

CONCLUDING DISCUSSION

Introduction by Father Schasching

Looking back at our discussions on "The Future of Work and the Work of the Future" I would like to summarise my impressions in the following way:

1. During our discussions there have been rather few direct references to the Catholic social teaching on work and labor. I have tried in my introductory paper to give a summary of this teaching but not with the intention that this teaching should also be the center of our discussion but serve as a background. I think this approach of our discussion was correct and should be kept in mind also for our coming meetings. Our Academy should not be satisfied with quotations of the Catholic social teaching but should insist much more on how this teaching can be applied to concrete situations and on how this teaching can be further developed.

2. Our discussions showed that they were still strongly oriented towards the problems of work and employment in the industrial countries and the countries in transition from a collective to a democratic system. The reason for this can be seen partly in the composition of the members of the Academy and partly in the program of this meeting. It became quite clear during our discussions that we have to enter much more into the problems of work and labor in the developing countries. It is a fact that also the official Catholic social teaching on the subject is primarily concerned with the industrial countries. Therefore, it has to be developed and extended to the developing countries. The Pontifical Academy of Social Sciences should keep this in mind during the coming meeting on work and employment.

3. The encyclical "*Laborem exercens*" contains many important statements in regard to the future of work and labor. But its basic assumption seems to be that we have to arrive at a society which is able to offer to everybody the possibility of employment in the traditional sense, in order to become more human in and through work and labor (n. 9).

Our discussions showed that this vision of full employment and

traditional jobs will not be possible for the future any more. Many propositions and examples have been given showing how a deep-going change is going on and what might be done in order to re-organise work and labour in an economy and society which are under the pressure of rapid technical innovations and globalisation of the market. These changes present a challenge to the Catholic social teaching. Could the Pontifical Academy of Social Sciences make some propositions in this regard?

4. In connection with the problem just mentioned, another issue came up during our discussions: that of the so-called unpaid work. Modern society is in great need of this type of work and it is a fact that already today a great amount of work is done without payment. But two questions came up among others during our discussion.

The first: Is this type of work accepted by the society, in the sense that it would give the same social status and esteem as the paid work? The second: Also the unpaid work is in need of a material basis, at least for quite a few participants. How can this be done? And what are the effects of such measures for the traditional labor market? Such and similar questions have been raised, but only partly been answered.

5. A special problem has been discussed after the paper of Mr. Tietmeyer on the international financial markets. This market has grown enormously in the past decades and it has a great influence upon the creation and destruction of jobs. Nobody denied the positive function of financial markets, but at the same time questions came up on how and by whom this market can and should be ordered and controlled? Some answers have been given, but many questions are still open. It was also mentioned that the Catholic social teaching is still in need of developing this problem further.

6. The question of solidarity came up again and again in our discussions. Without a new type of solidarity the problems of work and labour cannot be solved in a human way. This is especially important since the possibilities of effective action open to national governments become more and more limited.

It was mentioned that, in view of the future, collaboration of the social forces, especially capital and labor, would be of great importance and this would correspond at the same time to an application of the principle of subsidiarity.

7. A final remark: The Catholic social teaching, especially *Laborem exercens*, speaks several times about the ethics and spirituality of work. This aspect is hardly mentioned in secular publications. It has been mentioned

several times in our discussions that the Pontifical Academy of Social Sciences should reflect on this topic. It is certainly necessary to deepen the biblical and theological dimension of work, especially in view of the profound change in the meaning of work in the secularised societies.

Pope John Paul II stated in his encyclical *Laborem exercens* that work is the essential key to the modern social question. The Pontifical Academy of Social Sciences has taken up this challenge for a two-year program. The first session gave a large view of the economic, social and political dimensions of work and employment. The question comes up by itself: Will the second session be able to come to conclusions on two levels? On the level of scientific research: Could the Pontifical Academy formulate and initiate some very specific study-projects taking up suggestions made during this meeting or to be made during the next one? Who could carry out such projects, members of the Academy or other institutions?

On the second level: Could the Pontifical Academy formulate some propositions to the Holy See in regard to the development of the Catholic social teaching on work and employment (for instance in connection with a document of the Holy See on the year 2000)?

Observations by Msgr. Martin

I want to start with one fundamental point: this session was dedicated to the beginnings of a dialogue between the reflections that went on in the technical papers and the social teaching of the Church; it is an institutional and essential part of the activity of the Academy. The Pope himself situated the Academy, in an affirmation he made in *Centesimus annus*: "The Church enters into dialogue with the various disciplines concerned with man, assimilates what these disciplines have to contribute, and helps these disciplines to open themselves to a broader horizon". Thus the dialogue is part of the identity of the Academy.

It must have three functions. First, the social teaching must challenge your work. It must challenge the conclusions of the social sciences, not because it rejects the legitimate autonomy of each scientific discipline, but because certain fundamental presuppositions of your disciplines must, at times, be questioned. One example would be an individualistic understanding of the human person, and the consequences which this, at times, has in legal and economic theories. I was interested to read this morning a statement of a new United Nations document on the family, which says that the central principle of the organization of society is respect for the human

rights of the individual. And everything it says about the family is conditioned only about how the family can affect the individual, and how individual rights must be defined within the family. But it has missed the point of the real identity of the family. So, the social teaching must challenge some of the aspects, some of the presuppositions of the social sciences.

Then as the Pope says, the social teaching must assume, from the social sciences, the contributions that they make. In that way the social sciences sustain the social teaching and help it to apply its basic principles to evolving situations about which it needs to know and understand more.

A third element is very important and I think may not have come out sufficiently here. There is a way in which the social sciences challenge the social teaching; they put questions to the social teaching; they say: "you have not come up with an adequate response in your search to serve the human person. You have not come up with an adequate response to these new questions. Or you have misread situations, or you have given the wrong answers". This is an important part of our dialogue, which the Church must be attentive to.

I found the last discussion, on the right to work, was very interesting, because it touched the nature of the social and economic rights in general. These rights are programmatic in many ways; they are linked to the reflection on the social teaching of the Church.

I enjoyed thoroughly the lucid and down-to-earth analysis given to us by Professor Suchocka.

However, there is a danger in this lucid and down-to-earth analysis; namely, that we might be tempted to empty these rights of all contents, just because they have been ideologically misused. We should rather identify the inspiration of affirmations made about these rights in the social teachings of the Church, and also in some of the fundamental documents of the international community. We should identify where responsibilities concerning our rights to work lie. They are not a generalized guarantee of full employment for every person at every moment. They are rather indicating the responsibilities of governments to set out the conditions which will facilitate, through the initiatives and activity of civil society, that the aspiration of all people to contribute through their work can be realized.

Professor Arrow clearly points out that certain situations are untenable. High unemployment, with no social security and precariousness, is not an acceptable situation, not just because it may be politically explosive, but because it offends the dignity of the person since unemployed people are not able to realize themselves.

Just an example from my country. The Irish economy is a success story, but with a very high rate of unemployment. I come from a diocese in which

we have parishes where the level of male employment is 70%. That is a situation where the Irish economy has failed. It is just an example showing why we must be careful, when there have been ideological misuses of phrases, not to lose sight of their inspiration.

Prof. Suchocka explained very clearly how, at times, too many legislative norms may actually damage the possibility of wider employment. In this connection I may come back to a comment of Prof. Sabourin about the international conventions. It is true that we have worked out a broad series of international conventions. He mentioned 150. Indeed, at the World Summit on Social Development in Copenhagen last year, even from governments of the developed world, there were reticences about applying all conventions of the International Labour Organization. We could also look at, for example, the whole question of these conventions and norms for social protection in the Asian economies, which again are at times presented as other success stories.

Take the other theme that we have developed very much, the one of re-defining the concept of work and the concept of labour. I have assisted at many meetings and conferences on this subject. And it can be as boring and as unrealistic as the discussions on the right to work. We make these affirmations, but when you begin to try and develop these in a realistic way, to say that paid work may become the privilege of a smaller and smaller group is one thing. But people work to live. They work to earn their bread and butter, they work to earn and support their family. An idealistic vision of different forms of work is very nice, but it must take into consideration that one needs to live, and that other factors will have to be taken into consideration, in order to guarantee that right. For example, if you take the question of unpaid labour — can we quantify the contribution that unpaid labour makes to society? Can we quantify the contribution that it makes to the economy? If we do that, what are the consequences? How exactly should this change our understanding of this type of work?

I would also say that, when we talk about the social and the economic recognition of various forms of unpaid labour, we should be careful to have a very broad definition of this, taking into account culture, and all socially productive work, not just speaking about the role of women in the home. There is a danger that, reading texts coming from this Academy, people might say: "This is just another invention of the Roman Catholic Church to keep women in the family, and keep them out of the labour force".

I must now very briefly mention three other major questions: Firstly, how do you guarantee security in a labour situation which is becoming more flexible and precarious? This, I think, would be a problem in every economy.

Secondly, the question of the trade unions: how can the Church be today present in solidarity with workers? How can she so be, in a manner as effective as it was one hundred years ago, but addressing the problems of today? How can she encourage those who represent workers to be present in the concrete situation of today?

And finally, the big question of the non-Western societies, which we did not touch adequately at all. This would include also Asia, which we have not stressed. It would also include the African countries. The question which Father Schasching drew attention to: how can we introduce norms or practices which guarantee ethical behaviour in the international financial markets, in the way we have done it for our national financial markets, showing that ethical behaviour is essential for the market to function? But on an international level it is more difficult. And also, how can we see that the very poorest economies can be inserted into the process of globalization? What measures are needed to guarantee that this can take place, so that poor countries do become real partners on a global horizon?

Open Discussion

MCNALLY

I have been distressed at the lack of discussion on development. For us in Africa, development comes before these other problems. We wish we were developed enough to have these problems.

We are concerned in Africa about "donor fatigue". It is necessary to study how best to direct development assistance, how to understand the culture of the recipients. I believe the United Nations is launching a new Development Programme for Africa, aiming at sustainable growth. It would be excellent if we could make some useful and encouraging contribution to the discussion on this subject.

So let us discuss development as item No 1, and then perhaps the moral role of capital markets, the changing role of trade unions, the place of women in the market place and the home, and the meaning of the right to work.

ARCHER

All of this week, listening to these excellent papers, I have been asking myself one question. We all, if we are honest, go to many conferences where we hear many excellent papers. We are not short of forums of this kind.

This, to me, should be a special forum devoted to a special task. And that special task is to initiate dialogue, and to continue in dialogue with the social teachings of the Church. If we do not do this, we might as well go to our own disciplinary congresses. So what I have been trying to do, in listening to what has been said, and also what has not been said all week, is to try to define certain meeting points.

These meeting points to me are the way forward, they are the "*raison d'être*" of this Pontifical Academy, and I would simply like to share with you four of these points at the interface between the two, which seem to me to have emerged this week, and to merit further exploration.

The first one is a very simple challenge to the social teaching of the Church. Simple in a sense that it asks it to take its doctrine seriously, literally, and comprehensively. If that doctrine asserts that the activity of working is necessary to the realization of our common humanity, then that is a universal statement. It must be applicable to all. Not just to man. Not just to white man. Not just to white Western man. It must be a global statement. And therefore I think the first challenge of that statement or social doctrine, is how can it be operationalized vis-à-vis those categories who do not have the capacity for self-fulfilment through work, i.e. women, increasingly the old (and the old are getting younger as well as older, if I can be paradoxical about it, for they are retiring earlier, and therefore our aged population is actually both younger and older) and obviously, as Doctor McNally has just said, those who do not, in developing countries, even have the privilege of debating such problems yet. So, that would be to me the first challenge.

If this statement is true, and I hold it to be true, then how can we extend it to all? And in extending it, quite rightly it has been pointed out, it is very simple to make hortative or ethical exhortations. We can all talk about the right to work. Yet it means nothing if you cannot deliver it. In many ways, what has been interesting this week, is that state intervention, even the welfare state, has taken some hard knocks. There has been quite a viral, robust defence of market mechanisms, and yet I would imagine that even the strongest defenders of the liberal free market would nevertheless accept the need to define that population, that part of the population, which can never be subject to market mechanisms, which can never compete on the open market, which can never realize itself as human beings through work, through market competition because they're handicapped, because they are mentally incapable, because they're chronically sick, and for a whole series of other reasons. Therefore, I think that the second area it might be worth building upon is to try to define, even within the free market context, those categories where some kind of minimalistic protection

is going to be needed for those sections of the population who never can be competitors, and to define some kind of work that lies within their capacities, in order to realize themselves, too, as human beings. And there are many interesting experiments that you all know about, of this kind.

Thirdly, one of the most important aspects of Father Schasching's paper, which I think we have not discussed sufficiently, or at least I would like to have heard more discussion on it, concerns what exactly we mean by the "culture of work". It is a very nice phrase, and I think it means some very important things. First and foremost perhaps, it means something about the quality of working relationships, and this relates back to the whole adulation, in some ways, of the free market. There are some qualities of working relationships that simply cannot be subject to productivity indicators. We find the incursion of productivity indicators into wholly inappropriate areas like education, hospitals or social services. I think there is a good job for us to do here: evaluating how far the intrusion of talk about productivity into areas which are dealing with care is appropriate or inappropriate.

And finally, the last point, I agree it is only too easy to say, "let us enlarge this concept of work to include voluntary work and unpaid work of various kinds". But perhaps one of the things that has emerged from the mass of statistics that we have had in front of us is that what we really need to pay more attention to is a life-cycle approach. If the duration of employment in any particular job is, as one paper quoted to us, approximately four years, if people including women move in and out of productive employment and voluntary work, we need to take on board the whole notion not of the 19th century career ladder, where you stayed in the same firm you joined for 40 years, slowly moving up the rungs of the ladder, but in an entirely different cyclical conception of life. In this I would like us to include consecrated life, and cases where lay people are moving in and out of voluntary contracts in the Third World and in the First World. In this sense, we would be, I think, doing something more constructive than simply saying voluntary work is work too. We would actually be building it in to the work trajectory, which will become more and more characteristic of more and more people.

ZAMPETTI

Devo rilevare al termine dei nostri lavori che, grazie anche alla relazione iniziale di Padre Schasching, sia emerso un punto di vista fondamentale: l'importanza della dottrina sociale della Chiesa nel corso dei dibattiti. Siamo, mi si consenta l'analogia, come una orchestra costituita da tanti suonatori con strumenti diversi. Siamo in rodaggio, come aveva sostenuto il Card. Sodano nella sua omelia prima dell'inizio dei lavori. Dobbiamo

accordarci. Orbene, il punto di accordo o di raccordo è proprio costituito dai principi della dottrina sociale della Chiesa, la quale (e questo è il secondo punto che vorrei rimarcare) è fondata sul concetto di uomo-persona. Per esso l'uomo ha una natura sociale che si riverbera sulla società intera che, pertanto, è autonoma rispetto allo Stato. Si tratta in questa prospettiva di imprimere alla società uno sviluppo del tutto nuovo, che però deve essere debitamente articolato e strutturato.

Finora ha dominato una concezione individualistica nel rapporto tra l'uomo e lo Stato. Ecco perché certi problemi sono stati considerati in una maniera inadeguata, insufficiente.

Prendiamo proprio la nozione di lavoro che è l'oggetto delle nostre riflessioni. Lo consideriamo a se stante avulso, oppure inserito nella società in cui viviamo? Analizziamo da questo profilo il lavoro e la famiglia. Si è parlato prima di lavoro retribuito e di lavoro non retribuito. Il lavoro della donna casalinga è certamente un lavoro produttivo non retribuito, che, paradossalmente fa il "pendant" con il lavoro improduttivo che è retribuito. Questi sono problemi molto importanti. Se non è produttivo il lavoro della madre di famiglia che forma le coscienze, e contribuisce così in maniera determinante alla formazione del capitale umano, io non saprei allora che cosa sia il lavoro produttivo.

Mi permetto fare queste riflessioni per dimostrare che i concetti non possono essere estrapolati dalla società in cui viviamo, ma sono profondamente inseriti nella medesima. Dobbiamo farli emergere per articolare sempre meglio intorno ad essi il tessuto della società. Per esempio la retribuzione del lavoro non può essere considerata in funzione dell'uomo come singolo. Essa pertanto varia a seconda del contesto familiare in cui vive. La famiglia è infatti la cellula della società. L'occidente industrializzato ha depotenziato la famiglia che per alcuni sociologi è addirittura retrocessa al rango di cellula dell'individuo. È una assurdità che spiega la crisi dei valori nell'intero occidente.

Il concetto di famiglia ci permette di allargare l'ambito delle nostre analisi che vanno estese in particolare ai paesi in via di sviluppo dove la famiglia ha una grande rilevanza. Questo ci permetterà di delineare un nuovo concetto di sviluppo (e mi riferisco a quello che ha detto il Prof. McNally) che assume in queste dimensioni una valenza molto più ampia del concetto di sviluppo finora inteso in senso ritretto, come sviluppo economico soltanto.

Siamo al momento del bilancio. Abbiamo visto come sia difficile risolvere i problemi dell'occupazione nei vari paesi. Nell'ovest abbiamo la crisi del modello di sviluppo imperniato sullo Stato assistenziale, nell'est dopo il crollo del comunismo, non si è ancora delineata la strada da seguire. Le riflessioni della Prof. Suchocka sono state chiare e significative.

Se ci fermiamo alle posizioni attuali sembra quasi impossibile trovare una soluzione. Dobbiamo cercare una strada nuova e diversa che ravvisi nella società il punto imprescindibile di riferimento. Una società che si sviluppi e organizzi autonomamente con l'aiuto dello Stato e non con la sostituzione dello Stato alla società, come spesso è avvenuto e avviene. Sviluppando le ricerche e le analisi in questa direzione avremo modo di constatare direttamente e sperimentalmente che la dottrina sociale della Chiesa è la vera ed unica alternativa alla crisi ideologica sia dell'Est sia dell'Ovest. Grazie.

ZACHER

I have two very different points to make. The one goes back to an earlier statement by Father Schasching. He brought up the subject of *spontaneous solidarity* and also said: "This requires a long phase of habituation — a society in which solidarity has grown". He then cited the readiness to donate for Bosnia as an example. To this I would like to add, and perhaps counter — I cannot judge precisely which — that solidarity cannot only exist in such a spontaneous form. No community can manage on spontaneous solidarity *alone*. Solidarity must also be thought of as a background for the legal order. Much of what goes to form the legal and State-administered order in our welfare States is *also* an expression of solidarity. The point at issue cannot *always* be whether individuals possess the spontaneity to act in solidarity. Of course, it is vital that the public at large — that is, the democratic or the governing majority — exercise such solidarity. However, we cannot say that solidarity can only be rendered on a voluntary basis. It must be possible to demand it. Indeed, this has always held true for the Catholic social doctrine, too. It is my belief that *demanded solidarity* is, moreover, of especially great importance to the post-communist countries, about which there has been so much discussion. After all, they cannot wait for solidarity to emerge until two generations have grown up and — perhaps — have come to accept solidarity as a matter of course. One must strive to get solidarity off the ground with the help of the legal order, one must be ahead of it.

However, I have another quite different point to make: namely, I wish to look back upon the days we have spent here. I have asked myself whether the many impulses we have received during the past few days, the many remarkable, miscellaneous details and also the principal insights we have gained, have been viewed in a sufficiently comprehensive perspective. I believe that everything we have contributed in terms of knowledge and all the new things we have learned essentially boil down to a diagnosis, but,

above all, to a profound irritation about what work actually is and how one is to make a living from it. This irritation is embedded in a complex structure of phenomena and causes. In "Western" countries, the question as to the position of families and women regarding work has become an increasingly problematic one. In some countries, however, it is regarded as solved — in either one way or the other. We are faced with what was referred to in the 1980s as the individualization debate, based on the idea that the individual living in the welfare State should be allowed to organize his or her life as uniquely as possible and entirely at will, and that the welfare State must be flexible enough to tolerate that. And we are faced with technological developments that have generated a high rate of return on work, flanked by fundamental changes in working processes and new products resulting from that work. And we, in the welfare States, are faced with the diminishing flexibility of the factor *labour* which, on the one hand, facilitates, in social terms, the adjustment of labour to changes (a point on which high hopes were set especially for the post-communist countries) and, on the other, also impedes such adjustment. Other distinctions are coupled to historical and geographical aspects.

Then there are the problems concerning the post-communist countries; they confront all of us, but, naturally, above all the people living in those countries with unexpected, unprecedented questions. There are the — meanwhile — "classic" problems concerning the developing countries. And there are the rapidly expanding new dimensions of work in what were recently still referred to as the "threshold" countries and must now be called the "newly industrialized" countries. What we are witnessing there is the emergence of an entirely new type of non-Western industrial society about whose peculiar nature we still know far too little.

All these changes are now coinciding with each other as a result of the fact that history has bridged two chasms — the chasm between the First and the Second World, and the chasm between the First and the Third World. All of a sudden we have the "one world"! All the irritations I have attempted to outline are now flowing together in a manner never experienced before and have found expression in the demand for a new global labour order. Here we are, faced with *two* fundamentally different, yet profoundly interdependent *questions*. The *first* is: *What will work look like* in the future, and *how much* of this work will then be available? It is both a qualitative and a quantitative question. We must not only view it in the sense of a diagnosis, but also in the sense of a therapy. At the moment, I will only apply myself to the issue of *how much* work there is likely to be, and how it is to be distributed. This is the most pressing dilemma. If such distribution is to take place on the basis of legislation, i.e. through the State,

or even by way of collective agreements, we run the risk of not being able to organize work in freedom. After all, a top-down redistribution of work is difficult to reconcile with the idea of freedom. Moreover, such redistribution entails the danger that it will not only anticipate developments as they are bound to come, but will anticipate them in the wrong way. For we must base our actions on forecasts, and these forecasts may prove to be wrong.

It is for this reason that I believe we are inevitably faced with the *other* question: the question about the *natural balance* which determines the *right measure* and the *right distribution of work*. For me this point was depicted very convincingly in the paper held by our President, Professor Malinvaud. It is to be expected that a balance will be re-established between what a society can pay for work and how much work, i.e. gainful employment, is possible. We will have to wait for this balance to materialize and must prepare ourselves for this future.

And if we want to prepare ourselves for this future, we come back to the *question of what work is going to look like*. This answer will, in part, likewise be of a purely factual nature, because societal developments always tend to be founded largely on fact. Yet here, too, *we* certainly have normative tasks to fulfil. We must ask ourselves how the problems which face the family and women in respect of work should be solved and how social services and the family should relate to one another.

How should we prepare ourselves for all this and thereby pay due regard to empirical experience, yet also to normative elements — i.e. the values embodied in the Catholic social doctrine or simply the values of mankind and human society? And how can such action be specifically right for the “Western” world, the post-communist countries of Central and Eastern Europe, the “classic” developing countries and the newly industrialized countries alike? We must strive to get a proper perspective on what is common to all of them without neglecting their inherent diversity.

UTZ

Aber ich rechne das Schlußwort nicht als “Langwort” ein. Ich wollt’ nur eines sagen: Wir sind an einem Punkt angelangt, wo wir festgestellt haben, daß wir den bezahlten Arbeitsmarkt nicht behandeln dürfen, wenn wir nicht den unbezahlten Arbeitsmarkt mit ins Blickfeld nehmen. Warum sollen wir jetzt da nicht weitermachen und uns einmal überlegen: Wie sieht jetzt nun die Gesellschafts- und die Wirtschaftsordnung für ein solches Programm aus? Denn wir müssen an die Familie denken. Wir müssen hier klug vorgehen, wie Monsignor Martin ja auch gesagt hat, wir werden ja die

Frauen an einen anderen Ort hinstellen. Nicht wahr, das ist klar, in dieser Politik, wenn wir da die Arbeit anders definieren, werden wir natürlich auch der Frau einen gewissen Raum zugeben, der auch ihr gerecht wird, ohne daß wir sagen, sie soll in die Familie eingeschlossen werden. Es wird sich dann auch ergeben, daß die "collective bargaining" geändert werden, denn das ist eine Folge von der neuen Ordnung. Also an sich wären wir jetzt daran, von der sozialen Marktwirtschaft, die es nicht geschafft hat, eine neue Schattierung aufzuweisen, um zu zeigen, vom katholischen Standpunkt aus, gibt es eine folgende, grundsätzliche Gesellschafts- und Wirtschaftsordnung. Das würde mir am meisten behagen. Aber am Schluß nur das als Wunsch.

ARROW

I restrict my remarks to advanced countries and to paid labour. This is not to deny the importance of other topics. Paid labour is important as the source of the ability to survive in today's economy. I would like to make five points.

(1) One might get the impression from the discussion that economics teaches that nothing can be done about unemployment, even though no one has said this explicitly. That is not the case. But economics has not been able to analyze fully the existence and persistence of large-scale unemployment, and we must confess our ignorance. Our typical theories permit only the existence of frictional unemployment. We can sometimes say that some proposed policies will not in fact reduce unemployment and sometimes that policies which will reduce unemployment will have other consequences we do not wish. For example, nothing I say will reflect on the special problems of shock therapy in economic transition. There are a very special set of circumstances there in the change in decision-making and control, which might necessitate unemployment among other transitional costs. These circumstances are not applicable to the persistent unemployment of Western Europe.

(2) We must take very seriously the moral and welfare implications of unemployment, as reflected in Catholic social thought, for example, in His Holiness' address to us yesterday. The market is an instrument, not an end, while employment is an end. The market is a very powerful instrument, and power, of course, does not always imply good. The market is by and large a force for good, but it can have unfortunate consequences in individual cases.

Even within the purely economic sphere, prolonged unemployment has many unfortunate effects on the production of goods that are available to people. To be a good worker requires investment, not only human capital as

it is usually conceived but also habits of work and making commitments for the future. Work is not a short-term relation between employer and worker. Economists in the last thirty years have given more emphasis to the importance of durable relations and the gains (and losses) that accompany them. Workers will not prepare themselves psychologically or educationally if the employment that results from these efforts is uncertain, just as employers will not invest if they are facing unstable prices or political uncertainty.

Not only the general level of unemployment but also the stability of the employment relation with a particular firm can affect productivity. There are relations within a firm which are productive in the most concrete everyday sense and which will not be built up if the worker considers that he may be laid off soon.

(3) There is one class of policies that must be rejected, and that is the policies which proceed by restriction. The idea that there is only a fixed amount of output, so that increased productivity reduces employment, is simply wrong. We have had more than two hundred years of rising productivity, first in Great Britain and then elsewhere, and we have not had rising unemployment. We must not stifle innovation or foreign competition. A recent study has shown that privatization in advanced countries had led to a considerable increase in productivity and, on the average, no loss in jobs. Instead, output has increased.

One example of a restrictive policy widespread in Europe though not in the United States, is early retirement. This policy is perverse in its effects. To finance early retirement, payroll taxes must rise, so that the cost of labour rises, and unemployment rises. To support our increasing old-aged population, we need more output, and one source is having workers at useful jobs longer, that is, increase the retirement age. The United States is already committed to this policy.

(4) One of the seductive advantages of the market is that it reduces the need for making policy at all. Policies can be erroneous; by leaving things to the market, we have some automatic corrective mechanisms. (This does not mean that the market does not reflect human volition, but it does so at the individual level). But we recognize universally the need for some collective economic decisions, certainly monetary policy and possibly other stabilization policies. These decisions are vested in the nation-state.

Let me be clear. The big tides of globalization are not going to be resisted. But like other water flows they can be modified. Both the United States and Europe have had great floods in recent years. That does not mean that building dikes is useless in guiding and mitigating the consequences. So there is also room for policies which will temper the consequences of global changes to the individual country.

(5) Suppose it is granted that there is room for policy. Are there any policies which will do any good?

One observation is that unemployment is always differentially larger among the less educated. This suggests that increasing the amount of education — today this means increasing higher education — may help.

Second, there is room for both fiscal and monetary policy. They cannot change the long-run movements, but they can alter the short-term fluctuations, and after all the long run is a succession of short runs.

Third, we want to reduce the fixed costs of employment. As shown in the appendix to Dr. Tietmeyer's paper, among the factors that contribute to Europe's unemployment problem is the fact that, between the extremely high minimum wage and payroll taxes, employment of the less productive is especially taxed.

Fourth, there are other policies sometimes discussed by economists, like wage subsidies. These should follow general rules and be integrated into the tax system, not paid to employers.

Fifth, unemployment benefits are not a cure for unemployment but they are a matter of social justice. If we are saying that the health of the economy depends on the presence of unemployment, it is certainly wrong that the price of that benefit should be paid by the unemployed. The beneficiaries of unemployment are those who are employed; as a moral and a practical matter, they have to bear this burden. Many of us argued early in the transition that unemployment benefits were important to reduce resistance to the necessary changes. Unemployment benefits promote the necessary mobility of labour. As an additional benefit, the benefits stimulate purchasing power and therefore reduce unemployment.

LLACH

Mis reflexiones apuntan no tanto a las conclusiones de esta sesión, sino pensando en posibles temas para la próxima sesión. Yo creo que estamos viviendo, evidentemente, una época nueva, pero que no la hemos todavía registrado lo suficiente. Pensando en los textos de la doctrina social de la Iglesia, uno recuerda la caracterización de los efectos de la revolución industrial en la Encíclica *Rerum novarum*, luego uno recuerda los textos (me refiero sobre todo al diagnóstico de la realidad) en *Mater et Magistra* y en *Populorum progressio* referidos a la época del optimismo sobre el desarrollo económico, y, finalmente, varias de las encíclicas de Juan Pablo II, con un fuerte énfasis en, por ejemplo, los temas de la crisis del comunismo.

Sin embargo, yo creo que nos está faltando, y aquí en la Academia,

concretamente, una caracterización adecuada de lo que es esta nueva época. Se demandó por allí la necesidad de un nuevo lenguaje, y yo creo que es cierto, pero un nuevo lenguaje implica nuevos conceptos, y ni siquiera tenemos nombre para esta nueva época, pero que sin embargo existe. Esa época tiene características tanto negativas como positivas. Mi impresión es que, en general, mismo en estas sesiones, a veces tiende a ponerse énfasis excesivo en los aspectos negativos de esta nueva época. Por ejemplo, concretamente: se ha mencionado mucho que no se hace referencia a los países en desarrollo. Sin embargo, una característica de esta nueva época es que, desde hace quince años, por lo menos, los países en desarrollo vienen creciendo sistemáticamente más que los países desarrollados. No obstante eso, todavía repetimos, como herencia de otras épocas, la creciente desigualdad entre el norte y el sur, que yo creo que ya es muy dudoso que esto esté ocurriendo.

Entonces, yo creo que es muy importante que en la próxima sesión de la Academia tengamos un contacto más universal con toda la realidad que está ocurriendo en el mundo, en particular en los países en desarrollo, también en los países desarrollados. Por ejemplo, Asia, que tiene tres quintos, más o menos, de la población mundial, está aquí virtualmente ausente. Y lo que está pasando en Asia, con su crecimiento económico, es algo que no está presente en nuestro discurso, no está presente. Ya no es Japón, que en realidad es un país estancado desde hace cinco años, sino diez, doce, quince países de Asia ... Ayer le pedí a mi colega Sabourin un trabajo que él ha hecho, porque ha estado recientemente en Vietnam y en Camboya, por ejemplo, y lo estuve empezando a leer y esa descripción de lo que es Vietnam hoy en día, como un país con un enorme potencial de crecimiento ... Todo eso está ausente. Entonces, yo creo que tendríamos que tener, ya sea directamente por nosotros, o por expertos invitados, buenos diagnósticos de las realidades en un escenario mucho más amplio, que incluya Europa, América del Norte, pero también Asia, América Latina, África, que yo creo que está en una situación completamente diferente.

Centrado siempre, yo diría ahora quizás mas, en el tema del empleo que en el del desempleo, en el tema del trabajo en general, pago, no pago, "full-time", "part-time", ocasional, permanente, etcétera, porque evidentemente una segunda característica que uno podría mencionar de esta época es que el paradigma del empleo permanente y sobre bases "full-time", o sea con dedicación exclusiva, es un paradigma que ha entrado en crisis, y probablemente de una manera definitiva, es decir, probablemente es un paradigma que ya no va a caracterizar el mundo del trabajo, de quien más.

Yo creo que todo eso lo tenemos que conocer más de cerca, por

ejemplo, también una tercera característica de esta nueva época que apareció, sí, en estas sesiones, pero que requiere un análisis más profundo, que es todo lo que está ocurriendo dentro de las firmas, dentro de las empresas: las relaciones laborales hoy en día están cambiando de manera substancial, no tienen absolutamente nada que ver con las de la sociedad industrial propiamente dicha, son totalmente diferentes. Muchas veces por lo positivo: también con aspectos negativos, pero con muchos aspectos positivos. Entonces, yo creo que estos diagnósticos nuevos, de estas realidades nuevas, con éxitos y con fracasos, tenemos que conocerlas mucho más de cerca, y no tener ningún reparo en invitar, yo diría, o por lo menos leer entre nosotros, personas con enorme experiencia en lo que son los cambios en el mundo de la empresa hoy en día, ¿no es cierto? Porque eso, yo creo que nos va a dar un diagnóstico completamente nuevo de cuál es verdaderamente la característica de esta época, que tiene también como signo el problema del desempleo, como problema serio, grave, preocupante, y al que hay que darle respuestas, pero que no es la única característica.

También creo que nos tenemos que aproximar más a la problemática del trabajo, en sentido amplio, en algunos grupos de la sociedad — se ha mencionado, concretamente, el caso de las mujeres: yo creo que es otra característica de esta nueva época el hecho de que la división del trabajo entre la familia y el mercado está cambiando de manera muy acelerada, con muchos aspectos positivos, también con aspectos negativos. Esto ha aparecido en esta sesión, pero creo que todavía requiere un análisis adicional. Yo leía, por ejemplo, el documento de esta reunión que se hizo sobre la familia, recientemente aquí, en el Vaticano, que es sumamente interesante, y que tiene una cantidad de reflexiones muy pertinentes para nuestro trabajo en relación con el tema precisamente del trabajo.

Por último, diría que, junto a este sumergirse en estas nuevas realidades, que yo creo que nos falta hacerlo, también sería bueno contar con una nueva fenomenología del trabajo humano en sus aspectos no solamente descriptivos de lo económico o lo sociológico, sino también de lo filosófico, e inclusive de lo teológico, pero creo que esta nueva visión de este nuevo mundo es lo que debería, principalmente, centrar nuestro trabajo en la próxima sesión. Muchas gracias.

GLENDON

At the intersection between Professor Arrow's and Professor Llach's comments is a great dilemma for law and policy makers. Professor Arrow, towards the end, raised the question of whether there are policies that work, and Professor Llach reminds us of the imperfect state of our knowledge, and of the omnipresence of change. Legal and political decisions

have to be made in a shifting context on the basis of imperfect information. Under such circumstances, one wonders how to “do no harm”, especially since regulation so often entails unintended and unforeseen indirect effects. The best way, as Professor Arrow implies, is to proceed by trying to find out what is already in place that works, or, in the alternative, to try small-scale pilot programs.

In that connection, we are finally beginning to understand the limits of the ordinary notion of law as command, and to recognize the need to think about two other aspects of law, that have been neglected both in theory and in legislative practice: law as setting conditions and law as setting goals.

First, an alternative to laissez-faire on the one hand, and direct top-down regulation on the other hand, is a kind of law that some legal theorists call “reflexive law”. This is law that is directed toward establishing frameworks that promote innovation and creativity, rather than directing outcomes from on high. In the specific context of labour, laws that promote collective bargaining would be an example of reflexive law, as distinct from laws that subject wages, hours, and working conditions to heavy state regulation.

The second kind of law that merits more attention is the sort of law that establishes what Mrs. Suchocka referred to as “programmatic rights”, the rights to work, education, health care and so on, that one finds in international documents and in many post-World War II constitutions. Some regard these aspirational rights as illusory or useless because they are not directly enforceable. But they do serve to provide a kind of normative framework for legislative and political decision-making.

Moving from law to culture, I want to suggest that in our next session we should address the question of *respect for all legitimate types of work*. We have touched on this problem under the headings of “women’s work” and “unpaid work” and “work and family”. What needs attention is that we have entered a new era where the experience of past generations offers little guidance. We have to think about the problems not only in the usual legal and economic categories, but in terms of the *value* that our societies place on paid and unpaid labour. The concern is, in this new age, that there is growing disrespect for the labour that women and men perform in raising children, disdain for the condition of being dependent, and indifference to the circumstances of the men and women who do most of the world’s work.