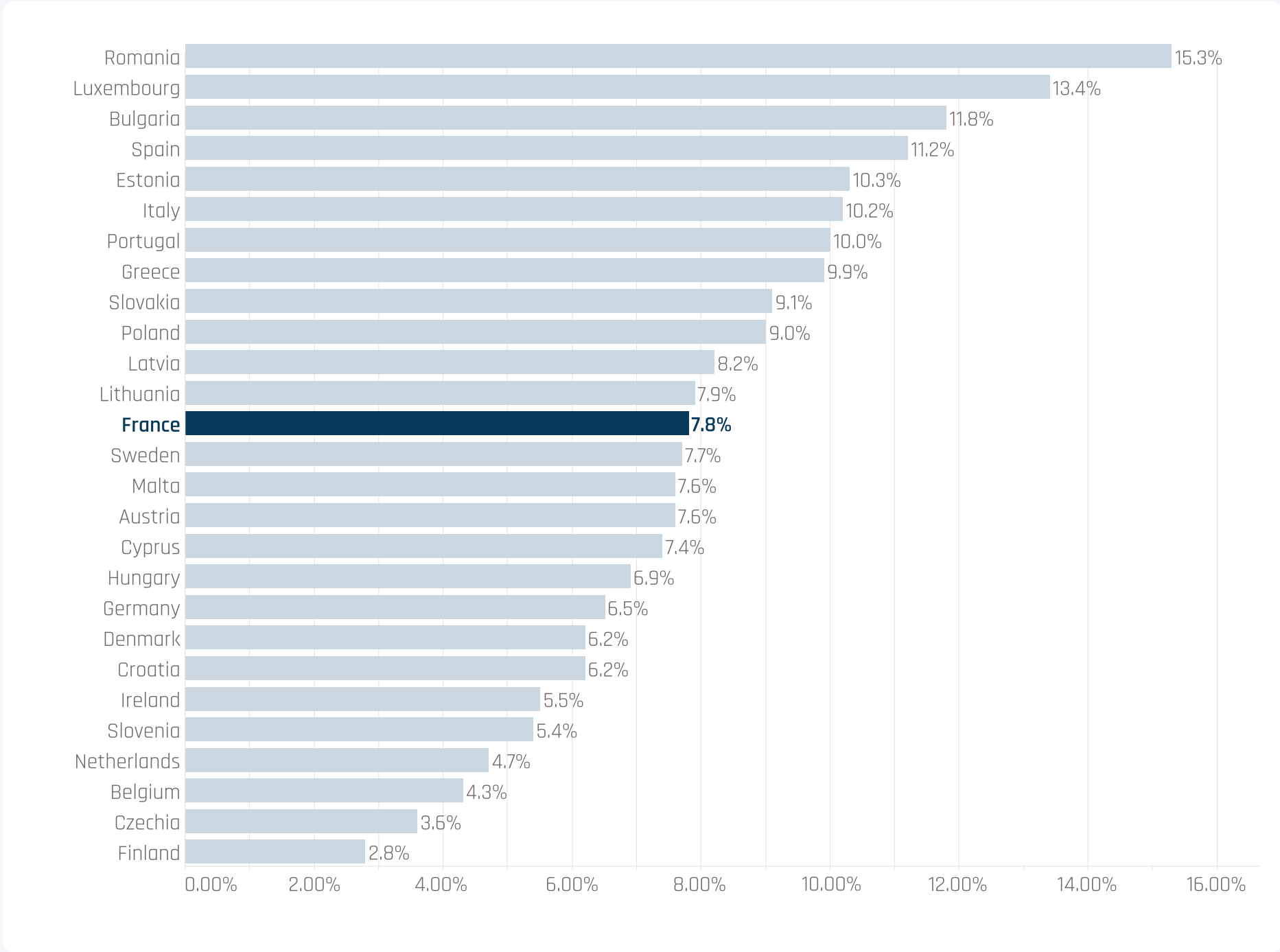
While hardly anyone in France questions the minimum wage as such, its level has always been the subject of great controversy. Employers’ associations in particular complain that the minimum wage level is clearly too high. In the meantime, a consensus was forged among political and technocratic elites on the need to lower the cost of labour. While not questioning the existence of the statutory minimum wage, its supposed effects on the cost of labour have been offset by increasingly extensive exemptions from employers’ social contributions for low wages (up to 1.6 times the minimum wage), and then, from 2000, by tax rebates (‘prime pour l’emploi’, PPE), usually called a negative tax. As a result, the system leads to a minimum wage trap for many employees, as wage increases also lead to the elimination of wage subsidies, making it doubly expensive for companies. In January 2024, more than 2.7 million employees in the private sector benefited from the SMIC uprating, representing 14.6 per cent of all employees. Women are overrepresented among the beneficiaries of SMIC increases (57 per cent).

Relatedly, the proportion of beneficiaries is higher among part-time employees (31.3 per cent compared with 10.6 per cent of full-time employees) and in very small companies (24.2 per cent in companies with fewer than 10 employees compared with 12.4 per cent in others) ([Dares Résultats-novembre2024](#)).

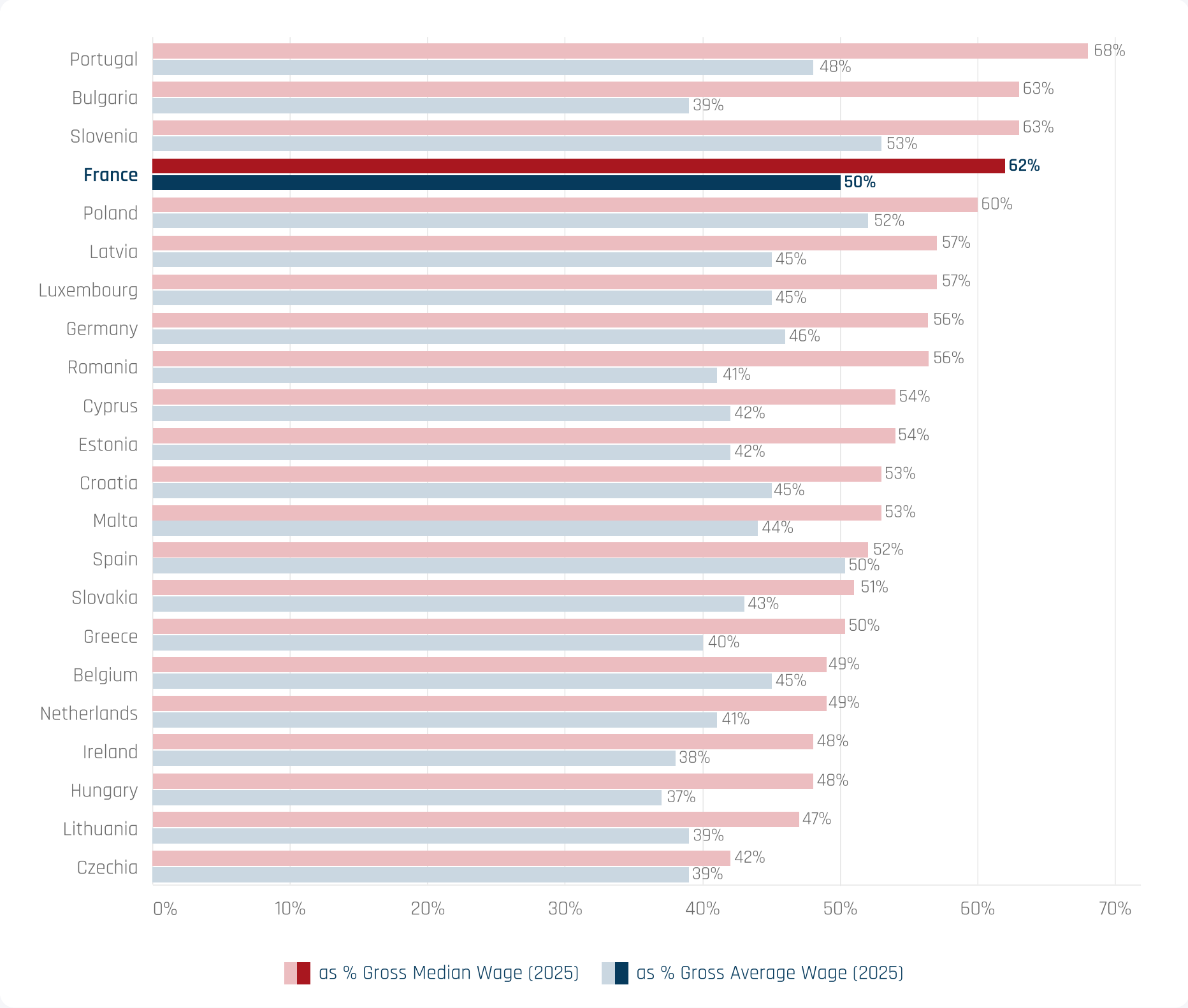
Criticism has increased in recent years and some commentators have even proposed radical reform. In response, in 2009, in order to offset the discretionary nature of the SMIC coup de pousse, an expert commission (Groupe d’Experts sur le SMIC) was set up, appointed by the government and composed mainly of senior officials or academics.

It submits an [annual report](#) on the effects of the minimum wage and, on this basis, makes a non-binding recommendation for further adjustment. Every year since then, the committee has voted against an extra-legal uprating.

In-work poverty rate (%) per Country



Minimum Wage as % of Gross Median and Gross Average Wage per Country (2022)





Collective Bargaining system in France

Despite having one of the lowest rates of union density, French bargaining coverage is one of the highest among the OECD countries. According to [OECD data](#), it is 96 per cent in the private sector and 98 per cent including public enterprises. This paradox results from two factors. First, collective agreements apply to all employees of a company covered by them, regardless of whether they are trade union members. Second, and above all, bargaining coverage has been broadened by extending the contents of sectoral agreements to all the employers in a similar activity, with or without registered membership of an employers’ association, as there is no system by which employers can opt out. As a matter of fact, the role of the state remains one of the most peculiar features of the French collective bargaining system, whose strength and spread have never relied on the existence of strong and encompassing bargaining parties, but on support from the state. Political intervention both reflects and, to a certain extent, maintains the relative weakness of the social partners.

It is worth noting, however, that there is no right to collective bargaining in the public service in France even though it accounts for almost 20 per cent of total employment. In France’s longstanding administrative and legal culture, employment in the public service is characterised by a separate status, unilaterally granted by the state and detailing its civil servants’ rights and duties.

A 2010 law and the ordinance of 2021 (Ordonnance relative à la négociation collective dans la fonction publique) introduced collective bargaining, but only if the content of agreements is not at odds with the status of public service employees.

Although collective bargaining has developed in a threefold space in which agreements are signed – interprofessional national level, sectoral level and company level, in descending order of priority – sectoral level bargaining emerged as the main pillar of French industrial relations. Like many other continental European countries, in the past two decades there has been a development towards the decentralisation of collective bargaining at company level through a series of issues on which derogations were possible. In the meantime, successive legislation has introduced the obligation to negotiate at sectoral level on various topics. At present, in each bargaining sector, the employer and union negotiators are obliged to open discussions on a certain number of topics: pay, work–life balance, working conditions, strategic workforce planning, and exposure to occupational risks. Importantly, there is no obligation to reach an agreement between the social partners, only to open discussion. However, in practice, almost all bargaining sectors regularly conclude agreements on these topics. At company level also, bargaining became mandatory on an increasing number of topics.

The 2017 ordinance ([Ordonnance du 22 septembre 2017 relative au renforcement de la négociation collective](#)) conferred more autonomy on company bargaining. In the new collective bargaining architecture, coordination between levels is no longer based on the favourability principle, but rather on the complementarity of bargained topics. Regarding competencies in standard setting, the division is as follows:

- (i) Formally, the role of sectoral level agreements is reinforced because there are now 13 topics on which derogation is forbidden. This reinforcement has taken place at the expense of the law, however, and not at the expense of company agreements.
- (ii) The sectoral level ‘lock up’ facility, unlimited under the 2004 Law, has now been reduced to four areas, which mainly concern issues of occupational safety and disabled workers. The weakening of sectoral level bargaining is evident here.
- (iii) The primacy of company agreements concerns everything that does not fall into the two previous blocks, a considerable quantity. Regarding wages, for example, all remuneration rules are now governed solely by the company agreement, with the exception of agreed minimum wages, classifications and overtime premia.

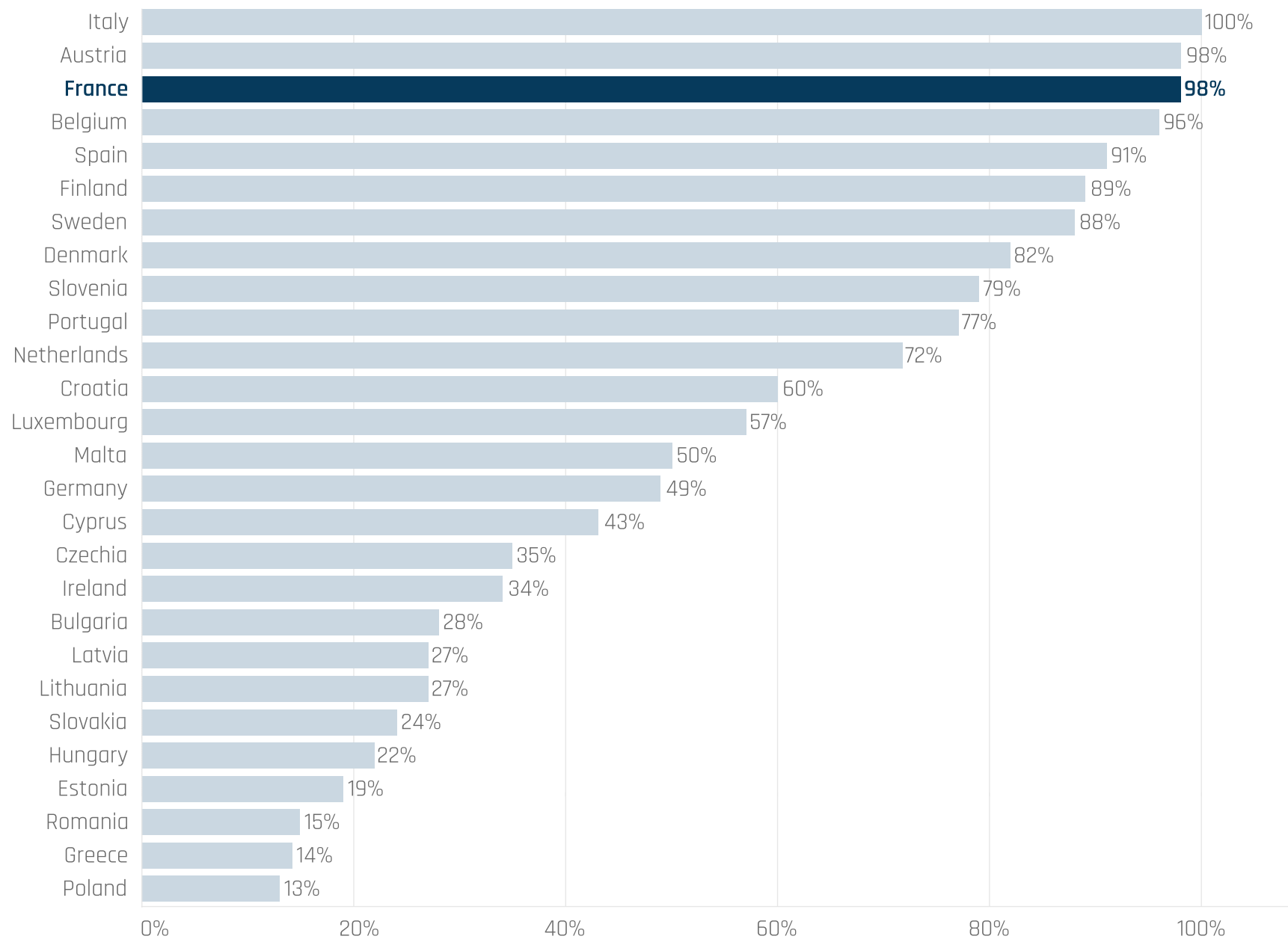
Collective Bargaining Coverage
98.00%

Trade Union Density
10.80%

Extension Mechanism
Frequent extension

Valididy of Collective Agreements after expirations?
Yes

Collective Bargaining Coverage per Country (%)





Collective Bargaining system in France

Sectoral agreements remain important as a safety net mainly for terms and conditions of employment in SMEs, but more and more leeway has been given to company agreements for tailor-made regulations ([Bilan de la négociation collective 2023](#)).

Almost all collective agreements are concluded for an unlimited period. Therefore, their expiry is due mainly to their renunciation by signatories or, in the case of company agreements, to the merger or transfer of all or part of the enterprise. In such cases, after a survival period of one year and in the absence of a substitution agreement, the employees concerned are entitled to retain the existing level of remuneration.

Regarding public procurement, tenderers seeking to evade collective agreements and those who fail to comply with the obligation to negotiate with trade unions provided for by the Labour Code are to be excluded from the competition ([Article L. 2141-4 code de la commande publique](#))

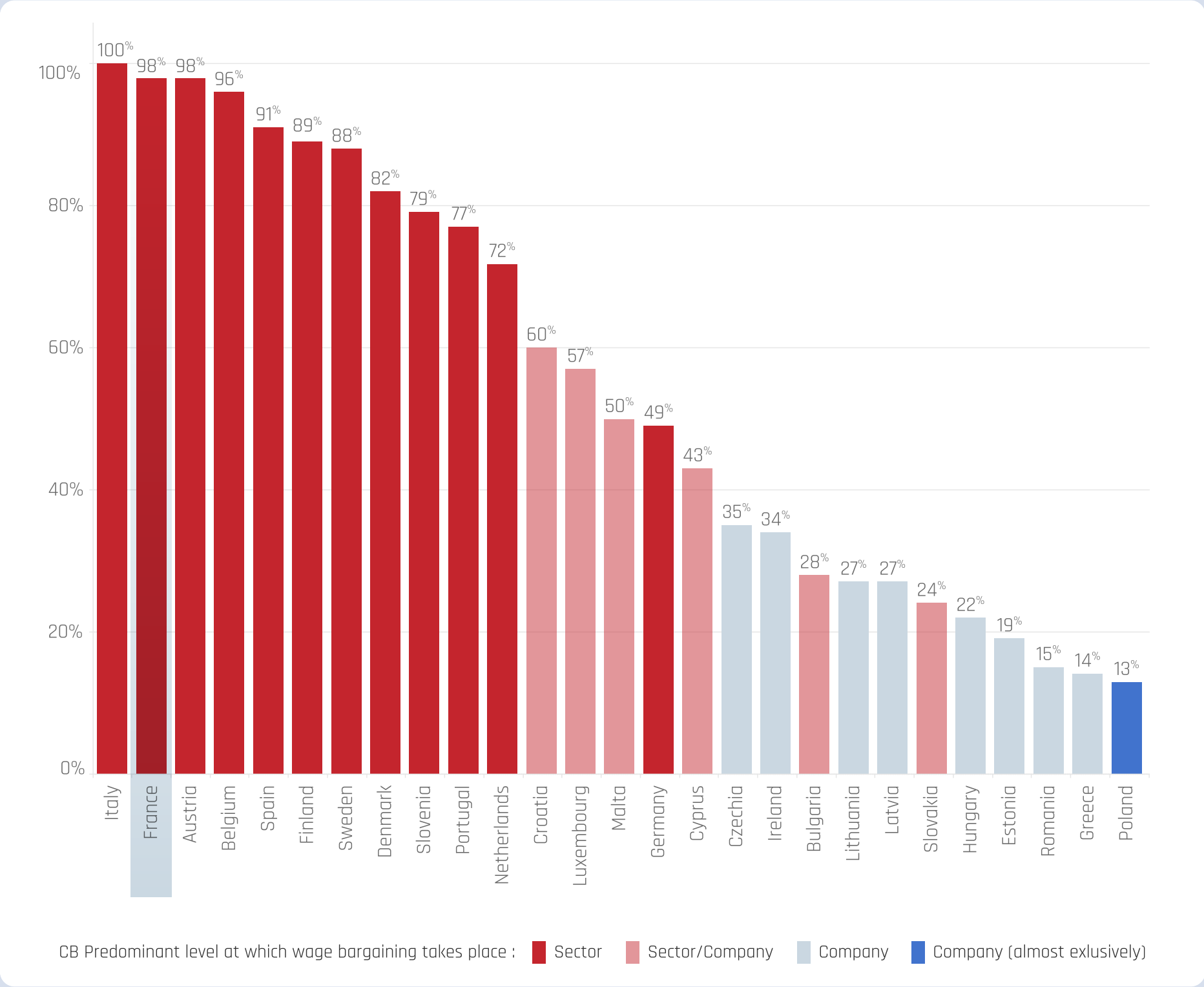
Representative unions have a monopoly on collective bargaining at sectoral level. At company level, since 1968 representative unions have been able to appoint union workplace delegates to serve as negotiators. Apart from this, trade unions do not have access to the company.

Even though they benefit from protection – since 1946, there has been prior authorisation from the labour inspector for the dismissal of employee representatives and union delegates – employees who take the plunge and assume trade union responsibilities have tended to feel that their career development has been held back and that they have been paid less than their non-union counterparts ([Baromètre discriminations syndicales 2019](#)).

The 2008 law redefined the criteria for trade union representativeness: to take part in collective bargaining at sectoral level, a union must obtain a minimum of 8 per cent of the votes in elections for works councils; the threshold is 10 per cent at company level. Regarding the validity of agreements, a majority criterion was introduced, whatever the level at which they were agreed. Since the early 2000s, to offset the fact that non-unionised companies – mainly SMEs – were not able to bargain because of a lack of union delegates, successive legislation has extended the possibilities for non-union representatives to negotiate in non-unionised workplaces. The 2017 Ordinance drastically extended the scope of this device.

Wage-setting mechanisms are an illustrative example of how the French collective bargaining system works. The legal minimum wage represents the gravitational pull for wage bargaining at sectoral level and sets the pace for annual wage increases. In some ways, it has the same effect as centralised national wage agreements in other countries.

CB Predominant level at which wage bargaining takes place per Country





Collective Bargaining system in France

At sectoral level, trade unions and employers' organisations bargain an increase in minimum wages for each professional grading, which corresponds to the wage floor for a given set of qualifications. Therefore, sectoral level actors are not the only stakeholders regarding wage policies because room for manoeuvre is left for actual wage bargaining at company level. By the early 2000s, a trend emerged towards complexifying and diversifying remuneration, which has replaced across-the-board wage increases and brought about a form of wage management whose purpose is to adjust labour costs and offer incentives for higher performance (profit-sharing, employee savings and so on). These individualising devices may themselves be subject to negotiation in the enterprise, but significant differences may arise between agreements signed in leading companies and the content of the corresponding sectoral agreements. However, the sectoral collective agreement remains the venue for determining wage hierarchies, as it serves as a reference for extending increases throughout the wage scale.

A recurring problem remains compliance of agreed wages for the lowest qualification levels with the legal minimum wage. In response, the law has constantly introduced new constraints on non-compliant sectors: the obligation introduced by the 2017 Labour Law to open (but not conclude) negotiations as soon as a minimum agreed wage falls below the SMIC; and the threat of automatic mergers for noncompliant sectors ([Loi pouvoir d'achat 2022](#)). What is most striking, however, is the declaratory nature of these provisions: the legislative apparatus is getting tougher, but enforcement and sanctions are still lacking. More recently, the government announced its willingness to make part of the exemption from social security contributions conditional on compliance with the minimum wage. This was one of the demands made by the trade unions.

Transposition of the European Directive on Adequate Minimum Wages in the EU

With a bargaining coverage rate of 98 per cent, France has long fulfilled the objective of the European Directive on Adequate Minimum Wages. Transposition of the directive has been delayed, not least because the government believes that French law already meets most of its requirements. For the moment, only a decree sets out that, at least every four years, the Labour Ministry needs to assess the adequacy of minimum wages based on the reference values of 60 per cent of the net median wage and 50 per cent of the net average wage ([Décret n° 2024-1065 du 26 novembre 2024 transposant l'article 5 de la directive \(UE\)](#)).



European Trade Union Confederation
Confédération Européenne des Syndicats
Boulevard du Jardin Botanique, 20
1000 Brussels

Tel: +32 (0) 475 60 15 01
www.etuc.org

IN COOPERATION WITH



Friedrich - Ebert - Stiftung
www.fes.de/en/



European Trade Union Institute
www.etui.org



WAGE-UP is the ETUC Monitoring Tool presenting information on Minimum Wage setting procedures and Collective Bargaining systems in all EU countries, as well as the progress in EU countries toward the transposition and the implementation of all the provisions of the Directive on adequate minimum wages in the EU (2022/2041).

www.wage-up.etuc.org/



[See All Countries](#)