The current productive model: from success to exhaustion and crises?

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• Productivity slowdown in the 1970’s
• New “neo-liberal” ideology
• New academic knowledge e.g.
  - micro labour economics (matching...)
  - management concepts (high-involvement, lean...)
• ICT revolutions

• => Massive consistent changes in the productive model and labour relations
The productive model and its interactions

- Technology
- Globalisation
- Market structure
- Work organisation
- Labour relations
- Labour policies
- Labour market
Growth recovery but deleterious consequences. E.g. work intensification

Working at very high speed to tight deadlines

At least a quarter of the time. EC12 EWCS 1991-2010
Now: from intensification to exhaustion

Job unsustainability. EU27, ECWS 2010

Percentage of workers aged 50–54 who do not think they will be able to do the same job when 60, by gender and occupation
Exhaustion

Life expectancy at 50 with and without activity limitation. 2005-07 and 2008-10. EU15, SILC-Eurostat
Productivity growth based on intensification and flexibility is –at best- bounded

Labour productivity annual growth. 1995-2011

Selected countries, OECD
Exhaustion: Unsustainable income/wealth inequality

- Weakening position of most workers (+ in some countries productivity gains) = rents extracted from labour
- Capture of rents
- \( \Rightarrow \) Rising income and wealth inequalities

- Large wealth inequality + exhaustion of the productive model = search for sources of profits
- \( \Rightarrow \) boom of finance, bubbles...
- \( \Rightarrow \) inefficient allocation of investments
Exhaustion: Economic crisis

- Poor growth perspectives
- => doubts on the sustainability of sovereign debts and welfare states
The European response

- Austerity => no demand
- ECB and BoE flood markets => poor cleansing effect of recession
- => null productivity growth

Labour productivity annual growth: the Great Recession *versus* the previous recession in the 90’s
The European response

- => short term: “low” unemployment except for youth
- => short term: apparent success of some “structural” reforms, e.g. pension schemes

- => short term: social and political sustainability of an economic suicide?
Productivity growth based on intensification and flexibility is –at best- bounded

Labour productivity annual growth. 1995-2011

Selected countries (including Sweden and Denmark), OECD
Large inequality in working conditions

Procedural autonomy by detailed occupation and gender

EU 27, European Working Conditions Survey 2010
Towards a new productive model?