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Attitudes to Work

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My presentation has to do with the attitudes to work in France and Europe, mainly through the channel of the welfarist understanding of work, as it is challenged now by current and increasing job polarisation.

There are two opposed characterisations of work. One highlights its instrumental, monetary value, and the other one highlights its expressive, non-monetary value. The duality of semantics articulates that quite well, opposing labour to work, burden to achievement. It is rather easy to define the negative value of work as this set of painful constraints and efforts that hamper free self-disposal. It is less easy to define the self-fulfilling value of work. It can refer to a parameter within the set of characteristics that attach to jobs, as in the well-known argument of compensating differentials that goes back to Adam Smith (Smith 1776).

A more radical route leads to endorse an ontology that promotes individual achievement and social emancipation through work, rather than through leisure. From the late eighteenth century onwards, the surest

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sense of work was found in its productive nature, of which creative labour came to be seen as an epitome (Elster 1985; Taylor 1989; Sennett 2008).

A third layer of meaning came to be added to the concept of work from the late nineteenth century onwards, with the development of the welfare state model and the gradual allocation of social security and rights attached to labour relations. The welfarist doctrine claimed that work is the vehicle to human flourishing, primarily through rising wages and consumption (Habermas 1986).

Can we simply pile up the three layers of instrumental, expressive and welfare related content of work? The interplay of the first two dimensions seems at first sight rather obvious. The instrumental monetary and expressive non-monetary content or functions of work are positively correlated, as summarised by Galbraith. I quote: ‘Those who most enjoy work—and this should be emphasised—are all but universally the best paid’. This is accepted. However, this one-dimensional grading has its own limitation. For example, creative workers do not fit that picture well (Garner et al. 2006; Menger 2014). I will not elaborate on that point.

Mainly, I now want to show how the welfarist approach to work attempts to correct or counterbalance the hierarchical evidence of the correlation between instrumental and expressive valuation of work. I will take stock of the French mode—I am French—whether or not there are lessons to be drawn from it to reach a more general understanding of the present and future value of work. This may be disputed.

According to the Organization for Economic Cooperation and Development (OECD) Better Life Index (OECD 2015), the average person has an enviable wellbeing in France (OECD 2017), and yet there is a French mood of everlasting dissatisfaction that generates political swings as well as regular call for structural—that means radical—reforms, especially in the context of the eurozone. There is a French paradox. The French, according to numerous international surveys, are among those who attach the most importance to work and see it as a means of self-fulfilment. At the same time, they are those who wish to, and in fact actually do, devote least time to it, and express strong dissatisfaction with pay and career prospects (Méda and Vendramin 2017). The question might come: are the dissatisfied people building a kind of avant-garde better equipped to face the liberating as well as the threatening dimen-

sions of technological innovations? Let me review four potential explanations for this paradox.

The first signature of the French model is the regulation of the working time and retirement age. The average annual number of hours worked by full-time wage earners in France is the lowest across the European Union. By contrast, the French self-employed workers are true workaholics and among the most zealous in Europe (INSEE 2018). Moreover, the average age at which French workers leave the labour market and retire remains among the lowest in the OECD zone (OECD 2017). Are the French citizens, and French dissatisfied people, spoilt citizens that fear the end of welfare improvement, or is dissatisfaction mainly an issue of composition effects (Murphy and Topel 2016; INSEE 2017)? We should go further in the investigation of the paradox.

The second point is dissatisfaction with pay and low confidence in the future. France's choice has been to reject the 'working poor' model. The minimum wage is among the highest of OECD countries. Over the last 55 years, it has increased faster than the inflation rate and faster than the average wage over the last 20 years. France has indeed a fairly redistributive policy that lowers income inequality and manages to have a rather low share of people below the poverty line. This leads to a wage compression that results from two distinct mechanisms. For the lower part of the wage distribution, the high level of minimum wage dramatically reduced lower tail inequality. For the upper part of the distribution, there is a decrease in the skill premium (Verdugo 2014). Yet, this generates dissatisfaction with pay, especially among those who invest in higher education and expect a good return from it (Artus 2017). The so-called talent drain in France builds on this unbalanced return on education and advancement.

There is now also a growing concern about the momentum that the working poor model gains in France and about the costs of the fairly tight safety net used to buffer it. In fact, the polarisation of the labour market paves the way for a growing structural inequality. Jobs are concentrating at the two extremities: skilled and well-paid jobs in sophisticated sectors, and unskilled and/or deskilled low paid jobs in unsophisticated services. Yet, because low skill, low wage jobs must be created to increase the employment rate, this increase inevitably leads to an increase in income inequality (Artus 2017).

This can be called a curse of higher employment rates. Higher income inequality—yet not the astronomically high rate observed in the US—must be tolerated if the aim is to obtain a higher employment rate.

Can the curse of the high employment rate be averted? It turns out that almost all of the OECD countries that have a high employment rate and low income inequality build their welfare policy on two pillars. Switzerland, Denmark, Sweden, the Netherlands, Austria and Finland have not only large-scale redistributive policies but also a workforce with high labour force skills, including among the low skilled, thanks to a high quality education and vocational training system.

Let us look at the issue of unemployment. The safety net put in place in France has been tightly secure for decades. The high level of employment protection should dampen anxieties, but it is quite the contrary. When asked about how confident they are in their ability to keep their job over the coming months, the French are amongst the most likely to say they are not very confident. For sure, unemployment in France is high and has remained so for more than three decades, yet it mainly hits the low skilled to a greater extent than in the US or the UK, due to the rejection of the working poor model. At the same time, unemployment benefits and unemployment compensation duration in France are among the highest in Europe. The combination of strict employment protection laws and generous unemployment insurance has backed a strong insider/outsider duality in the labour market, with strong discrepancies between permanent jobs and temporary fixed term contract jobs (OECD 2017).

One striking feature of that dualistic structure is the French model of ‘flexicurity’. Workers in growing numbers, mainly unskilled and service workers, ultimately compensated unemployment spells with very short-term jobs. As a result, the category of unemployed workers that still work intermittently in order to accumulate unemployment insurance benefits and wages has considerably grown over the last decade. The way most unions operate in France perpetuates this labour market dualism. France has one of the lowest rates of union membership in the OECD, and yet one of the highest rates of wage and collective bargaining coverage, due to the legal and administrative extension procedure, which results in the application of collective agreements to firms that are not members of one of the signatory employer associations. This impacts the way in which

unions behave, mainly in a confrontational style. Indeed, we know that better, more cooperative, labour relations positively correlate with union membership rate (Cheuvreux and Darmaillacq 2014).

This leads us to the fourth explanation of the French paradox, which has to do with distrust in labour relations and with managerial flaws. France's overall score of management quality is not that bad, but France's sense of hierarchy and centralisation certainly nurtures a confrontational mood in labour relations (Bloom et al. 2012).

Faced with this paradox, what are the options? Let me consider the usual three suspects: voice, loyalty or exit. Voice means going one step further in reducing the legal work week time, increasing the minimum wage, further reducing income and wealth inequality, and massively investing in public education. That would amount to making France the expected land of higher equality of outcomes, not of opportunity only. That is certainly the option of the French extreme left wing.

Loyalty leads to reform and trust in the improvement potential of the French model. That is certainly the route taken by President Macron now, with its multiple challenges: decentralising labour relations and negotiations, supporting the entrepreneurial spirit, investing in better management, education, lifelong training, building trust and a sense of a social positive-sum game, by securing a higher level of structural growth and building a tangible link between growth, innovation and social mobility. These are major challenges that have been discussed for years, but reform has now gained momentum.

Exit refers to a transformation of the wage-earning society and can take two different ways: the independent work option, or a transformative welfare state that should encompass waged labour as well as independent work. Ideally, the loyalty and exit options should not be exclusive. In the last section of my paper, I mainly focus on the exit option, because it provides a way to extend the discussion of the valuation of work in a context of rising autonomy and independence at work. It may offer us a glimpse into the future of work.

I will leave the two questions that remain in view of independence at work. If self-employment is so desirable, why is the number of self-employed workers not higher (Benz and Frey 2008)? The second one is, how can we explain that a great number of people who enter self-

employment and who might do better if salaried persist in independent activity (Rosen 1986; INSEE 2015; Lamarche and Romani 2015)?

Let us go to my conclusion. The premise of an enterprising and ambitious France—that is the present motto—attempts to find its way towards a new, more flexible welfare state. The aim is to pragmatically confront the challenges set at the same time by the labour market polarisation, the digital revolution and the preservation of a European—or we could now better say continental—welfarist model. The challenge is to escape the curse of high employment rates, as well as the pitfalls of the working poor, entrepreneurs or self-employed. Instead of adjusting the existing tools to a rapidly shifting technological and globally competitive environment, one could design a totally new scenario. New? Maybe not that much. Remember that Ronald Coase, a very long time ago, asked why not nexuses of bilateral contract work negotiations instead of firms (Coase 1937)?

What would a flexible welfare state look like? It could be based on so-called social drawing rights (Supiot et al. 2001). The drawing rights framework might build on various existing social rights: assistance for the unemployed in creating or taking over businesses, training leave, training vouchers, special leave, time save accounts, universal basic income, in order to extend them and, more importantly, better manage their allocation, combination and interaction. We should note that this may, in the long term, lead to a management of preferences, rights and risks that would erase the barrier between market, firm and public or private regulations (Menger 2002).

Ironically, based on personal accounts one would draw on, management of one's life course would encompass more and more dimensions: paid work, community work, leave for job search and occupation switch, lifelong training spells. It would, at the same time, be subject to bargaining processes that resemble the running of an individual micro firm, with investment in skill acquisition, portfolio of competences, management of rights, interim devices, arbitrations and so on. Platforms and digital devices should help. After all, the future is made out of tensions to create and then to reduce.

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