

Summary of the Discussion

The relationship between technological retraining and job-sharing was raised. Now, school leavers and university graduates are informed that their job skills will be obsolescent after a few years and that they will require retraining. Since to retrain is costly for the employer or society in general, will this not inhibit the propensity of firms to allow job sharing?

(Prof. Drèze). Just as I stressed that there is a fixed cost involved in creating regular jobs, so I would not deny that further costs attach to retraining. Let us not forget, however, that in both cases it is labour which supplies the financial resources. I do not doubt that Renault saved costs by closing down its Belgian plant, rather than sharing the work across a dozen European plants. However, this was a mistake for Renault itself because although its stock market value rose 15% on the day of closure, it fell by the same amount in succeeding weeks. I thus congratulate Volkswagen which accepted a trade-off between immediate cost-effectiveness and maintaining the good will of workers by refusing to close down plants. This is a difficult problem, but one for which market mechanisms are inadequate, and whose solution depends upon negotiated agreements, where costs and benefits are balanced and shared fairly.

All social teaching since *Rerum novarum* has insisted upon the "family wage" earned by the male breadwinner. I thus wonder whether the presentation did not over-estimate the condition of the individual worker at the expense of the family? In this connection it is surprising that no reference was made to the work of Gary Becker who, as a Jewish economist, has done much to revitalise the family and to stress the socio-economic contribution it makes, above all in the formation of human capital.

(Prof. Drèze). What I said in conclusion was not that the model of the male breadwinner was outdated or useless, but rather that another point of view had emerged over the last 20 or 30 years which now attracts attention because of the instability of partnerships (married or otherwise). Frankly I see the priority as being those who are poorest, and in our societies this means single mothers who are not rooted in the traditional family. The

social teaching of the Church must engage with this problem, without making the single mother the prototype of the Christian family. Here there are various demands to juggle, but there are also a variety of concrete possibilities, such as remunerating motherhood itself. Just because the united family may be the ideal, nevertheless departures from it cannot be ignored by policy-makers or in ethical discussions.

The prime reason for making no reference to Becker's work was that he is not concerned with job-sharing. However, there are substantial differences between us, particularly over two points. His valorisation of the family presents it as a choice between quantity and quality of children, but quality is reduced to the amount spent upon them, rather than the socialisation they acquire. Secondly, he believes that all unemployment is voluntary and an expression of a preference for leisure at the moment, without noting the absence of corresponding increases in the sale of skis, golf clubs and other leisure products! Therefore, there is indeed a certain fundamental discord between us in our approaches to economics.

If we turn to the rates of employment of older workers, the statistics presented seem to call for further explanation. In France, for example, 11.2% of men aged 60-64 work, compared with nearly 57% for males in Sweden. Firstly, are these expressions of preferences or factual data? Secondly, are there other possible explanations than structural causes, such as the official age of retirement or differences in national preferences for length of working life?

(Prof. Drèze). The figures referred to are factual data. In France the official age for retirement is 60, and just before that birthday 60.2% of men are in work: immediately after it, the figure falls to 11%. The Swedish retirement age of 65 produces higher percentages of those in work in this 60-64 age group. Secondly, structural factors (including market disequilibrium) does account for most of the variance. In substantiation, an OECD report gave statistics on the non-active population, by age group, and found that half of the older non-employed in the Netherlands were considered medically unfit to work: but this means that the Dutch social security system enables the systematic transfer of people out of the unemployed category (and into that of those with physical disabilities) who in other countries would appear as unemployed. Thus, from the corpus of statistics available, the dominant factor is mass unemployment which is disproportionately concentrated among the older workers.

The possibility was mentioned of taking leave from employment for a number of years but retaining the right to return; how does this work since the employer may end up with two employees and prefer the more recent one?

(Prof. Drèze). The replacement is on a fixed term contract and the employee returning to work cannot be fired for a year. The main problem is that job requirements change rapidly and those returning after several years have not up-dated their skills. This could be overcome if those taking time out, like mothers, remained in part-time employment, doing enough hours to stay in touch with the evolution of their jobs: otherwise they run the risk that their careers will be significantly slowed down.

Will the radical change produced by ageing in the demographic structures of Europe, which will also come to characterise China, not inevitably lead to a much longer period of time over which people will want to work?

(Prof. Drèze). Ageing has important effects in general. Looking back over the last one hundred years, whilst the years of employment as a proportion of the lifespan has been halved, the absolute number of working years has been stable and had increased slightly in mid-period, due to longer life expectancy in conjunction with better health standards which make people employable for longer. In the Europe of next century an extended working life is going to be essential if pensions are to be paid, without placing an intolerable burden on younger people. Significantly, the United States shows 75% of the population are in employment at 60, as against an average of less than 50% in Europe. Of course, extending the working life makes a dual contribution to funding pensions: by reducing the number of years when a pension is paid and increasing the number of years of contributions. Also, many people like to work on and I would personally favour a policy of gradual retirement.

Turning to the problem facing women, how can they be extricated from their traditional position in terms of having a negligible say over the management of time? The moment they attain enough political influence to propose changes, they will come into confrontation with men.

(Prof. Drèze). This is precisely why the question of different options must be raised. The possibility of a four day working week for employees whilst the enterprise operates for six, could also present the alternative of

working for six half-days. Yet there are difficulties attaching to the latter — repercussions for schools, sports, club activities, etc. There are also differences of interests, a woman might find that working half-days, in conjunction with several hours of domestic work, is preferable, but long distance commuters may well prefer the four-day alternative. Here, priority should be given to women's preferences, because they generally carry a heavier burden within the family, but their lack of political authority makes it impossible for these to be asserted effectively. However, their point of view can at least be privileged by letting them speak through our research studies.

Most advocates of the unfettered market economy seem to be unenthusiastic about job-sharing or part-time work as means for reducing unemployment, on the grounds that these both increase the unit cost per worker (because of increased national insurance payments and the employers' pension contributions). This view also entails the assumption of an overall reduction in social security payments to the unemployed — meaning the more part-time workers there are, then the more contributions which have to be made for them. Do we have to accept this economic argument in itself and argue only in terms of counterbalancing social considerations?

(Prof. Drèze). Well, the costs of unemployment benefits have to figure in the calculations, and the more unemployment is reduced, the greater the saving. My advocacy of work sharing is predicated upon not increasing the hourly cost of labour, nor reducing output, because this loses part of what one is seeking to gain. That having been said, there is undoubtedly a trade-off to be considered between social values and economic costs. What Volkswagen did in accepting the cost of keeping its ten factories running (unlike Renault's closure of one plant) served to protect jobs and to continue hiring young people. This may eventually pay-off, even in economic terms, because of sustained morale and the upgrading of the workforce. Although this is not necessarily the case, neither can social considerations ever be treated effectively by market mechanisms.