

## Do the utmost to curtail layoffs

In 2009 Germany, hard hit by the collapse of its exports market, experienced an economic crisis twice as serious as France at the same time.

Yet despite this, unemployment increased six times less in Germany than here in France<sup>1</sup>:

	Recession in 2009	Unemployment trend
Germany	- 4,6 %	+ 220.000
France	- 2,3 %	+ 1.200.000

How may this "miracle" be explained? German unions went to Angela Merkel to demand that dismissal become the last option to be considered, and that the general rule be to keep the maximum of employees, the maximum of skills, in the company by developing Kurzarbeit.

What is Kurzarbeit? The principle is simple: instead of laying off 20% of the workforce, a company that is experiencing a 20% falloff in sales will reduce the working hours by 20% and thus keep all its employees. The salary is reduced -- but the State maintains the preceding overall income. Considering the costs incurred and the loss of tax and social revenues, it is cheaper to maintain the income of an employee while reducing his working hours.

On January 23, 2011, the German Ministry of Labour released a fairly comprehensive review of Kurzarbeit: it included 1.5 million employees who, on the average, reduced their working time by 31%. If we are convinced that the world is facing another recession or a period of very low growth, it is crucial to our social cohesion to do everything possible to limit redundancies by quickly taking a good look at all that has been done in Germany since 2008. This obviously goes against Nicolas Sarkozy's injunction to "work more", but it can prevent hundreds of thousands of layoffs.

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1. The evolution of unemployment is calculated from the low point of the curve (when unemployment starts to rise because of the crisis) and the high point (when it begins to stabilize or decrease).