

The Jobs Letter

No. 153

4 October 2001

Essential Information on an Essential Issue

KEY

OVERWORK

UNREASONABLE HOURS

35 HRS IN FRANCE

SHARING THE WORK

DIARY

21 September 2001

Two of the three major shareholders of Air New Zealand, Singapore Air and Brierley Investments, reject a demand from the Air New Zealand board to immediately commit \$850 million to rescue the national carrier. The board says that without the funds they are likely to place the airline in statutory management. The NZ government is the other major shareholder.

23 September 2001

Job losses are expected as the Auckland District Health Board begins the process of merging Green Lane, Auckland, National Women's and Starship Children's hospitals. The hospitals currently employ 7,500 staff who have been told that specific redundancies will be announced by Christmas.

24 September 2001

The government expects 300 jobs to be created as it contributes \$100,000 towards a plan that it says will see Ngati Porou marginal land planted as commercial forest. Minister of Maori Affairs Parekura Horomia says that the venture will create training and employment opportunities almost immediately and will inject \$3-5 million into the largely Maori community on the East Coast.

25 September 2001

The Reserve Bank of NZ lowers its wholesale interest rate to 5.25%. The US Federal Reserve Bank cuts rates to 3%.

- American workers are continuing to put in **the longest hours in the industrialised world** — spending nearly **one week more on the job** per year than they did a decade ago.

An International Labour Organisation (ILO) study shows the average American worked 1,978 hours in the year 2000, up from 1,942 hours in 1990. The report also shows that the average Australian, Canadian, Japanese and Mexican worker puts in about 100 hours (or about two and a half weeks) less work than the average American. The British and Brazilians work about 250 hours (over five weeks) less per year while Germans work nearly 500 hours (about 12.5 weeks) less than Americans.

(Workers in South Korea and the Czech Republic spend considerably longer at their jobs than Americans, but the ILO does not include these nations in its list of “industrialised countries”).

- Statistics NZ reports that New Zealanders, on average, worked 1,835 annual hours in the year 2000, **up 15 hours** from the 1,820 annual hours in 1990.
- All these long hours **do not mean** that American workers are **the most productive**. The ILO report shows that the United States is No.1 in the world in terms of productivity per worker. But partly because of the comparatively high number of hours Americans work, the report finds that France and Belgium edge out the US in terms of productivity per hour. The figures: French workers produce an average of \$US33.71 of value added per hour, compared with \$32.98 in Belgium and \$32.84 in the US.
- Americans typically get only two or three weeks holiday a year, while Europeans will take four to six weeks holiday. Besides having shorter holidays, **Juliet Shor**, author of the ground-breaking book “*The Overworked American*”, comments that a major reason for the longer working year in the US is that American worker seems to be getting **squeezed in both the boom times, and the busts**.

Shor: “All the direction seems to be for longer hours. In expansions, companies keep giving more work to their workers, and in recessions, there will be downsizing and fewer people working, but the workers who remain will have to work longer hours to retain their jobs...”

- The working hours and productivity figures are part of a new international study, entitled “*Key Indicators of the Labour market 2001-2002*” (KILM) which the ILO will be releasing at a special **Global Employment Forum** to be held in Geneva on 1-3 November 2001.

The Forum will bring together key players from international institutions, government, business, trade unions, and “civil society” to discuss **a new global employment agenda** — one that will focus as much on issues of “overwork” and “underemployment” as much as it does on traditional measures for job creation.

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Kmart stores in NZ are likely to be re-launched after the Australian owners, Coles Myers, decide to ramp-up the retail chain that has been losing money. About 1,000 NZ Kmart staff will apparently now retain their jobs which were under threat as negotiations had been underway to sell the 11 NZ stores. Meanwhile, Coles Myers announces that 1,000 middle management and head office jobs will be scrapped in Australia.

26 September 2001

The Ministry of Women's Affairs releases *Maori Women: Mapping Inequalities and Pointing the Ways Forward*. The report confirms that there are big gaps in social and economic outcomes for Maori women.

The price of insurance is certain to rise as a result of the September 11th attack in the US. The National Business Review warns NZers to expect increases from between 20% to 200%, depending on which industry they are in.

27 September 2001

The NZ Income Survey, compiled by Statistics NZ, shows that the average weekly income rose by 6% over the last year. The increase has been driven largely by an increase in the numbers of people in paid employment, and also by a rise in average hourly earnings.

The NZ Stock Exchange suspends trading of Air New Zealand shares after comments by PM Helen Clark could have been construed as indicating the government would bail the company out.

Job vacancies in Australia have declined by 6.7% over the last three months according to a survey by the Australian Bureau of Statistics. This is the fourth straight quarterly decline in Australian job vacancies.

It can take several years before for non-English speaking refugees in NZ are ready and able to get paid work. Simon Collins of the *NZ Herald* says that most refugees require at least one year of English-as-a-Second-Language training before they are work-ready but many are not doing the training because it is unavailable. At the moment there are 300 refugees on waiting lists to take state-funded ESL courses. There are another 120 refugees in queues for ESL courses which they are willing to pay for.

Observers say that the KILM report will be a significant contribution to these discussions because it breaks new ground by **focusing on a broad, comprehensive set of global indicators** to analyse labour markets, rather than just study one indicator such as unemployment. (The wider indicators include: labour force participation, employment by sector and status, informal sector employment, unemployment, underemployment, hours worked, wages and earnings, labour productivity, and poverty.) For more information on the KILM report, contact the ILO website at www.ilo.org

- In preparing for the Global Employment Forum, the ILO estimates the global labour force at nearly three billion, or roughly half the world's population. There are some **160 million people unemployed**, with 66 million or 41% of these people young people. In addition to this, the ILO estimates there are 500 million "working poor" who are unable to earn more than \$US1 per day.

Over the next decade, the world's labour force is expected **to grow by another 500 million people** ... an expansion which the ILO argues could be both an opportunity and a challenge. The ILO: "The productive contribution of these men and women has the potential to spur growth and prosperity throughout the world. The ILO is convinced this promise can only be realised if employment becomes the central focus of economic and social policies at regional, national and international levels. Otherwise, the risk is that many of the new entrants will join the unemployed and working poor..."

- Americans may be working longer hours, but many workers in Australia (and New Zealand) have just as much cause for **concern about overwork and fatigue**. A new study released last month by the Australian Council of Trade Unions (ACTU) show that one in five Australian workers are **working more than 50 hours a week**, and that **"unreasonable" working hours** are damaging family and community life. Overworked Australians are reporting their lives have no friendships and hobbies, they have no time for sport, and have little intimacy with their partners.

The study, called *Fifty Families*, was undertaken by researchers at the Universities of Sydney and Adelaide. It looked at workers and their families who experience "unreasonable" working hours. These include very long hours, changes in time zones, irregular shift work, unpredictable hours or combinations of these.

- ACTU President Sharan Burrow says that family life is breaking down in Australia because of the **increasing pressure to work longer and unpredictable hours**. She says the study shows the lack of control and the low level of negotiating rights employees have over hours of work. Many employees reported that they were not even paid for their extra work.

Burrow reports that the trade union movement is putting "hours of work" and "fatigue" **on the political agenda**. While workplaces over the last decade have been deregulated and restructured, often many times, to enhance management "flexibility" ... she says it has been harder for trade unions to have an influence on these important health and safety issues.

— The *Fifty Families* report can be downloaded in PDF format from the ACTU website at www.actu.asn.au

(continued on page four)

REVIEW

SHARING THE WORK, SPARING THE PLANET

This book contains numerous examples of creative ideas for sharing the work in our communities and balancing our personal quality of life. Anders Hayden is the research and policy co-ordinator for the Toronto-based 32 hours action coalition that advocates both working and consuming less. He argues that making ecological sustainability our first economic priority can provide a practical strategy for job creation as well as the expansion of our leisure time.

Sharing the Work, Sparing the Planet is a comprehensive study of the wide range of reduced work-time initiatives that have been implemented in industrialised nations during the last 10 years. At times controversial, Hayden moves beyond pitting the protection of the environment against the protection of jobs and argues the case for a green economic and social vision.

Work time reduction is most commonly thought of in terms of a shorter working week, but Hayden covers a much wider range of possibilities including parental or educational leave, phased in or partial retirement, sabbaticals, longer holidays and any number of other ways of reducing work hours over the a human lifetime. These other options allow for flexibility for both employers and employees to work different schedules at different times in their lives.

Work time reduction is seen as an ecologically sound response to the employment crisis. Hayden advocates less consumption and more thought about environmental and socially sustainable job creation. His chapter on world unemployment, social unrest and environmental degradation makes sober reading and he argues that the solutions of frugality and individual life style changes, though needed, cannot be divorced from a larger political project to ensure an equitable sharing of wealth.

Hayden argues that the greatest obstacle to work time reduction is the dominance in industrialised nations, of a culture consumed by growth. This culture has produced a business sector resistance to shorter hours and a state sector focused on reducing welfare. Coupled with falling wage rates, these strategies mean families work longer hours to meet their daily needs. — *JF*

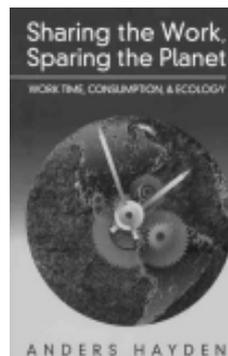
- One key reason for the abrupt halt in the trend towards shorter hours in North America was the rise of consumerism. A “new economic gospel of consumption” was successfully promoted and the idea that people can ever have enough was largely dismissed. The promotion of pseudo-needs through advertising and emulation played a part in this, but the drift to consumerism was more than a “capitalist plot”.... mass consumption was quite willingly embraced by the masses. Rather than accepting that the economy had reached a certain maturity and that future progress should be in the form of freedom from work, the state introduced a set of measures to promote growth and generate more work for more freedom.

- As a self-contained matter, there is no great difficulty in designing policies that would effectively bring down unemployment ... such policies would include reducing the size of would-be employees by lengthening the period of education, advancing the age of retirement, shortening the workweek or workday, expanding vacations and introducing training sabbaticals or encouraging employment by generating public projects ... Unfortunately, the pursuit of unemployment policies cannot be self-contained. The problem is the ability of any one country being able to cope with technological unemployment as it runs up against the constraints of globalisation.

- Perhaps a greater long-term concern is that a more socially progressive structure that promotes employment and economic growth will come at the expense of greater environmental degradation. Capitalism now faces two crises: “overproduction “ in the economic sense of a growing gap between productive capacities and the purchasing power of the majority of the population, and “overconsumption” in the environmental sense of excessive demands being made on nature. Solving overproduction by creating conditions for a new pro-growth regime for the world will almost certainly intensify the problem of overconsumption.

- The goals of Work Time Reduction — if it is to serve ecological ends — should ultimately be to find an alternative to the growth of production and consumption rather than to stimulate it, to create leisure as an autonomous space outside of the market rather than as a new source of market opportunities, and to start subverting the machine of capitalist consumerism rather than to simply make that machine work more equitably and smoothly.

History shows that progress on Work Time Reduction can occur in great, international leaps forward — as with the spread of the eight-hour day in 1917-19. It is too early to tell where the new wave of demands and initiatives for Work Time Reduction in Europe will lead, but there are solid grounds for hope that we could well be experiencing another great historical moment of advance on this vital front.



Sharing the Work, Sparing the Planet — Work Time, Consumption & Ecology

by Anders Hayden
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available from amazon.com

More information on **32 hours: Action for Full Employment** is available from www.web.net/32hours

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29 September 2001

The Australian government is developing a work-for-the-dole scheme which it says will be implemented if it is re-elected next year. The scheme will require people who have been on the dole for six months to do between 150 and 240 hours of community service per year. The government says the scheme will help people stay active and connected to the community and keep people from growing dependent on welfare support.

A further suspension of Air NZ share trading delays any deal being finalised regarding the future of the company.

Part of US president George W Bush's economic revitalisation plan is to double the amount of time people can be on the unemployment benefit while looking for new work. Bush says that unemployment insurance will support people for a year rather than six months. He is also asking Congress for funds to increase job training assistance.

1 October 2001

Winz and the Ministry of Social Policy formally merge to form the Ministry of Social Development.

2 October 2001

The World Bank estimates that the stunting of world economic growth due to the September 11th attacks in the US will condemn as many as 10 million more people to live on less than \$US1 per day. The worst hit areas will be in Africa.

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The Diary is sourced from our media watch of New Zealand daily and weekly newspapers.

Research sources for the main items in The Jobs Letter are available in our internet edition at www.jobsletter.org.nz

- It's been twenty months since the introduction of the **35-hr working week in France**, and the indications are that the shorter week has become extremely popular. *L'Express* reports that 68% of the French workforce say that the change in working hours is improving their quality of life.

The new working hours were introduced in January last year when all French firms with more than 20 employees were required to renegotiate their labour contracts. In exchange for the 35-hr week, the workers have generally been willing to accept a more flexible allocation of their work time, along with some wage restraint. The government has given businesses incentives to employ new low-wage workers by subsidising the social payments paid by employers (to contribute to superannuation, healthcare, accident compensation and unemployment benefits).

The results have been impressive: unemployment in France has fallen from 13% in 1997, to a 9% this year. The French Employment Minister Elizabeth Guigou reports that the year 2000 was **the best in terms of job creation for a century**. While strong economic growth has created the majority of these new jobs, the Jospin government attributes about **one fifth of the improvement** directly to the 35-hr week measures.

- The five million workers (who have been affected so far by this legislation) have an average of fifteen more days off a year. Media reports say that the traffic in Paris thins out dramatically on Wednesdays, when many working mothers are choosing to spend a day off with their children. Friday afternoons are becoming a time for household chores so that "le weekend" can more fully be spent on leisure pursuits. Do-it-yourself stores and travel agents have all reported an upsurge in business. There's been a boom in shopping, which is helping to sustain historically high levels of consumer confidence.
- Although it is referred to as a 35-hr week, in reality the French have a 1,600 hours a year law — the legislation sets the weekly time as simply an average across the year. This has introduced **a level of flexibility** into French working life, which economists say is also increasing productivity. *Examples:* Samsonite workers, who manufacture luggage, have agreed to work 42 hours a week in the summer, when the demand for luggage is high, in exchange for 32 hours a week in the Winter. At Carrefour, the French retail giant, cashiers have agreed to adjust their duties and work times in accordance to the number of customers in the store.
- The 35-hr week may be a boon for most French workers, but **not in those sectors already burdened with skills shortages**. The *Guardian* reports that French hospitals are being put under further strain as the French government tries to impose its 35-hr law on an already **over-stretched medical staff**. French health unions say that the promise of recruiting an extra 40,000 new nurses to plug the holes left by the shorter week cannot be fulfilled ... and warns that the situation will lead to healthcare chaos. French hospitals are already short of 10-15,000 staff, mainly nurses. A public hospital administrator in Paris told the *Guardian*: "My staff routinely work extra hours every week, and never take time off in lieu. We can't even operate a 39-hr week as we are supposed to. Talk of a 35-hr week is fantasy..."

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