

Negotiate a new and better way of sharing working time

And share income as well

“The issue of working time deserves better treatment than the caricature of a debate we had a few years ago”, declared Benoît Roger-Vasselín, President of the Employment Commission of the French management federation MEDEF, on October 23, 2010. It is very difficult these days to find a steady job before the age of 28 or 30. Then, between 30 and 40, people are expected to work “all systems go” and to achieve optimal success in both their private and professional lives. Finally, around the age of 55, people are tossed away like used tissues, but urged to continue contributing to pension funds, etc. “Obviously, this does not make sense,” added the President to his wide-eyed audience. “We must renew debate as to how working time might be differently allocated throughout a lifetime.”

Today’s sharing of working time makes no sense:

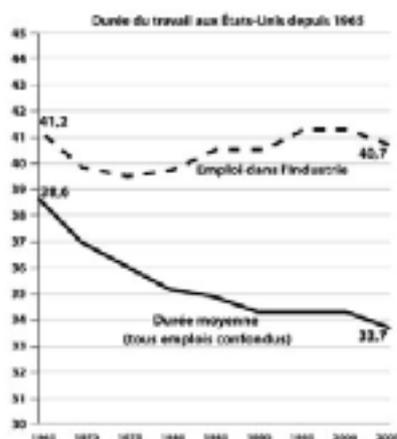
> On the one hand, you have those who don’t work at all because they have no jobs.

> On the other, those who work at full capacity (or more): the average workweek for a full-time job is over 38 hours according to INSEE, France’s national statistics bureau.

> And between the two, you finally have all those who try to scrape by with part-time jobs whether for a week or a year.

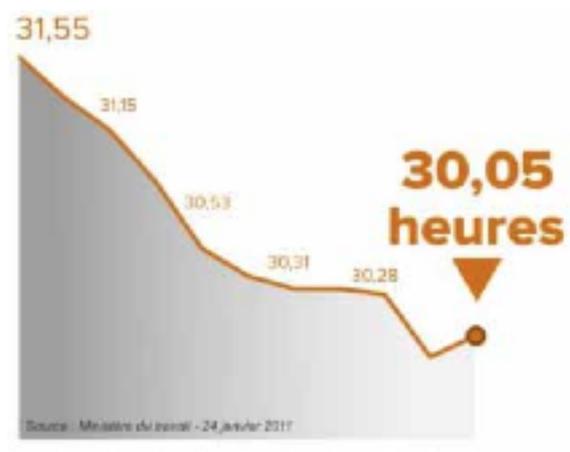
Such a distribution of working time is absurd. It causes enormous suffering, not only for the throngs of the unemployed but also for those who work their utmost, while accepting increasingly stressful or poorly paid jobs out of fear they might be the victims of the next layoff (“If you’re not happy, go somewhere else”). The present division of working time primarily benefits shareholders whose incomes have never been as high.

33.7 hours, the average U.S. workweek



One way or the other, some kind of “work-sharing” exists in all countries: in the United States, even before the subprime crisis, there were so many odd jobs at 10 or 15 hours per week that the average week counted only 33.7 hours. These numbers contradict everything we have been repeatedly told about the “American miracle” -- but they are the official figures. Even in 2005, before the crisis, when the United States were still experiencing strong growth, the average workweek for those employed was less than 34 hours – all job categories included -- while the average in France was 36.3 hours.

Actual workweek time in Germany

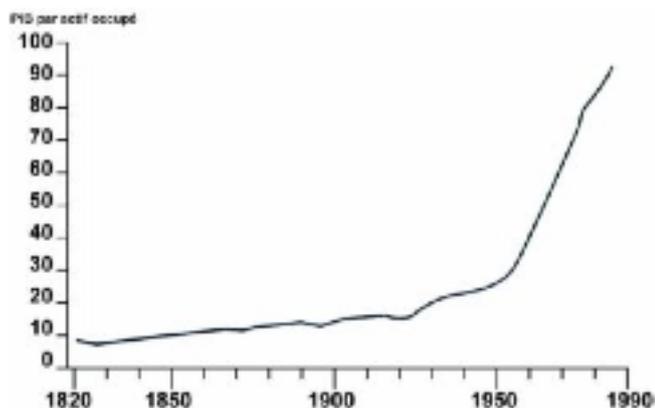


Similarly, in Germany, the official figures of the Labor Ministry show that, before the 2008 crisis, before the implementation of Kurzarbeit, when Germany was still held to be a model of full employment, the average workweek, excluding the unemployed, was 30.3 hours. It further decreased to 30.05 hours in 2010.

33.7 hours on the average in the United States, 30.05 hours in Germany ... In all of our countries, whether we like it or not, we produce more while working less.

We are experiencing a revolution heretofore unknown.

While it took 140 years to double productivity between 1820 and 1960, it has since been multiplied by FIVE! The gains in productivity brought about by the 19th century industrial revolution or by the invention of assembly lines in the early 20th century are virtually insignificant when compared to those achieved in the past thirty years.



Productivity in France since 1820

An unbeknownst phenomenon. A true revolution! Never before in human history has there been such an upheaval. Thanks to the proliferation of robots and computers, the productivity of human labor has progressed beyond belief. This is a worldwide trend, but France is one of the world's leading countries in terms of productivity.

France is a world leader in terms of labor productivity.

"I have effected a rarely made calculation," explains Jacques Marseille, Professor at the Sorbonne. "I have divided the French GDP by the productivity of a British or a Japanese worker. With their level of productivity, which is significantly lower than ours, we would need 5 million more workers to attain the same level of production. In other words, unemployment would no longer be a problem in France ..."

Le Figaro, 02/02/2004.

This is a fundamental point. An absolutely crucial one to understand the "French exception": we have very high productivity. British and Japanese workers – though they are not idiots- have significantly lower productivity than the French: according to Eurostat, while the average hourly productivity for the EU 15 is 100, it is 118 in France and only 95 in the UK.

The productivity gap between our two countries is of about 20%: the volume of wealth generated per hour worked in France is 20% higher than in the United Kingdom and 35% higher than in Italy!

This clearly gives us a new perspective on critical remarks regarding the mediocrity of the French generally and the French educational system in particular... There is little doubt our educational system can be improved (who

can deny it?) but if, in the "West", it is our country, France, that has most improved productivity over the last 25 years , maybe we should think twice about dismissing out of hand our educational system, professional training centers and universities!

Let's say it again: "With the level of productivity of the Brits or the Japanese, significantly lower than ours, 5 million more workers would be required to produce the same amount. **Unemployment would no longer be a problem in France...**"

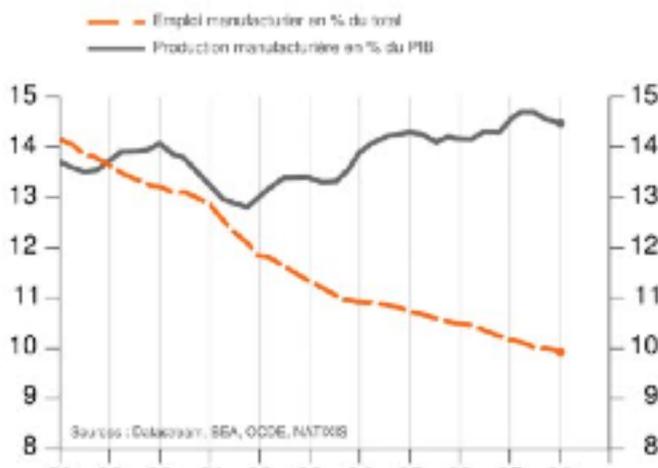
Le Figaro, which apparently overlooked these productivity issues as long as the working time reduction (RTT) was a central question under debate, has since come to understand its fundamental importance:

"Productivity gains leave very little room for job creation. Last year in China, despite 9% growth, the total number of hours worked over the whole territory increased by a mere 1%! We ought to stop crying over outsourcing. It concerns only a very few. In comparison, productivity gains destroy far more jobs".

Le Figaro, 27/01/2006

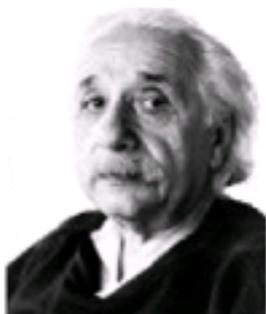
Industrial production and industrial employment in the U.S.

Production industrielle et emploi industriel aux USA



-- -- -- Manufacture employment in % of total
 ----- Manufacture production in % of GDP

In 1933, Albert Einstein had already explained that ill usage of the productivity gains of the years 1910-1925 (Ford and Taylor, as shown in Charlie Chaplin's film *Modern Times*) was the fundamental cause of the crisis: "This crisis is significantly different from those previous to it because it results from radically new circumstances brought on by the stupendous progress in production methods."



"The production of the totality of vital consumer goods requires a mere fraction of available labor. Unfortunately, in this kind of liberal economy, unemployment is the inevitable result."

"It is the very same technical progress that potentially lessens the human workload that is responsible for today's catastrophe" wrote Einstein before pleading for "a shortening of the legal number of working hours".

33.7 hours is the average workweek in the US, 31.4 hours in the Netherlands. 30 hours in Germany... It's time to put an

end to senseless debates: if we factor in the colossal productivity gains made in all our economies in the last 40 years, the debate is no longer "for or against working time reduction?" but addresses the question "what reduction?" Reduction organized by the market (job insecurity, stress and endless competition) or reduction determined through debate, referendum and negotiation?

The fundamental cause of the crisis

What is the main explanation for the unemployment and job insecurity that have been eating away at our societies for over 30 years? What is the main cause of the crisis that that has broken out in the last 5 years? It is our collective failure to manage the enormous gains in productivity. Because of these truly stunning gains over the last 30 years, the French economy has come to produce 76% more with 10% less work. Since 1974, the total volume of production has almost doubled, but the total amount of hours worked (all sectors together) has decreased from 41 billion hours to 36.9 billion (INSEE). During the same period of time, thanks to the baby boom and the swell in the female workforce, the potentially available active population increased from 22.3 to 27.2 million people.

Because of these gains in productivity, the economy requires 10% less work but, at the same time, the number of the employable has increased by 23%. A gap of 33% has therefore appeared between offer and demand of work.

Let's summarize the situation:

- > Since 1974, the GDP has almost doubled, never before have we known such opulence!
- > Since 1974, productivity has sky-rocketed: never before have we been so productive!
- > Since 1974, the number of women working has strongly increased and our birthrate is the highest in Europe: never before have so many wished to work.

As they stand, these three trends look like good news. But with the evolution of the social "contract" at a standstill, and a minimal reduction of working time over the last 30 years (plus an economic crisis more propitious to tension than to change), what should give cause for rejoicing -- results in scandal, in total absurdity. Instead of benefiting everyone, those productivity gains, the fruit of so many individual and collective efforts, lead to massive unemployment for some and to salary caps and increasing stress for others.

A 33% differential has appeared between labor supply and labor demand.

Had individual working time, over the same period, decreased by 33%, unemployment would have remained at its low 1974 rate. But working time for the average job has come down only slightly: just 4% between 1997 and 2002 (INSEE, July, 2005); and, since 2002, in the name of "flexibility", the right-wing government has succeeded in

cancelling out virtually all the working time reduction generated previously by the 35-hour workweek.

According to an INSEE study on employment published in 2008, if we include overtime, the week of a full-time employee was already back to 38 hours! We hear it proclaimed everywhere that "France now has a 35 hour workweek" but, in reality, according to the INSEE, a full-time employee actually works, on the average, over 38 hours.

An inexplicable paradox! Though we have injected more intelligence than ever before into the economic system, we have never dedicated so little intelligence to improving our social system. It's high time to bring this absurdity and scandal to an end!



Planification report recommends 20% workweek reduction over 20 years

"We must go to a 4 day, 32 hour week, right off. This is the only way to get companies to create jobs" stated Antoine Riboud, founder of BSN Danone in September, 1993. "We must reduce the workweek by 20 to 25% before 2015", concluded the Boissonat commission in 1995.

"Lowering the working week to 30 hours would help restore family and private personal life" wrote Edgar Morin in Pour une politique de Civilisation.



THE BATTLE FOR THE 32 HOUR WORKWEEK STARTS IN GERMANY

Ever since its Montpellier congress in 1995, one of the French labor unions, the CFDT, has been asking for the legal framework necessary for changing over to a 32 hour workweek. How can such a reduction of working time be financed? By mobilizing funds that would otherwise go to unemployment compensation, as the CFDT has been proposing for 20 years, we can finance job creation without negatively affecting our companies' ability to compete. Over 400 companies have already migrated to the four-day week, without the slightest increase in production costs and with massive creation of jobs.

In times of crisis, it is easier to play on people's fears and speak to the "reptilian" brain than to appeal to their intelligence and civic-mindedness.

In 1917, when Henry Ford insisted on collective rules to increase salaries (in order to increase demand), when Kellogg changed his factories over to a 30-hour week and increased salaries by 12% to "give jobs to 300 heads of family", they were mocked by the other American managers. In times of crisis, asserted their critics: doesn't it make sense to work more to earn less? It was just such archaic common sense that led us to the 1929 crisis.

And it is this same "common sense" that inspires today's right-wing leaders to incite everyone to work more. In reality, the only way to put the job market back on an even keel and to increase wages significantly, the only way to save pension plans is to vigorously tackle unemployment. This will require (among other things) a meaningful reduction in hours worked.

"Many, on the Left, fear looking ridiculous if they dare bring this question up again: we've been over it so many times. And when you come right down to it, should we really be taking stock now on the 35 hour workweek? 35 hours was to be the first step towards 4 days, 32 hours, but who remembers that now? We're afraid of being a laughing-stock. Afraid they'll dismiss it as a "warmed-over" proposal. But fear is not necessarily the best adviser. Will we be able to pull ourselves together and open a true debate about this crucial matter before endemic insecurity produces a major crisis?"

Michel Rocard and Pierre Larrourou, *Le nouvel observateur*, October 21, 2004

The file on "working time" must be reopened and freely discussed. Doubtless we should approach it differently than in the 1990s, enlarging the scope of our vision to include all the periods in social and professional life (work, training, retirement, leisure time...) and making more room for negotiation -- But just because the question of working time was a right-wing obsession is no reason for the Left to ignore it. And why not try out the negotiation methods that have produced better results in other European countries? But again, it would be the gravest of errors for the Left to

neglect the absolutely central question of working time.

Between 1900 and 1970, working time was divided by half: we went from the 7-day week to 6, then to 5. As for the workday, it decreased from 12 to 8 hours. And the working population also progressively gained the right to 5 weeks of vacation. Over 70 years, while productivity increased rather slightly, working time was cut in half. But ever since the early 1970s, even though productivity has sky-rocketed, we have proven ourselves incapable of developing our social contract: roughly speaking, with an average of 38 hours, today's actual full-time workweek is the same as it was 30 years ago!

Never in human history have we witnessed such gains in productivity -- yet never have our leaders proved so hopelessly inept at taking it into account. History is likely to look harshly upon those politicians who fail today to debate these issues concerning productivity gains and working time.

Wassenaar 2012

The Wassenaar agreements were signed in 1982 by Dutch unions and management with the active support of their government. The Netherlands were then experiencing mass unemployment (9% was the official statistic but 13% of the population was designated as "disabled"). After weeks of three-way negotiations (union, management and government), a new pact was made public. It covered not only salaries, but also working time, training, retirement and fiscal policy...

The Wassenaar agreements managed to reduce by half the total "unemployed plus disabled" category. Certain problems remained unsolved, but those agreements prove that, if we engage in dialogue, put all the topics on the table, take the time to thoroughly discuss the issues, accept compromise and mutual concessions ("we simplify workplace law but secure salaries"), we can drive back unemployment and effectively fight economic and social insecurity.

For a long time, the Wassenaar agreements were considered the best example around in terms of social contract. But, in 2004, the murder of Theo Van Gogh deeply shook Dutch society: clearly "social well-being" wasn't enough to insure social cohesion. Social justice and fairness is essential but insufficient. The idea that "Everyone's got a job but lives on his own, in his own community." is not socially viable in the long run. This is why, in 2012, we cannot have the same conception of social cohesion as we did in 1982: questions of identity, questions of housing, questions of education (included educational promotion of non-violence and religious and ethnic tolerance...), questions of social interactions and intimacy must be taken into consideration.

Seeking inspiration from the Dutch model but drawing on its experience as well, the organization of a similar negotiation to Wassenaar's must be a top priority for France. No decrees or laws concocted in the inner sanctum can save the country from the present crisis. Time for debate and time for negotiation are fundamental.

Were the Left to win in 2012, social negotiations should be immediately engaged; we should take 2 or 3 months to put everything on the table jointly with our social partners (retirement, unemployment, social security...) and establish a new social contract to be submitted to a citizens' referendum. Such a referendum will facilitate widespread public debate and then, should the "yes" win, will guarantee genuine stability for the newly established rules of the game.

This question of stability is essential, as both managers and union leaders complain often of the instability characteristically inherent to social regulations.

Fight against income disparities

Overall, were we to implement all of our propositions, more than 2 million jobs could be created over a five year period. Creating such a large number of jobs is most certainly the best way to ward off recession and the best way to strike a balance in the negotiations on working conditions and salaries.

But, in order to fight against income disparities, a debate must be organized in the Parliament to define just how much income disparity may be considered acceptable in a Republic that proclaims its basic principles to be not only Freedom, but also Equality and Fraternity.

For a very long time, our economy functioned without any manager earning an income more than 20 times the minimum salary. 20 times the minimum wage is already a huge amount of money. Today, an increasing number of men and women earn an income lower than the minimum wage while others, to the contrary, earn 30 times, 100 times or 400 times more.

The Parliament must accept debate concerning a level of inequality that is both ethically unacceptable and economically absurd. This debate must open the way to examining all political means useful in the fight against inequalities. Why not, for instance, limit the granting of public commissions to those companies that respect the values of the Republic?

www.Roosevelt2012.com