# 2nd February 2009 : Anticompetitive market sharing in the temporary employment sector

Published on February 27, 2009

---

**The Conseil de la concurrence fines France's largest staffing companies for colluding in their commercial policy concerning their biggest clients**

***> Version française***

The Conseil de la concurrence has imposed fines on Adecco, Manpower and Vediorbis : they colluded in order to limit competition between them regarding their biggest clients, between March 2003 and November 2004. The matter had been referred to the Conseil by the Minister of Economy, following a complaint filed with the European Commission, which then passed the case on to the French authorities.

**The companies colluded extensively to coordinate their commercial policy concerning their "key account" clients**

Adecco, Manpower and Vedior, the world's three leaders, cover 70% of the French market and satisfy 90% of demand from "major accounts" (large companies which regularly require significant numbers of temporary workers).

Following raids carried out in 2004 and an in-depth investigation, the Conseil gathered evidence that the companies in question colluded frequently on various elements of their commercial and pricing policy for "key account" clients, such as Eiffage, La Poste, Alstom, EDF, Servair, les Galeries Lafayette and Alcan, in order to limit competition between them. Depending on the case, they exchanged information - for example on the invoicing coefficients applied to the salaries of temporary workers, on end-of-year discounts, or on the level of the welfare costs reductions retrocessions determined at that time (so-called "allègements Fillon "). In certain cases, they even discussed the prices of their

tenders. The aim of the collusion was to arrange that price competition between them matters as little as possible.

**The additional costs for the “major accounts” and the consequences for temporary employment amount to tens of millions of euros**

Firms employing temporary workers were affected by these anticompetitive practices, since Adecco, Manpower and VediorBis were able to fix higher margins than it would normally have been the case under free competition conditions. The temporary workers were also adversely affected, due to the increased cost of using this form of employment.

Furthermore, the staffing companies concerned effectively confiscated a portion of the welfare costs reductions ("*allègements Fillon*"), by limiting the retrocessions they granted to their clients. The Conseil emphasized that this is an extremely serious offence. Disrupting the incentive effects of employment policy not only directly affects the job market, but also has a negative budgetary impact and is counter-productive, actively hindering efforts to reduce unemployment and promote economic growth.

The fines imposed take into account the fact that the companies had already committed similar anticompetitive practices in the past
In 1997, the companies concerned had already been found guilty of entering into anticompetitive practices aimed at restricting salary rises in the civil engineering industry in Isère and Savoie regions, during the preparations for the Olympic Games held in Albertville. The Conseil took account of this when determining the fines imposed.

**Significant commitments made by Adecco, Adia and VediorBis**

Adecco, Adia and VediorBis opted not to contest the charges brought against them, and undertook substantial commitments regarding their future behaviour. These commitments include the creation of a professional training and awareness programme and the adoption of whistleblowing procedures. They are aimed at improving competition conditions in the market. In view of this, the three companies received a reduction in their fines.

The total amount of the fines imposed is 94.4 million euros, and breaks down as follows:

- Manpower: 42 million euros (including 28 million euros for Manpower France Holding and 14 for Manpower France)
- Adecco: 32.5 million euros
- Adia: 1.7 million euros
- VediorBis: 18.2 million euros

***> For more details of this case, see the full text of Decision 09-D-05 of 2nd February 2009 concerning practices in the temporary employment sector***



***> See decision of the Paris Court of Appeal (26th January 2010)***

***> See decision of the Cour de cassation (Supreme Court of appeals) - 29th March 2011***