



PRESSE RELEASE

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“PACTE” bill : French MPs delegate moralisation of companies to the judge.

On Thursday, October 5th, The French Parliament voted the article 62 of the so-called “PACTE” bill. However, as GenerationLibre denounces in his report “Beware the moralisation of companies by judges”, this could jeopardize relationships between companies and stakeholders.

Changing the articles 1832 and 1833 of the **French civil code**, as the reform plans, would mark a non-trivial legal break regarding companies' role in society. Thus, following the recommendations issued in the Senard-Notat report, the bill PACTE **aims to regard companies as an “object of collective interest”**. In this regard, it is explicitly outlined that they must “take into account social and environmental issues”.

The think tank **GenerationLibre denounces a violation of the State of Right's basic principles and raises awareness of the risks that could arise if the judge is in charge of moralising the enterprise.**

Any stakeholder **will be able to take legal actions on the grounds of the articles 1832 and 1833**. Moreover, from now on, the judge will be solely responsible for defining what is a “social” or an “environmental” issue and for assessing its relevance. **This opens the door to many sorts of legal proceedings**. For example, a syndicate would have the ability to sue a company if it does not offer childcare services.

In June 2018, the **Council of State already warned on the risk of a disproportioned change of the civil code**, reminding that currently the law system does not constraint commercial companies to pursue an aim that is not exclusively lucrative.

Finally, this reform, by delegating to the company the conception of common good, translates the State's impotence. *“It is because environmental and social issues are essential that they have to be part of a public debate and come under the jurisdiction of the legislator,”* concludes Gaspard Koenig, president of GenerationLibre.

GENERATIONLIBRE.

GenerationLibre is an independent think tank, which regularly publishes research papers and reports. It defends three main ideas: live and let live, to enable everyone to define their own values in an open society; an end to privilege, because the “marketplace of ideas” is the best way to challenge the established order; seize progress, to ensure that technological innovations remain at the service of individuals.