France's 35-Hour Week: Attack on Business? Win-Win Reform? Or Betrayal of Disadvantaged Workers?

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France's 35-hour workweek is one of the boldest progressive reforms in recent years. Drawing on existing survey and economic data, supplemented by interviews with French informants, this article examines the 35-hour week's evolution and impacts. Although commonly dismissed as economically uncompetitive, the policy package succeeded in avoiding significant labor-cost increases for business. Most 35-hour employees cite quality-of-life improvements despite the fact that wage moderation, greater variability in schedules, and intensification of work negatively impacted some—mostly lower-paid and less-skilled—workers. Taking into account employment gains, the initiative can be considered a qualified success in meeting its main aims.

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Concern over growing hours of work and time stress has risen in recent years in North America, where a 40-hour week has become little more than a distant memory for many.[1] Even as people worry about losing time for family, community, and themselves, there is a tendency to believe that sacrificing quality of life is necessary to "succeed" in today's global economy. This viewpoint was expressed recently by *New York Times* columnist Thomas Friedman, who argued that French employees' attempts to hold onto their 35-hour week are doomed in a

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competitive global economy in which workers in India and other up-and-coming nations are ready to work a 35-hour day.[2] Not only defenders of neo-liberal globalization hold such views. Some radical thinkers on the left similarly argue that global capitalism's relentless competitive pressures are driving employees around the world to work longer and harder to hold onto their jobs, beyond the limits of what their bodies, families, friendships, and psyches can tolerate.[3]

Friedman's critique follows in a long line of dismissive punditry since 1997, when France's newly elected, Socialist-led government launched a plan to cut the workweek from 39 to 35 hours. Allowing employees to enjoy a higher quality of life was one of the secondary objectives—the government's main priority being to attack a stubbornly high unemployment rate. Widespread, albeit not universal, support for the 35-hour week emerged from labor unions, organizations representing the unemployed, and others on the political left. Critics in business, in the media, and on the political right harshly attacked the plan, calling it "an attack on entrepreneurs," "a triumph of ideology over reason," and even "economic suicide."[4] In a competitive global economy, the burden of new regulation and higher labor costs was sure to undermine competitiveness, scare away investment, and destroy rather than create jobs, these opponents argued, echoing claims that critics of work-time reduction (WTR) have made ever since demands emerged in the nineteenth century for laws to limit the workday.[5]

The 35-hour week's critics generally failed to acknowledge that the left-of-center government went to great lengths to devise a plan that would avoid burdening companies with additional costs or undermine their competitiveness. In 2004, when confronted with cases of French corporations that were not especially favorable to reversing the 35-hour week, *Newsweek* was unable to fathom such thinking and could only fall back on cultural stereotypes of French irrationality: "Ironically, even if it doesn't make sense in a globalized world, the 35-hour week is now one of those Gallic 'exceptions' that even some French companies have come to cherish."[6] In fact, as explained below, many businesses had economically rational reasons, if not always to cherish, then at least come to terms with, the 35-hour week.

With time, an alternative critique emerged: that it was the workers who were paying the price of the 35-hour week through various concessions they had to accept. This view came to be accepted among some on the radical left, including those predisposed to dismiss any social-democratic reform, but conservative critics looking to tarnish the policy also promoted it. This alternative critique is somewhat closer to the mark as the situation for workers, especially some employees of lower-income and -skill levels, was not uniformly positive; however, as discussed below, a large majority of employees who gained a 35-hour week did come to benefit from it.

France's 35-hour week is one of the boldest, and arguably most complex, social reforms of recent times in any advanced capitalist nation. It is not simply a product of left-labor power and an attempt to lower unemployment and advance worker interests against opposition from employers,[7] but also involved wider goals including the modernization of French businesses. It merits exploration as a case that can add to our understanding of the possibilities, competing logics, and trade-offs involved in pursuing shorter work-time policies within the highly constrained context of contemporary globalization.

This article draws mainly on existing survey and economic data from French sources—supplemented by semi-structured interviews in 1998 and 2003 with French officials, researchers, labor representatives, and WTR advocates—to answer questions about the 35-hour week's complicated evolution and results to date. How did the government develop its 35-hour policy with the aim of walking a fine line that integrated employment creation for the unemployed, maintaining and even improving competitiveness for business, and improved quality of life for employees? Given the highly polarized views on this policy, what assessment can be made about the achievement of those goals? How did this progressive reform come to demand some of the greatest sacrifices, not from business, but from *some* lower-paid and less-skilled workers, even as it provided significant quality-of-life improvements for *most* employees who experienced it?

"REALISM OF THE LEFT" AND THE LOGICS OF WORK-TIME REDUCTION

The 35-hour week was the flagship policy of Socialist Prime Minister Lionel Jospin's "plural-left" coalition government (1997-2002), which included the Green and Communist parties. Clift characterizes the government's general orientation as a *réalisme de gauche* (realism of the left), which acknowledged globalization's constraints and the need to maintain business profitability and competitiveness, yet insisted that some room to maneuver remained for activist pursuit of social-democratic goals. Others would characterize the approach as a strategy of "progressive competitiveness."[8] While embracing a role for a "market economy," Jospin rejected the idea of a "market society" and the related notion that "there is no alternative" to neo-liberal orthodoxy. Although many of its policies, such as accelerating the pace of privatization, ultimately differed little from those of neo-liberal governments elsewhere, the 35-hour week became an important symbol to back the government's claims that it was "anchored on the left."

The main challenge that the new government inherited was a stubborn unemployment rate higher than 12 percent. Its activist employment policy included a limited degree of Keynesian expansionary measures; however, recent periods of growth in France convinced it that a revival of economic growth alone would not trim unemployment rapidly enough. The Jospin government therefore introduced measures to make growth "richer in jobs," the most significant of which was a major reduction in work time for full-time employees.[9]

The WTR strategy attempted to integrate three different, and to some degree competing, logics. Since the early days of the industrial revolution, two main objectives have motivated the struggle for WTR in industrialized countries: first, creating jobs by sharing the available work more equitably, and, second, freeing up time away from the job to allow workers to live healthy, dignified, and high-quality lives. Méda notes that until the early 1980s, WTR in France was primarily motivated by the second objective, as workers took part of their share in productivity gains in the form of more free time—without loss in pay—according to a logic of "social progress." However, the "work-sharing" logic grew more prominent in French public debates during the economic slowdown and rising unemployment of the late 1970s as large-scale WTR was advocated to restore full employment.[10] Under this logic, WTR is not so much a reflection of progress, but a solidaristic response to hardship.

At the same time, a "trade-off logic" emerged in response to pressures from employers—based on an exchange of WTR for employees in return for greater work-time flexibility to meet business needs. This trade-off logic became increasingly prominent after the first attempt to introduce a 35-hour week during François Mitterand's presidency. In 1982, the Socialist government cut the workweek from 40 to 39 hours, without loss in pay, and introduced a fifth week of paid vacation. Further steps were to follow, leading to a 35-hour week by 1985; however, the project was cut short as part of the government's 1983 economic policy U-turn designed to restore business confidence, maintain competitiveness, and halt capital flight. (The lessons from the Mitterand U-turn were a key factor in strongly impressing the need to maintain and improve French firms' competitiveness upon policy makers in the Jospin government.) The 39-hour week's employment-creation effects were modest at best. Critics argued that increased wage costs damaged firms' competitiveness and may have generated a "hiring freeze" mentality among employers, while a single legislated model did not take into account the varying situations of individual firms.[11] Others argued that the one-hour-per-week reduction of work time was too small—a "homeopathic" dose that firms could absorb by increasing productivity alone without having to hire more workers.

Following this aborted 35-hour effort, French WTR proposals integrated greater concern for business competitiveness. For example, the 1986 Taddei Report, which aimed to revise the Socialist government's work-time strategy, argued for a linkage between shorter but more flexible work hours for individual employees and longer operating hours for French firms—in effect, making machines work longer while individuals work less. More extensive use of capital equipment, made possible by decentralized negotiation of new shift arrangements that include more evening or weekend work, would help to enhance productive capacity and increase the return on capital. These efficiency gains would, in turn, help deliver lower prices, increased market share for French firms, and WTR with little or no loss in pay.[12] Furthermore, firms increasingly demanded more variable work hours over the year to respond to fluctuations in business activity, a change that could be linked to shorter average hours per employee.

In addition to flexibility trade-offs, WTR advocates also recognized that hours reductions that generated new hiring would result in vast savings on the direct and indirect costs of joblessness, such as unemployment benefits, and produce new tax revenues. These savings to the public could be internalized—i.e., channeled back to the firms that helped make them possible through a reduction in France's relatively onerous employer payroll taxes (social security contributions).[13] Based on this idea, a *center-right* government introduced an initial package of financial incentives for WTR and more flexible work-time arrangements in the 1993 five-year law on employment.

The center-right greatly expanded these incentives in the 1996 Robien law, which significantly lowered payroll taxes for firms that, in agreement with labor unions, reduced hours and increased employment by at least 10 percent.[14] Within two years, some 3,000 collective agreements introduced a 35- or 32-hour week, reducing the work hours of 280,000 employees and creating or saving an estimated 33,000 jobs.[15] These negotiated arrangements typically led to more flexible and productive work organization based on each workplace's specific needs, as well as wage moderation. Even if WTR came without loss in pay, workers usually gave up wage increases for a limited period. While critics often portray the 35-hour week as a rash, ideologically driven policy, the Robien law illustrated that WTR policy could generate employment gains without saddling businesses with new costs and, in many cases, actually increase competitiveness.[16] Seeing that many innovative deals had been reached, the left-of-center government sought to extend these benefits to a national scale.

France's 35-hour initiative thus integrated productivity-enhancing work reorganization and greater work-time flexibility, wage moderation, and state support (via payroll tax reductions linked to WTR). The government believed it had found a realistic path to a roughly 10 percent reduction in hours with no loss in pay—without burdening companies with significant labor cost increases that might lead them to reduce their demand for labor. The goal was to pragmatically balance competing demands for employment creation, the maintenance and even improvement of firms' competitiveness, and improved quality of life for employees. It was in this order of priority that Employment and Solidarity Minister Martine Aubry explained the government's objectives to France's National Assembly in December 1997. Aubry also emphasized the opportunity to renew the "social dialogue" between employers and employees to modernize workplaces.[17] In effect, the government hoped to integrate the logics of work-sharing, flexibility trade-offs, and social progress to deliver a win-win-win reform. These different motivations were visually represented in the government's three-pronged advertising campaign, which featured the praise of a young male worker ("I just found work thanks to the 35-hour week"), a businessman ("With the 35-hour week, we've improved our service to customers, and, what's more, we're hiring"), and a middle-aged female employee ("Thanks to the 35-hour week, I have more free time—and why not you?").[18]

THE AUBRY I LAW: LEGISLATING THE NEED TO NEGOTIATE

The 35-hour week was introduced through two complex pieces of legislation. The first Aubry law of June 1998 had four central points: a reduction of the standard workweek to 35 hours by January 1, 2000 (2002 for firms with 20 or fewer employees); a call to labor unions and employers in the meantime to launch sector-wide and firm-level negotiations on WTR; financial incentives for private-sector firms that reduced hours before the 2000 and 2002 deadlines; and a second law in the autumn of 1999, based on the experience of negotiations up to that point, to clarify remaining details.[19]

The Aubry I legislation was a "soft law" that left many details to decentralized negotiations that could take into account the specific needs of each firm and economic sector. Although "35 hours, paid 39" was a Socialist election slogan, the effect on wage levels was not spelled out (apart from guarantees that minimum-wage workers would receive as much each month for 35 hours as they did for 39). Possible linkages among WTR, greater work-time flexibility, and other forms of work reorganization were also left to negotiations. In addition to daily or weekly reductions of hours, WTR could take various forms, including varying the length of the workweek up to 48 hours in busy periods, without overtime pay, balanced by shorter workweeks during slower times ("modulation"); related "annualization" agreements that calculated work hours on annual basis, with the workweek averaging 35 hours over the year; a set number of additional days off per year; and depositing some of the gains in "time-savings accounts" for longer periods of leave.

Financial incentives, in the form of lower payroll taxes over a period of five years, were provided to firms that reached an agreement with a labor union, or a mandated employee representative, to reduce work time by at least 10 percent and create at least 6 percent more jobs.[20] The sooner a firm reached a WTR agreement, and the more social objectives it met, the more generous the aid.[21]

The Aubry I law left unresolved key details such as rules governing overtime, work-time limits for managers, and exactly how minimum-wage workers' incomes would be protected. The idea was for legislators to learn from solutions negotiated between employers and employees. This created an innovative and somewhat paradoxical situation—a law designed to spur negotiations which, in turn, would shape the content of subsequent law.[22] The government's strategy depended heavily on the ability and especially the willingness of employers and employees to simultaneously address WTR, job creation, and the modernization of firms; however, some business leaders hostile to the 35-hour project tried to use the interim negotiating period to undermine the initiative.

Immediately after the government's October 1997 announcement that it would legislate a 35-hour week—which followed a failed attempt to negotiate a tripartite consensus with business and labor—the French National Employers'

Confederation (CNPF) reacted with what many considered a declaration of war. Its president, Jean Gandois, a relative moderate and personal friend of Martine Aubry, resigned, saying he should be replaced by someone with more of a "killer instinct," while the group changed its name to the Movement of French Enterprises (MEDEF) to emphasize the need for greater political mobilization by employers. In negotiations, employers following MEDEF's aggressive line sought to limit the extent of WTR and new hiring, while gaining as much work-time flexibility as possible—thereby hoping to influence the second law's contents or even force the government to abandon the 35-hour project altogether.[23] This strategy's most high-profile product was a 1998 agreement, with three small labor unions,[24] in the metalworking and mining industries. The deal—which included a near doubling of annual overtime; variable workweeks ranging as high as 48 hours; and extension of flat-rate salaries, without reference to work hours, to more skilled employees—would have allowed firms to avoid new hiring.[25] Recognizing that such a precedent jeopardized the goal of employment creation, Aubry refused to "extend" the deal, i.e., make it obligatory throughout the sector. However, along with employers' lobbying efforts and even large-scale street protests, the metalworking case illustrated that the government had to contend with a business lobby hostile to the 35-hour project. On the other hand, many companies—mainly small, independent firms that did not follow MEDEF's line—did negotiate pragmatic solutions in line with the spirit of the first Aubry law.[26]

THE AUBRY II LAW: WATERING DOWN THE DEMANDS ON EMPLOYERS

The aggressive negotiating and political strategy of some employers did not get them everything they wanted in the second Aubry law of February 2000, such as an increase in the annual overtime maximum, but did lead to some key concessions, which ultimately had a significant impact on many employees' experiences and the number of jobs created. First, the new law was less demanding in terms of the amount of WTR required. The original law required pioneering firms to reduce hours by at least 10 percent, based on a constant method of calculating work time, but the second only required firms to reach a 35-hour agreement to benefit from reduced payroll taxes. This left open the possibility that firms could exclude some breaks, days off, and certain types of training from their work-time calculations—an option many went on to exploit.

While Aubry I firms had to increase employment by at least 6 percent, the second law eliminated the need to create a minimum number of jobs in return for payroll tax cuts. The permanent "structural aid" was available to all firms that reached a 35-hour agreement and simply expressed a commitment to creating or saving jobs.[27] In the context of intense political struggle over the law, the government did not want to appear overly heavy-handed in its regulations.[28] It also worried that some firms would have difficulty creating a minimum number of jobs. In addition, an economist who worked for the government at the time emphasized the value of allowing employer-employee negotiations, rather than bureaucratic rules, to ensure satisfactory results.[29] However, some WTR supporters and others on the left criticized the lack of a minimum hiring requirement to receive financial support. If firms were to absorb the 35-hour week without new hiring—that is, primarily through hourly productivity increases supplemented by tinkering with how they calculated work time—then what justifies providing public financial support to them? Without corresponding job creation, state aid would no longer be fully self-financing via the savings on the costs of unemployment. Critics argued that scarce government resources could be better spent on other programs to benefit working people.[30] Without linking state support to new hiring, employees also faced an increased risk of work intensification and job stress—which threatened to undermine quality-of-life gains and thereby erode political support for the 35-hour project.

A third key concession to employers was a transition period before the full application of overtime limits and penalties, which, in effect, allowed companies to delay action by temporarily increasing overtime.[31] The government said it wanted to give adequate time for successful negotiations. Green Party economic spokesperson Alain Lipietz went as far as calling the second law a "horror" since, in his view, rapid and significant WTR was needed to create jobs—otherwise, WTR could simply be absorbed by productivity gains—and a tight deadline was needed to bring employers to the bargaining table. In contrast, the president of the small business employers' confederation proclaimed the transition period was "no better than having your hanging delayed."[32] The government clearly aimed to find a win-win-win middle ground, but ran the risk of satisfying no one.

Aubry II also specified that WTR could take the form of a 1,600-hour work year, as long as weekly hours did not exceed 48 or an average of 44 over 12 weeks. Such "annualization" possibilities had previously existed, but the 35-hour week gave a new impulse to these competitiveness-enhancing but controversial arrangements. Some left-wing critics argued that the law did not provide workers enough protection from extreme variations in hours or enough advance warning of schedule changes, leaving workers and their often weak union representatives to fend for themselves in negotiations with employers.[33]

The government watered down the law's requirements to help ease tensions with hostile elements in the business community.[34] Dayan adds that, since the economy was growing rapidly again by the time of the second law, the government would not be suspected of abandoning the goal of combating unemployment. As a result of these concessions to employers, the Communist and Green parties, as well as some left-wing Socialists, threatened not to support the law in Parliament. The coalition did eventually close ranks, but with hindsight, at least some ensuing problems and limitations of possible gains could be traced back to these concessions.

The Aubry II law contained several other provisions, including a guarantee for minimum-wage workers of no loss in monthly pay through a complicated salary top-up formula.[35] New work-time rules for managers meant that those with considerable autonomy in their work would work a maximum 217 days per year—about 8 additional days off, on top of the standard five weeks of vacation and 11 public holidays—without reference to a weekly maximum.[36] The overtime premium for hours between 35 and 39 each week was to be "paid" in the form of time off in lieu unless a collective agreement allowed overtime pay in money. The law also confirmed that WTR could take individualized forms such as additional leave days and time-savings accounts.

ASSESSING THE IMPACT

The following pages draw mainly on existing French data and research to assess whether the 35-hour week achieved its main aims of creating jobs, maintaining or even enhancing companies' economic performance, and improving employees' quality of life. A principal source of data is the French labor ministry's research and statistical agency, Direction de l'animation de la recherche, des études et des statistiques (DARES). Among other key WTR research, this agency conducted the RTT et Modes de Vie survey of 1,618 employees who had experienced a 35-hour week for at least one year, conducted between November 2000 and January 2001.[37] On the whole, the data suggest that the 35-hour week was relatively successful in achieving its aims, even as some tensions between these competing aims became apparent, and both winners and losers emerged among businesses and employees.

Significant but Unequal Reductions in Hours

The Aubry laws largely succeeded in their most basic goal of significantly reducing most employees' work hours, although considerable inequalities exist between those in large and small firms. From the end of 1997 to 2002, the average weekly workweek of full-timers in firms with more than ten employees fell by 3.2 hours to 35.6 hours. On an annual basis, average hours for full-timers in all but the smallest firms fell 7.6 percent from 1998 to 2003.[38] By June 2003—after which there was little further WTR due to the new center-right government's measures to freeze the process—58 percent of private-sector workers had moved to a 35-hour week, including 74 percent of those in firms with more than twenty employees, but only 23 percent in smaller firms.[39]

Another inequality emerged between those benefiting from greater or lesser reductions in hours. Aubry I firms had to reduce work time, calculated in a consistent way, by at least 10 percent, whereas many Aubry II firms exploited the opportunity to exclude some breaks and paid days off from their work-time totals. For example, automaker PSA Peugeot Citroën had a 38.5-hour week, including one hour and 45 minutes in breaks, which it simply rechristened as a 36-hour and 45-minute week, allowing it to get to 35 hours with only a small real reduction in hours. According to Brunhes, "Many employees who believed they were working 39 hours a week on average learned that they were much closer to 35 hours."[40] As a result of such practices, nearly two-thirds of those who moved to 35 hours in 2000 saw their work time calculated differently, leading to average WTR for non-managers of 8 percent compared to 10 percent before 2000.[41] The practice of excluding breaks amounted, on average, to a difference of about five work days per employee per year, equivalent to an estimated 150,000 jobs not created.[42] For some employees, the lesser amount of real WTR undoubtedly limited the feeling of improved quality of life, which is associated with gaining back useful blocks of time.[43] It may also have disappointed those with expectations raised by the prospect of a full 10 percent cut in hours.

Employment Creation: No Miracles, but a Significant Boost to Job Growth

Determining the 35-hour week's employment impacts is an extremely complicated and—since job creation was the primary goal—politically charged matter. Despite uncertainties about the exact number of jobs created, a shorter workweek was clearly neither a miracle solution to France's chronic unemployment problem nor the job-destroying apocalypse opponents predicted. Available evidence suggests the 35-hour package brought significant employment gains, albeit less than some originally hoped.

Many English-language media reports, particularly from conservative outlets, have painted a very different picture. Some have even claimed that the policy caused France's high unemployment rate. One colorful example is a report in the *American Spectator*, which labels the 35-hour week a "lunatic scheme" that brought "seven years of rising unemployment, economic stagnation, and general malaise."[44] A brief look at the unemployment data shows how misleading such claims are. France's unemployment rate fell from 12.2 percent in 1997, when the 35-hour week was announced, to an eighteen-year low of 8.6 percent in the spring of 2001, before rising back up above 9 percent by the time the laws were first amended (figure 1). The *Economist* noted that during this boom, employment grew ten times more quickly than it did from 1974 to 1996, and almost one third of the unemployed went back to work. Similarly, economist Michel Husson found that mid-1997 to mid-2001, during which employment rose 7.2 percent, saw the biggest job gains of any four-year period in twentieth-century France.[45] Clearly, the policy did not destroy jobs as doomsayers predicted and ideologically driven critics still maintain. But can the 35-hour week take credit for rapid job growth over this time?

The main competing explanation of the late 1990s employment boom is the upturn in economic growth—an occurrence that, in itself, contradicts critics'

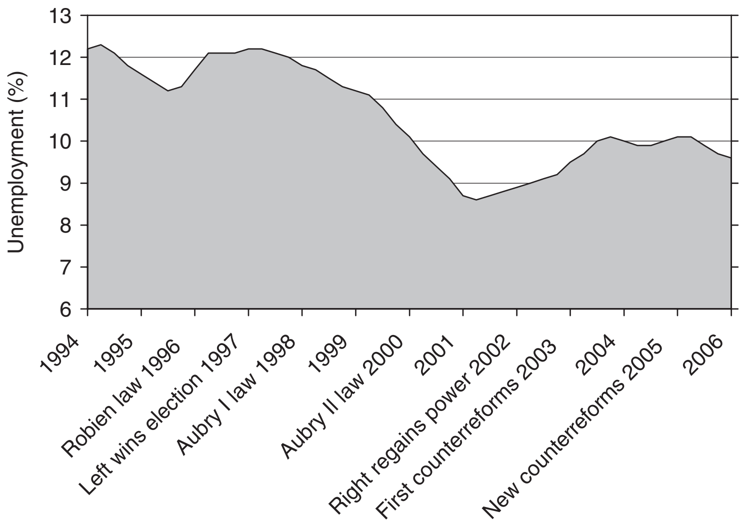

Figure 1. 35-hour week and unemployment rate.
Source: National Institute for Statistics and Economic Studies (INSEE), http://www.insee.fr.

predictions of hobbled businesses, investment flight, and a damaged economy. However, growth alone is not a full explanation as this period was particularly job-rich. Husson points out that during the previous era of sustained growth (1986-1990), annual economic and employment growth averaged 3.6 and 1.5 percent, respectively. In contrast, from mid-1997 to mid-2001, economic growth was slightly slower at 3.3 percent, but employment grew much more rapidly at 2.7 percent. Husson goes on to provide econometric evidence, contrasting actual employment growth to forecasts of what would have happened without WTR, to conclude that the key factor behind more rapid job growth was the decline in work hours.[46] Economists Beffy and Fourcade provide complementary evidence, identifying WTR as one of three reasons why economic growth from 1993 to 2002 was more job-intensive than similar growth in the previous decade.[47]

Meanwhile, Logeay and Schreiber compared macroeconomic forecasts of unemployment, assuming no 35-hour policy shift, to actual results between the end of 1999 and mid-2001. Since observed unemployment fell outside their forecasted range, they concluded that the WTR policy mix succeeded in producing "significant beneficial employment effects."[48] Their model's accurate prediction of real output growth allows them to rule out faster growth, along with several other possible explanations,[49] as the cause of lower-than-forecast unemployment. Logeay and Schreiber cite studies of WTR in France in 1982 and Germany from 1984 to 1994 that found negative or minimal employment effects.[50] However, they rightly emphasize that the 35-hour week involved a much different policy package designed to offset cost increases for business and avoid repeating 1982's unsatisfactory experience.

If growth alone cannot explain these job gains, exactly how many jobs did the 35-hour week produce? "Political" estimates range from zero or worse, according to some business critics,[51] to Martine Aubry's contention that the laws bearing her name created a half-million jobs.[52] As for empirical studies, DARES has produced the most widely cited figure of 350,000 jobs, which appears to be the best available—and somewhat conservative—estimate as it is based on the most rigorous efforts to compile microeconomic data and control for job creation that would have occurred even without WTR. (A disproportionately large share of these jobs—43 percent—was created in Robien and Aubry I firms that had to meet specific hiring targets.)[53] This figure is supported by several macroeconomic estimates in the range of 300,000 to 500,000 jobs. Although none of these individual estimates is beyond questioning, the fact that several methods converge on broadly similar results gives greater confidence in this range.[54] (For a more detailed discussion of these studies, see the appendix.)

Four years of rapid job growth and direct job gains of roughly 350,000 are significant achievements, but fall short of the government's original promise of 750,000 jobs and the forecast of 700,000 jobs over three years in 1998 by DARES, the French Observatory of Economic Conditions (OFCE), and the Bank of France.[55] The difference can be accounted for, first, by the fact that fewer employees than expected actually gained a 35-hour week before the new center-right government's 2002-2003 counterreforms halted the shorter week's further spread. Work time also fell less than originally expected, as many firms avoided a full 10 percent cut in hours by changing their way of calculating work time. In addition, unlike their Aubry I counterparts, Aubry II firms were not required to hire at least 6 percent more workers to receive state aid—allowing companies to absorb much more of the impact than expected through hourly productivity gains, which, for employees, heightened the risk of work intensification. (Capitalist firms' ability to respond to WTR by absorbing it, in whole or in part, by squeezing more output from each hour has a long historical record, as Nyland has shown.)[56]

Strong employment growth from 1997 to 2001 allowed Prime Minister Jospin to speak, for a time, about full employment being on the horizon. However, in late 2001, as the European and international economies slowed, unemployment began to creep back up. This economic downturn put an end to full-employment optimism and undoubtedly negatively impacted public opinion about the shorter workweek's employment benefits. Nevertheless, the 35-hour week did provide a significant job creation boost during the high point of its implementation.

Since then, growth has become less job-intensive once again. In 2004, French GNP growth of 2.5 percent created only 39,000 jobs, whereas in 2001, lower growth of 2.1 percent created 246,000 jobs—roughly six times as much.

Among the main explanations for the difference is that average hours of work are no longer falling.[57] The fact that job growth was much more rapid during the 35-hour implementation period than in either earlier or later periods of comparable growth further supports the conclusion that the policy had a significant, positive impact.

One additional question is whether these job gains are permanent or transitory. WTR opponents, such as the right-of-center parliamentarians Patrick Ollier and Hervé Novelli, argue that existing studies only show short-term employment gains and suggest the full costs will only become obvious in the long term.[58] Indeed, future studies are still needed. However, the transfer of the critics' fears of disaster from the present, where they have not panned out, to the future should not raise excessive concern. The neo-classical economic argument against WTR without loss in pay is that, by raising unit labor costs, it reduces profitability, competitiveness, and output, while accelerating the replacement of labor with capital. Such effects should become particularly pronounced over time. However, as discussed in more detail below, abundant evidence exists that the 35-hour policy package has not generated labor cost increases on average. According to Gubian et al., the policy led to a "rapid enrichment of the job content of growth . . . without any apparent financial imbalances for companies."[59]

That being said, some future uncertainties do exist. Gubian et al. note that future trends in wage growth will affect the durability of the job gains over time.[60] The center-right government's amendments also changed the delicate financial balance for firms by, for example, ending the link between payroll tax cuts and length of work time, scaling back the payroll tax cuts for higher-income employees, and allowing more overtime. Such changes could lead to the loss of jobs previously created. Indeed, two rounds of subsequent counterreforms will make it far more difficult to assess the original 35-hour policy's long-term employment impacts. As for the very long term, many economists believe that hours of work in themselves have no effect on the equilibrium unemployment rate. Some 35-hour week supporters share this view, but believe WTR was still worthwhile in the short term to accelerate the decline of cyclical unemployment.[61]

Of course, the 35-hour week did not meet the unrealistic expectation that it would, on its own, end mass unemployment in France. Even the eighteen-year low of 8.6 percent unemployment in 2001 was well above that of many other European and Organization for Economic Cooperation and Development (OECD) countries. One commonly identified culprit behind France's structural unemployment problem, which afflicts youth and older workers in particular, is employment protection that limits hiring and firing of labor. Empirical studies suggest the problem likely lies elsewhere, one possible factor being the combination of long-lasting unemployment benefits without active labor market policies to both help and push the unemployed to return to work (as in Sweden).[62] While debate persists over the causes of high structural unemployment, the evidence suggests the 35-hour week did accelerate job creation and make, at the very least, a modest contribution to lowering France's mountainous unemployment rate.

WTR in a Variety of Forms of Different Value

The 35-hour week took, as intended, a variety of flexible forms. A survey of 1,200 firms that reached WTR agreements in 2000 found that for non-managers, the most common forms, in descending order, were additional days off over the year (particularly widespread among large firms); shorter workdays; "modulation" or "annualization" (which allows companies to vary weekly hours throughout the year); days or half-days off on a weekly or bi-weekly basis (the most common form among small firms); and, lagging far behind, time-savings accounts. Days off were also the norm for managers, who on average saw their annual workdays reduced to 215, but they were much less likely to experience modulation or annualization. More than one form is often combined, such as annualization arrangements that allow companies to concentrate days off during periods of the year when business is slow.[63]

The diverse forms that WTR has taken in France have revealed that the quality of time away from the job—who controls when it is taken, and its regularity, predictability, usability, etc.—is often as important as its quantity.[64] Thirty-five-hour employees who received their time off in the form of regularly scheduled days or half-days off, or additional days off on an annual basis, were more likely than others to say their lives improved as a result of WTR. Such arrangements have been particularly popular among women with young children, who, when given the choice—constrained as it is by an unequal gender distribution of household labor—often prefer to take Wednesdays off, when most primary schools are closed.[65] In contrast, those whose hours vary over the course of the year, often gaining time off when most convenient for their employer and not necessarily of value to them, were less likely to say life and working conditions had improved.[66] For example, auto workers at PSA Peugeot Citroën frequently found themselves working on Saturdays without overtime pay when the firm needed to boost production, balanced by time off, often on short notice, when demand was slack. Similarly, some construction firms scheduled long hours without overtime pay when the weather was good, telling workers to stay home when the weather was poor or business slow.[67]

A key disparity emerged between those who controlled their schedules and could choose when to take time off and those who had it imposed by their employer. In some cases, employers and employees found a middle ground where each chose half the additional days off.[68] One unintended consequence of the Socialist government's central reform was that employees of lower social rank often received time of lesser quality since they had less control over its scheduling. Estrade and Ulrich found that, after moving to 35 hours, half of the managers surveyed said they had total control over when they took their time off compared to just 5 percent of manual workers and employees.[69] They also discovered that, although the vast majority of employees' work schedules did not become more irregular due to the 35-hour week, lower-skilled employees, especially less-skilled women, were more likely than others to see increased variability and unpredictability of hours. Estrade and Ulrich argue that, at a time of high unemployment, less-skilled workers had little bargaining power to resist employer demands for work-time flexibility concessions in return for the 35-hour week.

Similarly, in a qualitative study of six Aubry I firms, Pélisse found that employees often used different words to refer to days off whose timing they controlled compared to ones chosen by the boss (e.g., "les jours du patron").[70] He notes that some employees, often managers and skilled technicians, gained new forms of autonomy in managing their time and valuable blocks of free time they could spend with their children or on other activities. Others, frequently less-skilled workers, actually felt greater time constraints as employers gained more ability to vary schedules according to fluxes in business activity. Total work hours may have fallen, but these workers did not necessarily feel they were working any less or benefiting from it due to the lack of fixed hours and unforeseen last-minute changes in schedules—which were particularly damaging to women with family responsibilities. Pélisse writes that even though work time was reduced, "its shadow and imprint grew for some employees. . . who—is this a coincidence?—are more often women with few qualifications."[71]

Although regularly scheduled workweeks remain the norm for two-thirds of employees, the 35-hour week contributed to the growth of varying and irregular work patterns.[72] Thirty percent of firms moving to 35 hours in the year 2000 planned to vary the length of the workweek throughout the year for at least some employees.[73] The average range of possible variation was 19 hours, meaning, for example, that the workweek could vary from 29 to 48 hours (although employers often do not use the full range available to them). While moderate variations in hours, such as a work-time "corridor" between 32 and 40 hours, may not cause much difficulty for employees, extreme variations, particularly on short notice, can cause hardship and erode the value of free time.

While increased work-time flexibility through annualization is controversial and problematic, it is, to some extent, an alternative to other forms of flexibility, such as overtime, temporary contracts, and part-time work. In fact, WTR negotiations were an opportunity to reduce reliance on temporary contracts and to integrate some precarious and part-time workers into the core workforce.[74] The rate of involuntary part-time work fell from 1997 to 2002, from 44 to 35 percent of part-timers, which is attributed, at least in part, to the 35-hour week allowing some of those with relatively long part-time hours (20 to 29 hours) to move to full-time status.[75]

A Modest but Unequal Impact on Incomes

In the vast majority of cases, the 35-hour week came without loss in pay. Increased hourly wages or special bonuses typically meant that workers saw no reduction in base pay. However, as firms gained flexibility in varying hours from week to week, some employees, especially manual workers, saw their overtime pay reduced. Some 12 percent of workers surveyed in pioneering Robien and Aubry I firms said that the 35-hour week had lowered their incomes, while employees moving to 35 hours in the later Aubry II stage were less likely to experience a loss in pay.[76]

Income cuts were the exception, but wage moderation was frequent. Just over half (52 percent) of those who moved to 35 hours before 2000 experienced a wage freeze (averaging 26 months), 22 percent saw lower wage gains, and 27 percent felt no effect on their incomes. In Aubry II firms that moved to 35 hours in 2000, and that faced less stringent WTR and job-creation requirements, salary moderation was less strict: wage freezes for 33 percent of workers (averaging 23 months), lower wage increases for 14 percent, and no foreseen effect for 53 percent.[77]

Moderating wage demands for a few years, and giving up some overtime, is arguably a small price to pay for having more free time and creating opportunities for unemployed fellow workers. Nevertheless, low-income earners were more likely to prefer income growth over additional time. A 1997 survey of French employees found that higher-income earners were more willing to sacrifice purchasing power to work less. Less-affluent individuals were prepared to accept such a trade-off on the condition that it created new jobs, while the least affluent were generally opposed to any WTR that required income sacrifices. The difference was due, in part, to low-income earners having more pressing needs for additional money, but also a matter of more time being of greater value to high-income earners. Those saying they suffered from a lack of time tended to have high incomes and education levels, while those with the lowest incomes, the unemployed, and youth sometimes expressed the idea that free time is an "empty time" where "boredom reigns."[78] Thus, while income sacrifices were modest overall, workers of varying means undoubtedly experienced them quite differently.

Labor Costs Kept in Line; the Bottom Line Generally Protected

A central concern of the government, steeped in its *réalisme de gauche*, was to avoid significant increases in labor costs per unit of output, which could have the counterproductive effect of reducing firms' demand for labor and making them less competitive. A simple cut in the workweek from 39 to 35 hours without loss in pay would mean a hefty 11 percent increase in hourly labor costs, *all other things being equal*. Indeed, in political and media debates, some depicted the 35-hour week as a millstone around the necks of French firms, typically without reference to the fact that all other things were not equal.

Considerable evidence exists to show that the government succeeded, on the whole, in creating a total policy package that avoided net cost increases for most firms. Gubian et al. concluded, in 2004, "Until now, [hourly] productivity gains, wage moderation, and the reduction of payroll taxes have allowed firms at 35 hours to maintain their competitiveness."[79] In fact, in their analysis of Aubry I firms, Crépon, Leclair, and Roux found that wage moderation and lower payroll taxes more than compensated for reduced total output per employee, leading to an actual decline in unit labor costs and a strengthening of competitive position relative to firms still at 39 hours.[80] Similar conclusions that business competitiveness was not, on the whole, negatively affected have been reached by France's national planning agency and OFCE economist Eric Heyer, who insists that the 35-hour week "has not increased the cost of labor in France."[81] Moreover, OECD data show falling unit labor costs in French manufacturing, and hence improved competitiveness, during the years the 35-hour week was phased in.[82]

While unit labor costs have not risen *on average*, some individual firms undoubtedly faced cost increases, particularly those unable to reorganize operations to increase hourly productivity. Even when costs did not increase, some business leaders resented having to contend with the Aubry laws' complexity and the disruptions of reorganizing to accommodate WTR. Much discussion has focused on small firms' particular difficulties in adapting, which led to amendments by both the left-of-center and subsequent center-right governments to make the 35-hour laws less constraining to them. Meanwhile, organizations facing shortages of skilled employees had limited ability to hire new workers, a problem also apparent in the public sector with regard to hospital staff. Critics highlight these and other costs.[83] Nevertheless, the evidence suggests that the policy package succeeded in protecting most companies' bottom lines and even enhancing them in some cases.

An opposing critique emerged on the left. Noting that workers had to accept wage moderation and problematic forms of work reorganization and intensification, while the state provided financial support, Bulard argues it is unfair that "[e]veryone pays except the employer."[84] An economist who worked for the Socialist government agreed that, on the whole, "firms have not made sacrifices," but emphasized that this allowed France to remain a leading recipient of foreign direct investment inflows. (In 2002, for example, France ranked number five in the world, receiving almost as much foreign investment as China.)[85] He added, "You can't make companies pay. If profits are reduced, investment goes down. The best way to create unemployment is to ask firms to pay."[86]

Time Use: More Family Time, Rest, and a Chance (for Some) to Get Away

As in earlier periods of WTR in industrialized countries, the 35-hour week generated both hopes and anxieties about how working people would use their additional time. One optimistic media report refers to the "French miracle" of a "shorter week, more jobs, and men doing the ironing," while economist Nicolas Baverez claims that studies prove that "for the lowest social strata, free time leads to alcoholism, violence, and delinquency."[87]

The data on the use of the extra time suggest less dramatic developments. First, rather than devoting time to new activities, such as civic participation and cultural activities (as some advocates had hoped), French workers have largely devoted additional time to previously existing activities, notably spending time with family and children, and resting.[88] Second, even though both men and women can spend more time at home, WTR has not yet bred any revolutions in the gendered distribution of domestic labor.[89] However, one notable change is that the 35-hour week has given both genders more time for parenting—63 percent of women, and 52 percent of men, with children under 12 say they spend more time overall with their children.[90] (Conservative critics who resurrect the old "devil makes work for idle hands" argument ought perhaps to consider WTR's significant contribution to the "family values" they typically espouse.) It has also allowed many women to free up their weekends and experience more leisure time by allowing some domestic tasks to be completed during the week.[91]

Third, in addition to gender differences, those with higher incomes and predictable schedules are better able to experience free time as a valuable opportunity. One example is the boom in short-term travel that the 35-hour week stimulated. Popular destinations for three- or four-day weekends include the Mediterranean coast—now a quick trip by high-speed train from Paris—as well as foreign cities such as Venice and Amsterdam. The national railroad added extra service on Thursday evenings and Friday mornings to handle the new demand for such getaways.[92] Twenty-eight percent of 35-hour workers say WTR allowed them to travel more on weekends and take short trips, but marked distinctions exist: 50 percent of managers were able to travel more frequently, compared to 15 percent of unskilled workers.[93] In addition to having limited disposable income, many manual and unskilled workers faced irregular schedules beyond their control and were less able to plan such trips.[94] As a journalist in the left-wing daily *L'Humanité* put it, the 35-hour week is undoubtedly a "source of better living . . . even if this liberated time also reveals inequalities."[95]

Mixed and Unequal Impacts on Quality of Work

One of the less satisfactory aspects of the 35-hour week is the mixed record on working conditions (see table 1). Nearly half the employees (45.6 percent) surveyed in Robien and Aubry I firms said their working conditions had not changed, with the rest nearly equally divided between those who experienced an improvement (26.4 percent) or deterioration (28.0 percent).[96]

Table 1
Effect of WTR on Working Conditions: Robien and Aubry I Employees' Views

		Change in Working Conditions		
	% of Employees Surveyed	Improvement (%)	No Change (%)	Deterioration (%)
Total	100	26.4	45.6	28.0
Factors contributing to a sense that working conditions deteriorated				
Increased demands for multitasking	48.4	27.1	37.4	35.5
Less time for same tasks	41.9	20.7	34.9	44.4
More stressed at work	31.7	11.8	24.5	63.7
Additional tasks	22.5	20.9	32.2	46.9
Factors contributing to a sense that working conditions improved				
Better able to organize one's work	25.6	42.4	35.0	22.6
More autonomy in one's work	15.8	39.8	33.2	27.0
Increased employment in work unit	50.4	33.0	43.4	23.6

Sources: RTT et Modes de Vie study; DARES, ministère de l'Emploi, de la Cohésion sociale et du Logement, Premières informations et Premières synthèses, no. 21.1.

The feeling that working conditions improved was greater among those who said WTR enhanced their ability to organize their work, gave them more autonomy in their work, and led to new hiring in their work unit. Employees whose working conditions improved also tended to be those who could freely manage their schedules and who took WTR in the form of additional days or half-days off. These latter criteria are more common among employees of higher qualification and rank, who were more likely than others to say working conditions improved. This disparity—small among men—is most striking among women: 42 percent of female managers experienced improved working conditions (18 percent said conditions deteriorated), but only 21 percent of unskilled female workers cited improvement (35 percent spoke of deterioration).[97]

Employees who said that demands for multitasking increased or that they had to complete the same tasks in less time, felt more stressed at work, or faced additional tasks were more likely to see working conditions deteriorate. The lack of new hiring often contributed to this feeling of work intensification. Workers with negative experiences also tended to be those whose schedules were imposed from above, with hours varying according to their employers' needs, a situation more common among manual and unskilled workers. Thus, there are legitimate concerns over the accentuation of inequalities with regard to working conditions.

Work intensification, experienced by 42 percent of employees surveyed, has arguably been the main risk for most employees.[98] Of those with less time for the same tasks, 44 percent said working conditions worsened versus only 21 percent who experienced an improvement. A certain degree of work intensification was expected as the 35-hour week was founded on the promise of greater hourly labor productivity (and, in practice, productivity gains exceeded original expectations, especially in later-moving Aubry II firms). Work intensification appears to be easier to bear for those, such as managers, who experience greater autonomy and say that they can better organize their work since WTR.[99]

Increased "multitasking" or "multiskilling" (*polyvalence*) is the most common workplace change resulting from the 35-hour week that employees cite, and is more prevalent among less-skilled workers than managers. Employees frequently experience it in negative terms, as "plugging holes" on an organization's behalf rather than increasing their skills.[100]

Among employees who said their working conditions worsened, the number who cited increased work-time flexibility as the main cause was quite low (10 percent). However, greater flexibility on employers' terms did not equally affect all employee groups. Problems induced by work-time flexibility were cited as the main cause of worsening work conditions for 28 percent of women with varying hours or who saw their schedules become more variable.[101] Work-time flexibility was not the most common problem, but could affect some workers intensely.

A Success in Improving Quality of Life, Especially for Women with Young Children

One of the main successes has been in improving quality of life overall, above and beyond conditions at work. The most comprehensive survey of 35-hour workers found that a very significant majority had a positive experience overall, although satisfaction tends to be greater among employees of higher skill level and social standing.

When asked how, on the whole, WTR affected their daily lives both at work and outside of work, 59 percent of workers said their lives had improved, compared to only 13 percent who said their quality of life had deteriorated (see Table 2).[102] Women and men had comparable rates of satisfaction—61 and 58 percent, respectively. Managers showed particularly high rates of satisfaction, especially female managers, 73 percent of whom said their daily lives had improved. However, the least likely to be satisfied were unskilled female workers (40 percent of whom saw improvement versus 20 percent who spoke of deterioration). Important inequalities are clearly evident, but even among the least satisfied group, twice as many said their daily lives improved as deteriorated.

A key finding is that employed women with children under the age of 12 were among the biggest winners: 71 percent said their daily life improved, while only 4.8 percent said it had worsened.[103] It is no surprise that employed mothers, who experience the burdens of a double day of labor, are among those with the most to gain from WTR. True, domestic tasks remain unequally distributed and

Table 2
Effect of WTR on Quality of Daily Life: Robien and Aubry I Employees' Views

Sex	Employee Category	Improvement (%)	No Change (%)	Deterioration (%)
Male	Manager	65.0	28.4	6.6
	Intermediate level	57.1	29.2	13.5
	Skilled worker	56.3	29.4	14.3
	Unskilled worker	57.4	27.5	15.1
	Total	58.3	29.0	12.7
Female	Manager	72.7	19.4	7.9
	Intermediate level	73.3	19.3	7.4
	Skilled worker	60.5	25.5	14.0
	Unskilled worker	40.2	39.5	20.3
	Total	61.1	26.0	12.9
Total		59.2	28.0	12.8

Source: Marc-Antoine Estrade and Dominique Méda, *Principaux résultats de l'enquête RTT et modes de vie* (Paris: Direction de l'animation de la recherche, des études et des statistiques, 2002).

the 35-hour week was often implemented in highly gendered ways—for example, both men and women often see Wednesdays as the "natural" day for women to take time off since it is a day when young children in France do not go to school.[104] Still, a shorter standard workweek can help women with young children participate as equals in the full-time workforce and ease the struggle to juggle work and family—providing a more egalitarian alternative to the second-class status of most part-time work or withdrawal from the labor market. In this light, the 35-hour week fulfills the criteria set out by Jacobs and Gerson, who call for work-time solutions that address the often-conflicting twin goals of work-family integration and gender equity.[105] And the fact that men now spend more time at home with children opens up opportunities for a future evolution toward greater equality in domestic responsibilities—not to mention the benefits to children of having both parents more involved in their lives. According to Méda, expressing concern over a potential move backwards under the conservative government's recent reforms, "With the 35-hour week, we had one of the tools that was going to allow us to reconcile the two values dear to the hearts of those who govern us: work and family."[106]

Méda notes that another important criterion in employees' judgments of the 35-hour week was the degree of job creation. Half the employees surveyed cited an increase in employment in their work unit, and they were more likely than others to experience improved quality of life. One explanation is that wage moderation and work-time flexibility sacrifices are easier to accept, and more meaningful, if one can see that they helped to create a job for someone else. In addition, where new hiring is insufficient, working conditions are more likely to decline as workloads per person increase.[107]

In their analysis of the RTT et Modes de Vie survey, using logistic regression, Cette, Dromel, and Méda identified other factors positively influencing satisfaction with the 35-hour week.[108] These include the employee's social status (satisfaction being more likely with higher levels of educational attainment, occupational standing, and household income); predictability of schedules; autonomy over one's work schedule; the use of time freed up for family, rest, domestic, or leisure activities; and the fact that, before WTR, the employee said he or she lacked time. Dissatisfaction was more likely for those who experienced variability of schedules, atypical work hours (especially night work) and an increase in atypical nature of hours since WTR, increased workload, and a reduction in income.

One limitation of the above conclusions regarding quality of life is the lack of large-scale research on Aubry II employees, whose experiences differed in various ways. Allowing a lesser amount of real WTR in the second law watered down a main source of possible benefits to employees: the feeling of gaining additional, usable time. Since the second law also removed the job-creation requirement to receive state aid, allowing many firms to absorb the change mainly by squeezing more output out of each hour of work, one might expect lower satisfaction among Aubry II employees (especially knowing that satisfaction is positively related to the degree of job creation and negatively correlated with work intensification). However, one compensation for Aubry II employees was less strict wage moderation. Also, by 2000-2001, unemployment had fallen, putting workers and their unions in a relatively stronger bargaining position than earlier Robien and Aubry I workers to demand a favorable deal. Hence, without more in-depth empirical research, it is not clear whether or not to expect greater or lesser satisfaction among Aubry II employees. Nevertheless, less-systematic opinion polls that include Aubry II workers provide a broadly similar picture of strong employee satisfaction.[109]

EMPLOYER OPPOSITION AND PARTIAL ACCOMMODATION

As noted above, the Aubry laws met heavy resistance from business leaders, most notably the employers' federation, MEDEF, which expressed its "indignation" and "complete opposition" to the measures it believed would weaken company competitiveness.[110] As it turned out, although some winners and losers emerged among businesses, uncompetitive labor cost increases were, on the whole, avoided. The employer reaction was, it appears, due to more than economics. An official with the centrist French Democratic Labor Confederation (CFDT) lamented the "ideological hostility" of employers, especially MEDEF, which limited possibilities for pragmatic negotiations—a sentiment echoed by other interviewees.[111] At the extreme, some employers simply refused to negotiate 35-hour accords with their workers, whether driven by political motivations and anger with the government, opposition to WTR in principle, or hostility to unions. According to one such employer, "The Aubry laws: they were worse than the October revolution."[112] A 1999 survey also found that

Aubry I accords were more likely in companies led by individuals with a favorable view of unions and a preference for active employment policies over laissez-faire economics.[113]

As was the case in earlier periods of work-time reform, many employers not only feared (and often overestimated) the economic costs of new work-time regulations, but also saw them as unjustified interference in their affairs.[114] Much of the struggle over the Aubry laws amounted to a question of control and authority—both over national economic policy and the internal workings of companies.[115] MEDEF never seemed to get over the Jospin government's insubordination in legislating the 35-hour week without its blessing. The organization frequently blasted the government for failing to respect the terrain of business and labor (a position at least partially shared by some unionists). At the micro level, a qualitative study by Jorand et al. of some thirty companies that did not comply with the Aubry laws found that one overriding concern of these firms' leaders was to "remain master in one's own house." Some firms even chose to finance WTR on their own to avoid having to meet conditions attached to state aid, such as negotiating with a union or mandated employee representative.[116]

Yet beneath the surface of MEDEF's overwhelming hostility, some debate emerged within business over whether or not to continue trying to reverse the reform. One "socially enlightened" business executive, anonymously expressing a minority view in *Le Monde*, highlighted not only the various economic compensations for companies, but also the value of making an "effort of national solidarity," as his firm did, to create jobs through WTR. He denounced proposed counterreforms which, in his view, would increase unemployment "to please a few a big bosses at MEDEF."[117] At the other extreme were those who, as noted above, resisted WTR on ideological grounds. In between were many businesspeople who did not approve of the Aubry laws, and welcomed changes to make them less constraining, but found pragmatic accommodations to them. For example, Jorand et al. found that even among a sample of small and medium-sized firms that resisted fully complying with the laws, the dominant feeling was that "the WTR file is behind us, it's time to close it."[118]

Many large companies also made their peace with the 35-hour week and no longer seemed keen on reopening the issue.[119] For example, in 2004, the CEO of PSA Peugeot Citroën said he was "relatively satisfied" with the 35-hour week, while the automaker's spokesperson said the firm had "gained more flexibility, and we benefited from tax breaks. . . . we're not too favorable toward anything that could set us back."[120] Employee agreement to moderate wage demands was an obvious benefit, while reorganization allowed many companies to rationalize production by squeezing out pockets of idle time. At the supermarket giant Carrefour, management abandoned its original hostility to the 35-hour week to negotiate more flexible work practices with its cashiers, who agreed to adjust their duties according to the flow of customers.[121] Annualizing work time also allowed firms to pay only for the most productive labor hours over the year. For example, Samsonite workers agreed to workweeks of up to 48 hours in the summer, when demand for luggage is high, in return for extra days off and workweeks as low as 32 hours when demand falls, sparing the company from the costs of premium overtime pay and temporary layoffs.[122] Greater ability to alter work hours according to production needs, without having to pay overtime rates in peak periods, was of particular value to firms using or wanting to adopt just-in-time production methods.[123] Meanwhile, new shift arrangements that increased the amount of weekend work at firms, including Peugeot, allowed for longer operating hours and a more efficient use of capital.[124] Of course, some of these flexibility arrangements were controversial among workers, illustrating that the line between anti-economic and anti-social forms of WTR can be narrow.

COUNTERREFORMS AND THE PUSH BACK

In 2002, conservative President Jacques Chirac was reelected following Socialist candidate Lionel Jospin's disastrous third-place showing, behind the far right's Jean-Marie Le Pen, setting the stage for the center-right's subsequent parliamentary election victory. Critics argued that some working-class voters' negative experiences with the 35-hour week contributed to the left's election debacle by alienating part of its electoral base. However, this claim is intensely disputed, and many other factors were at play, including a campaign focused on law and order and a split of the left vote among several candidates.[125] Recognizing that the shorter workweek had considerable appeal to many voters, the new center-right government promised not to undo it, but to make it more "flexible" and allow those who wanted to earn more to work more.

In January 2003, the Fillon law largely removed any incentive for companies still at 39 hours—mostly small firms—to reduce the workweek.[126] These amendments prompted media reports of the 35-hour week's death, which turned out to be greatly exaggerated as little movement back toward longer hours ensued. In 2004, President Chirac referred to the 35-hour week as an "established right" and showed little enthusiasm for a more significant effort to dismantle it, even calling the latter idea "idiotic" at one stage.[127] However, a new drive from the governing party's free-market wing, led by presidential hopeful Nicolas Sarkozy and backed by MEDEF, produced further amendments in early 2005. The law still referred to 35 hours as the standard workweek, but gave employers several options to turn the clock back to a 39- or 40-hour week in practice.[128] The government's pushback against WTR also included the controversial replacement of the Pentecost Monday public holiday with an unpaid "day of solidarity"—ostensibly to raise funds to help the elderly and people with disabilities—and allowing public-sector employees to work more overtime and cash in some days off.

It remains to be seen whether large numbers of employers decide to reopen such a complex, conflict-ridden issue and whether employees and labor unions will have the will and ability to resist. A May 2006 study found that some 1,000 firms—a small number compared to the more than 300,000 that introduced a 35-hour week—had taken advantage of the previous year's counterreforms to add extra flexibility to their 35-hour agreements.[129] The first major sector-wide agreement to make use of the 2005 amendments was in metalworking, where employers have long stood out for their hostility to the Aubry laws. A February 2006 agreement, covering 1.8 million employees, maintained a 35-hour standard, but increased the annual overtime maximum from 180 to 220 hours per year and allowed individuals to work beyond the overtime limit on a "voluntary" basis. The Confédération Générale du Travail (CGT) and CFDT, the two largest unions, say the deal could mean the "death of 35 hours and a return to 40 hours" in the sector.[130]

By the spring of 2006, however, only a small number of workplaces had put a definitive end to the 35-hour week. Typically, these have been companies facing serious economic difficulties, such as Hewlett-Packard, which pressured its French employees to give up eleven or twelve days off per year in exchange for fewer job cuts in the context of a global restructuring.[131] In 2004, the French subsidiary of Bosch, a German engineering firm, was the first to use such threats of job losses to get its Venissieux factory's workers to accept a 36-hour week with no extra pay. In late 2005, in a sharp reversal of the logic of work sharing, the company's president went further and argued that its French employees should accept a 40-hour week for the same pay to keep their jobs in the face of low-cost competition from new EU member states in Eastern Europe.[132]

Although the 35-hour week was not, on the whole, the cost-increasing, anticompetitive measure that many critics caricatured it to be, and even *Forbes* magazine had to grudgingly admit that France was a "bastion of productivity" that out-produced the United States and others on an hourly basis,[133] it is not surprising that some business leaders are taking advantage of the new laws and fears of job loss in search of a still more profitable arrangement. As one labor leader put it, the goal of this employer offensive is clear: "40 hours, paid 35."[134] Some observers suggest the entire 35-hour process amounted to a "Trojan horse" that allowed business to gain greater flexibility and then, once that was achieved, push to take back work-time gains from employees.[135] Undoubtedly, some employers now hope for such a result over the long term; however, MEDEF's intense opposition and its rupture with the government over the Aubry laws suggest that employers did not have this prospect in mind from the start. Furthermore, it would have been a very high-risk strategy to go through the disruptions of integrated WTR and reorganization processes within companies with the hope of partially unweaving these complicated (and in many cases popular) arrangements later.

In fact, despite mounting pressure on the 35-hour week, available data suggest it has been quite resilient, at least to date. As of June 2006, the average workweek of a full-time employee remained 35.6 hours, *exactly the same* as in 2002. Small increases in the average workweek in some sectors have been balanced by continued reductions in others.[136] Opinion polls also showed considerable popular support for the 35-hour week remained. One January 2005 poll found that 77 percent wanted to keep their current hours, while only 18 percent wanted to work more.[137] Labor protests by an estimated 1 million people across France in March 2005 in favor of the 35-hour week, more jobs, and wage gains suggested that a large-scale dismantling of the 35-hour week would not occur without a fight. Meanwhile, the student/labor protests that forced the withdrawal of a controversial youth employment contract in the spring of 2006 illustrated a collective capacity to resist measures perceived to be socially regressive. Finally, the fact that many firms actually derived some benefits from the arrangement certainly improves the chances, even if it does not guarantee, that most French workers will be able to hold on to the shorter workweek.

CONCLUSION

Although the 35-hour week was greeted with hostile rhetoric decrying an ideologically driven attack on business, France's latest WTR initiative in fact asked for relatively little if any economic sacrifice from the private sector as a whole. Some companies had difficulties reorganizing and saw costs increase, while many employers resented the legislators' intrusion into what they considered their own affairs, but overall French firms' competitiveness was maintained and in some cases enhanced. Given the experience of an aborted introduction of a 35-hour week in the 1980s and employer hostility, the government had reason to worry about potential capital flight and an "investment strike" if labor costs rose noticeably. Rather than ask firms to cope with higher labor costs, the impact was absorbed through a combination of wage moderation, increased labor and capital productivity (driven, in large part, by greater work-time flexibility and work intensification), and state financial support. The first two of these three sources of cost control involved some sacrifice by employees, which affected different groups unequally.

Whether or not the value of additional free time outweighs these sacrifices depends on several factors. For many, WTR created valuable blocks of high-quality time, such as a long weekend every second week or up to an additional twenty-three days off per year (bringing total annual time off, including vacations, to more than nine weeks for some employees). Those with regularly scheduled days or half-days off, or who could control when they take time off, were more likely to experience meaningful gains in "time affluence." Other employees only received their newly liberated time when it suited business needs and, in many Aubry II firms, saw employers whittle away breaks and other downtime from their work-time calculations. In addition, more flexible work-time arrangements often led to unpredictable variations in hours, more evening and weekend work, and less overtime pay. Wage moderation was easier to accept for more affluent employees, who were more likely before the change to feel a pressing need for extra time rather than money. The degree of job creation in an employee's work unit was also important. Without it, WTR typically meant work intensification and more stress, but with it, income or work-time flexibility sacrifices were easier to accept. Employees with more autonomy in their work were also better able to cope with increased work intensity. Finally, for some employees, WTR opened up new leisure opportunities including more short-term travel, while for others with insufficient incomes and less predictable schedules, it could mean more idle time in France's dreary working-class suburbs. On these issues, upper-income, managerial, and professional workers were generally better positioned to benefit from the 35-hour week than manual and less-skilled workers.

The potential benefits to the unemployed and the already-employed were not fully realized due, in part, to the fact that condensing the same amount of work into fewer hours absorbed a greater share of the change than expected. This was the case to some degree in Aubry I firms, but especially in their Aubry II counterparts,[138] which did not have to meet a specific hiring requirement in return for state aid. Hourly productivity jumped, but at the cost of more work intensification and less employment (not to mention fewer savings on the costs of unemployment to offset the costs to the state budget).[139] The government had its reasons—notably to patch up relations with a hostile business lobby—for toning down the requirements of the second law, but with hindsight it seems an opportunity was lost to generate more jobs for the unemployed and less stress on the employed. Dayan suggests that an alternative to fully removing the hiring target would have been to offer firms a WTR-Lite option with less job creation in return for less aid, or without aid when no jobs were created.[140]

Also, in retrospect, a labor ministry official and an academic researcher suggested that more might have been done to pursue a "solidaristic wage policy" in which higher-income earners—who tended to benefit most from having more time—accept some income loss to allow for more hiring or ensure that fewer wage moderation and flexibility sacrifices are required of low-income earners.[141] More effort to expand access to low-cost recreational and cultural activities, and to better coordinate the opening times of existing public facilities and services with workers' more flexible work patterns,[142] could also have helped lower-income earners and others to benefit more from their additional time.

The government's *réalisme de gauche* did not preclude policy activism such as the 35-hour week, but it did rule out trying to pay for the change through a major redistribution of wealth from capital to labor by cutting into the share of output taken as profit. The government may very well have been correct that such redistribution was too risky in the current globalized context, in which capital could respond by shifting investment elsewhere. However, had the option of redistribution from capital to labor been available and pursued, and some believe this question should have been confronted,[143] the costs imposed on some workers might have been avoided.

Despite the reform's limitations, which in large part stem from having to conform to the constraints of today's global capitalism, most 35-hour employees experienced quality-of-life improvements. In particular, a shorter workweek has been a valuable tool for working parents, especially women with young children, to help reconcile work and family demands without confining women to second-class labor-market options. Moreover, roughly 350,000 new jobs were created—not enough to end France's chronic unemployment problems, nor as many as hoped, but still a meaningful improvement for many previously unemployed workers and their families. Although attention needs to be paid to factors that prevented some less-privileged workers from fully experiencing benefits, the initiative can still be considered an important form of social progress—perhaps a two-thirds success overall. Only time will tell if the future ultimately belongs to Friedman's 35-hour day, but France's 35-hour week has a much better chance to hold on than it might seem at first glance, given its record of walking a fine line balancing economic pragmatism and social concerns.

APPENDIX
How Many Jobs Did the 35-Hour Week Create?

Answering the above question is no easy task. One option is to simply tally up the number of jobs that employers had committed to creating in their 35-hour agreements with workers in order to receive state financial support. Using this data, the policy's supporters could point to at least 500,000 new jobs.[144] Critics rightly pointed out that actual job creation could be less (or more) than the stated commitments. These figures also include some jobs that would have been created anyway without WTR. A more reliable estimate requires finding a way to contrast actual employment growth with what would likely have happened without the 35-hour week.

Researchers have tried to address this very difficult challenge using both microeconomic data and macroeconomic modeling. An example of the former is a DARES study by Passeron, which used France's quarterly ACEMO survey of employers to show a 14.8 percent rise in employment in Aubry I firms, from 1999 to 2001, after moving to a 35-hour week. To correct for the fact that many of these jobs would have been created anyway, Passeron compared employment growth in these firms to others that stayed at 39 hours. This method involves finding a counterfactual case for each firm that moved to a 35-hour week, that is, by pairing it with a 39-hour firm that was otherwise similar in terms of key observable characteristics (size, economic sector, and employment creation during the previous two years). This leads to lower but more valid estimates of *net* employment gains: 6.0 to 7.5 percent in firms that benefited from the Aubry I and 1996 Robien law financial incentives, and an initial estimate of about 3 percent in firms that reduced hours without these additional financial incentives.[145] By controlling for employment growth in comparable 39-hour firms, this study provides strong grounds to conclude that WTR gave a net boost to employment in pioneering 35-hour firms, but it is limited since the data do not include the majority of firms covered by the later Aubry II law. The possibility also remains that firms that moved to a 35-hour week may differ in some unobserved way from those that stayed at 39 hours, although Gubian et al. maintain that controlling for size, economic sector, and past employment creation corrects for most of the potential selection bias.[146]

Other DARES researchers have used microlevel data from the Passages survey of business leaders who had introduced a 35-hour week by early 2001, which asked several questions to determine how much employment had increased and how much of that increase was due to WTR. Bunel found that the strongest employment gains were in Robien law firms (15.5 percent gross and 8.8 percent net), followed by Aubry I (10.6 and 6.6 percent), and the "Aubry II precursors" (6.2 and 3.7 percent) that moved to a 35-hour week before January 2000 without meeting the criterion for additional financial incentives. Using different methods and data sources than Passeron, Bunel reaches similar job-growth estimates and finds the same general pattern: particularly large gains in firms that received Robien and Aubry I financial incentives linked to specific employment targets. However, an important limit, again, is the lack of adequate data on the later-moving Aubry II firms.[147]

Such microlevel data provide a base from which to estimate total job creation. Multiplying *conservative*[148] estimates of net employment creation rates derived from various studies (approximately 6 percent in Robien and Aubry I firms versus 3 percent in Aubry II and others) by the total number of employees in each category of 35-hour firm, DARES concludes that the 35-hour week created just over 350,000 additional private-sector jobs by the end of 2002. (A disproportionately large share of these jobs—43 percent—was created in Robien and Aubry I firms that had to meet specific hiring targets.)[149] This total has come to be the most widely cited estimate, in part because it is the product of the most systematic study. It has a certain robustness since it does not take for granted that the new jobs promised in 35-hour agreements were actually delivered, and it controls for the fact that many new jobs would have been created anyway. This figure is, however, still an imperfect approximation.

One potential source of over- or underestimation is that relatively little empirical research has gone into confirming the employment creation rate in Aubry II firms.[150] A main reason is that it became increasingly difficult to pair 35-hour firms with similar 39-hour firms as the shorter workweek spread throughout the economy.[151] Another potential problem is that the firms staying at 39 hours may not be an adequate control group since they, too, may have been affected by the policy's macroeconomic impacts, especially in later stages once the Aubry II law applied to all private-sector firms. This uncertainty cuts both ways. Critics on the right, from a neo-classical economic standpoint, argue that the more rapid growth in the minimum wage and slightly higher overtime costs that came with the 35-hour week may have negatively affected 39-hour firms.[152] On the other hand, from a Keynesian perspective, falling unemployment due to WTR would have increased aggregate demand and thereby boosted employment in 39-hour firms as well, resulting in DARES' figures underestimating the 35-hour week's job impact.

Macroeconomic models, which contrast actual employment growth to forecasts of what would have happened without the 35-hour week, provide further support for the conclusion that the policy produced significant job gains. Husson produced three different econometric forecasts of employment growth between 1997 and 2001 without WTR. Depending on the model, actual employment was between 448,000 and 508,000 jobs higher than predicted without a 35-hour week. These relatively high estimates include indirect job gains from the 35-hour week, not accounted for by DARES.[153] Similarly, Logeay and Schreiber compared their own forecasts, assuming no 35-hour policy shift, to the actual results between the end of 1999 and mid-2001. The forecast could not account for 0.5 million additional people who found jobs during this period. This figure is only a rough estimate, albeit a conservative one given that it does not include the significant job gains from the Robien and Aubry I laws that occurred before this time. One potential weakness of such macro estimates is that the discrepancy between observed and forecast employment could be due to a change other than WTR; however, Logeay and Schreiber argue that several other potentially relevant variables were either unchanged or incorporated in their model.[154]

Meanwhile, Artus and Maillard, economists with the investment bank CDC-Ixis, developed an econometric equation, including a work-time variable, that closely tracks French employment growth from 1978 to 2003, which they use to estimate that WTR generated 310,000 jobs from 1999 to 2001, alongside an alternative estimate of 400,000 jobs.[155] These macroeconomic estimates, ranging from 300,000 to 500,000 jobs, provide further support for DARES' estimate of 350,000 jobs based on microeconomic data.

Ollier and Novelli, two conservative parliamentarians who drafted a 2004 report attacking the 35-hour week, cite only a single study that falls outside this range. The business-oriented research institute Rexecode compared unemployment in France and the rest of the euro zone from 1990 onwards. It found the two trajectories to be remarkably similar, although French unemployment fell more rapidly after 1999. Even if the gap was entirely due to WTR, Rexecode estimated the maximum employment gain to be 150,000 jobs. However, Ollier and Novelli themselves note that other countries are a poor basis for comparison given that various economic changes are occurring simultaneously in each country.[156] The studies cited above, which use expected employment trends within France as the counterfactual reference point, thus provide better estimates.

Ollier and Novelli further acknowledge that no other studies, including the one by Rexecode, can match the systematic rigor or the scale of effort behind the estimates produced by DARES. Unable to point to any better estimates, their main criticism is that there is an overreliance on studies by this agency.[157] Beyond this, they attempt to cast doubt on the job gains by highlighting the uncertainties involved in these estimations.

Indeed, none of the various figures is perfect, and future studies are needed to refine the estimates. Nevertheless, different methods have been converging around the 300,000 to 500,000 range—with 350,000 standing out as a conservative best estimate at this point.

NOTES

1. See, among others, Juliet B. Schor, *The Overworked American: The Unexpected Decline of Leisure* (New York: Basic Books, 1991); Jerry A. Jacobs and Kathleen Gerson, *The Time Divide: Work, Family and Gender Inequality* (Cambridge, Mass.: Harvard University Press, 2004); and Phyllis Moen and Patricia Roehling, *The Career Mystique: Cracks in the American Dream* (Lanham, Md.: Rowman & Littlefield, 2005).

2. Thomas L. Friedman, “A Race to the Top,” *New York Times*, June 3, 2005.

3. See, for example, Pietro Basso, *Modern Times, Ancient Hours: Working Lives in the Twenty-first Century* (New York: Verso, 2003); and Teresa Brennan, *Globalization and Its Terrors: Daily Life in the West* (New York: Routledge, 2003).

4. See, for example, Alan Friedman, “France Faces Isolation in Europe over 35-Hour Week Proposal,” *International Herald Tribune*, October 9, 1997; and Susan Bell, “Paris Passes Law on 35-Hour Week,” *(London) Times*, May 20, 1998.

5. For example, W. J. Shaxby, *An Eight-Hours Day: The Case against Trade-Union and Legislative Interference* (London: Liberty Review Publishing, 1898), 2. See also Nyland’s discussion of nineteenth-century debates over reduction of the workday in which opponents repeatedly overestimated the economic costs of WTR policies by failing to foresee the resulting increase in hourly productivity. Chris Nyland, *Reduced Worktime and the Management of Production* (Cambridge: Cambridge University Press, 1989).

6. Marie Valla and Eric Pape, “Off the Deep End,” *Newsweek*, international ed., July 19, 2004.

7. Burgoon and Baxandall show that the conventional wisdom that shorter work hours are a product of left-labor power and generous social welfare states needs refinement by acknowledging the distinct Social Democratic, Liberal, and Christian Democratic “worlds of working time,” which reflect the “three worlds of welfare capitalism” that underlie them. Surprisingly, it is the Christian Democratic world, not the Social Democratic one, that has produced the shortest average annual work hours. Brian Burgoon and Phineas Baxandall, “Three Worlds of Working Time: The Partisan and Welfare Politics of Work Hours in Industrialized Countries,” *Politics & Society* 32, no. 4 (2004): 439-73.

8. Ben Clift, “The Political Economy of the Jospin Government,” *Modern & Contemporary France* 10, no. 3 (2002): 325-37; and Greg Albo, “A World of Market Opportunities? Capitalist Obstacles and Left Economic Policy,” in *Socialist Register 1997: Ruthless Criticism of All That Exists*, ed. Leo Panitch (Halifax, NS: Fernwood, 1997), 5-47.

9. Jacques Freyssinet, “Entre rupture et continuités,” in *La réduction du temps de travail: Des politiques aux pratiques*, ed. Catherine Bloch-London and Jérôme Pélisse (Paris: La Documentation Française, 2003), 30-32.

10. Dominique Méda, “Les 35 heures dans l’histoire séculaire de la réduction du temps de travail,” in *35 heures: Le temps du bilan*, ed. Bernhard Brunhes, Denis Clerc, Dominique Méda, and Bernard Perret (Paris: Desclée de Brouwer, 2001), 16-17.

11. Jean-Pierre Jallade, “Working Time Policies in France,” in *Working Time in Transition: The Political Economy of Working Hours in Industrial Nations*, ed. Karl Hinrichs, William Roche, and Carmen Sirianni (Philadelphia: Temple University Press, 1991), 70-72.

12. Ibid., 79-80.

13. Pierre Larrouturou, “Pour la semaine de quatre jours,” *Le Monde*, September 26, 1993; and interview with Pierre Larrouturou, Paris, June 9, 1998.

14. Guy Aznar, “Réduction du temps de travail: la loi Robien,” *Futuribles* 217 (1997): 15-28.

15. Gilbert Cette, Nicolas Dromel, and Dominique Méda, “Les déterminants du jugement des salariés sur la RTT,” *Économie et Statistique* 376-77 (2005): 119.

16. David Alis, “The 35-Hour Week in France: The French Exception?” *Personnel Review* 32, no. 4 (2003), 512-15; and interview with four-day workweek advocate Pierre Larrouturou, Paris, June 9, 1998.

17. Martine Aubry, “Introduction de l’exposé des motifs de la première loi Aubry devant l’Assemblée nationale,” in Bloch-London and Pélisse, *La réduction du temps de travail*, 112.

18. Ministère de l'emploi, du travail, et de la cohésion sociale, "Aménagement du temps de travail: Archives, Les campagnes de communication," http://www.35h.travail.gouv.fr/publications/archives/index_archives.htm.

19. Alexandre Bilous, "35-Hour Working Week Law Adopted," *European Industrial Relations Observatory On-line*, June 1998, http://www.eiro.eurofound.eu.int; and Jean-Louis Dayan, *35 heures, des ambitions aux réalités* (Paris: La Découverte, 2002), 30-31.

20. The fact that the employment goal was lower than the amount of WTR was based on the expectation that increased hourly productivity would absorb some of the hours reduction. "Defensive" agreements that avoided planned layoffs were also eligible for financial incentives.

21. A company that reduced hours before July 1999 would have received 9,000 F (approximately US$1,440) per employee in the first year, 8,000 F (US$1,280) in the second year, declining gradually to 5,000 F (US$800) in the fifth year. After the fifth year, 35-hour firms would benefit from a permanent "structural aid." The government offered additional support to firms that reduced hours by 15 percent, with job creation of at least 9 percent, and to those that addressed pressing social concerns by meeting hiring targets for young people, the long-term unemployed, and permanent rather than temporary contracts. Bilous, "35-Hour Working Week Law Adopted" and Dayan, *35 heures*, 63.

22. Freyssinet, "Entre rupture et continuités," 30-32.

23. Philippe Askenazy, Catherine Bloch-London, and Muriel Roger, "La réduction du temps de travail 1997-2003: dynamique de construction des lois 'Aubry' et premières évaluations," *Économie et Statistique* 376-77 (2005): 157.

24. In France's industrial relations system, more than one labor union is frequently active in a firm. Collective agreements are often reached without all the labor unions in the firm signing on.

25. Alexandre Bilous, "Agreement in Metalworking: For or Against the 35-Hour Week?" *European Industrial Relations Observatory On-line*, August 1998, http://www.eiro.eurofound.eu.int; and Christophe Forcari and Stanislas Noyer, "35 heures: L'accord qui fait réver les patrons," *Libération*, August 10, 1998.

26. Askenazy, Bloch-London, and Roger, "La réduction du temps de travail 1997-2003," 158.

27. The amount was set at a base level of 4,174 F (approximately US$ 668) per employee per year, with additional reductions for workers making less than 1.8 times the minimum wage, up to as much as 22,434 F (US$3,590) per year for minimum-wage workers. This represented an integration of 35-hour week financial support with the previous center-right government's policy of promoting employment of unskilled workers by reducing payroll taxes on low-wage jobs.

28. Interview with Labor Ministry employee, Paris, August 11, 2003.

29. Interview with former government economist, Paris, August 11, 2003.

30. See, for example, Martine Bulard, "What Price the 35-Hour Week?" *Le Monde Diplomatique*, September 1999, http://mondediplo.com/1999/09/12hours.

31. In the year 2000 (2002 for small firms), overtime hours would attract a premium of 10 percent, with the full 25 percent premium only applied in 2001 (or 2003). Similarly, the government gave firms two additional years before all hours in excess of 35 per week would count toward the annual overtime limit of 130 hours per employee.

32. Quoted in Judith Perrignon, "On s'achemine vers le renoncement," *Libération*, June 22, 1999; and Caroline Monnot, "35 heures: les projets de Mme Aubry critiqués de toutes parts," *Le Monde*, June 24, 1999.

33. See, for example, Bulard, "What Price the 35-Hour Week?"

34. Interview with Labor Ministry employee, Paris, August 11, 2003; and Dayan, *35 heures*, 171.

35. The salary top-up was chosen as an alternative to an across-the-board 11 percent rise in the minimum wage, which policy makers believed would be unmanageable for some firms still at 39 hours who had not benefited from WTR financial aid or productivity-enhancing work reorganization.

36. Two other categories of managers were also distinguished: senior managers exempt from the law and those integrated in work teams, such as production supervisors, who were covered by the same rules as most workers.

37. Marc-Antoine Estrade and Dominique Méda, *Principaux résultats de l'enquête RTT et modes de vie* (Paris: Direction de l'animation de la recherche, des études et des statistiques, 2002). One limitation of this survey is that it includes employees who moved to a 35-hour week under the conditions of the Robien and Aubry I laws, but not the Aubry II law.

38. The annual average fell from 1,742 to 1,609 hours. DARES, "Durée collective hebdomadaire ACEMO depuis 1993, par secteur d'activité," December 23, 2005, http://www.travail.gouv.fr; and DARES, "Evolution de la durée collective annuelle," http://www.travail.gouv.fr.

39. DARES, "Série des passages à 35 heures," http://www.travail.gouv.fr.

40. Catherine Bloch-London, "La seconde loi Aubry: les normes du temps de travail revisitées par la négociation," in Bloch-London and Pélisse, *La réduction du temps de travail*, 36; and Bernard Brunhes, "Un grand chantier pour les partenaires sociaux," in Brunhes et al., *35 heures*, 58.

41. Catherine Bloch-London, Trong-Hien Pham, and Serge Zilberman. "La montée en charge des 35 heures," in Bloch-London and Pélisse, *La réduction du temps de travail*, 42.

42. Dayan, *35 heures*, 170.

43. Dominique Méda, "Travailler moins pour vivre mieux?" in Brunhes et al., *35 heures*, 101.

44. Shawn Macomber, "Utopia Banished," *American Spectator*, March 31, 2005. Also see, for example, Andrew Borowiec, "35-Hour Workweek Failing to Deliver," *Washington Times*, July 22, 2004.

45. "It's Perky for Now," *The Economist*, January 4, 2001; and Michel Husson, "Réduction du temps de travail et emploi: une nouvelle évaluation," *Revue de l'IRES* 38, no. 1 (2002): 4.

46. Husson, "Réduction du temps de travail et emploi," 4, 27.

47. The other two factors were (1) policies initiated by the center-right government of the early 1990s to reduce labor costs for unskilled, low-wage workers; and (2) a slowdown in long-term labor productivity growth per employee. Pierre-Olivier Beffy and Nathalie Fourcade, "Le ralentissement de la productivité du travail au cours des années 1990: l'impact des politiques d'emploi," *Économie et Statistique* 376-77 (2005): 3-23.

48. Camille Logeay and Sven Schreiber, "Testing the Effectiveness of the French Work-Sharing Reform: A Forecasting Approach," *Applied Economics* 38 (2006): 2053-68.

49. Logeay and Schreiber also reject the following possible explanations of falling unemployment: slower growth of labor supply (which actually grew at normal rates, if not faster), the effects of active labor market policy (whose coverage actually declined during this period), macroeconomic stimulus through an expansionary fiscal policy (budget deficits were actually reduced compared to 1998-1999), and the introduction of the euro (which advocates never claimed would cut unemployment on its own). Ibid., 2055, 2066.

50. See Bruno Crépon and Francis Kramarz, "Employed 40 Hours or Not Employed 39: Lessons from the 1982 Mandatory Reduction of the Work Week," *Journal of Political*

Economy 110, no. 6 (2002): 1355-89; and Jennifer Hunt, "Has Work-Sharing Worked in Germany?" *Quarterly Journal of Economics* 114, no. 1 (1999): 117-48.

51. See, for example, Denis Gautier-Sauvagnac, "Ruineuses 35 heures," *Le Monde*, October 14, 2003.

52. Martine Aubry, "35 heures: le coup de grace," Le Monde, February 3, 2005.

53. Alain Gubian, Stéphane Jugnot, Frédéric Lerais, and Vladimir Passeron, "Les effets de la RTT sur l'emploi: des simulations ex ante aux évaluations ex post," *Économie et Statistique* 376-77 (2005), 47-49.

54. See overviews of employment studies by Francine Aizicovici, "Encore et toujours le doute sur l'effet 35 heures," *Le Monde*, June 7, 2005; and Muriel Gremillet, "Maux et merveilles de la RTT," *Libération*, June 24, 2005.

55. This econometric simulation assumed that all firms and all full-time workers experienced a 10.3 percent reduction in hours, with one third of the WTR absorbed by hourly productivity gains, assumptions that were not borne out in practice. Gubian et al., "Les effets de la RTT sur l'emploi," 32.

56. Nyland, *Reduced Worktime and the Management of Production*.

57. Another factor appears to be the fact that policies to reduce the cost of low-wage workers are no longer having an effect. Virginie Malingre, "La croissance est désormais moins 'riche en emplois' qu'au cours de la dernière décennie," *Le Monde*, March 1, 2005.

58. Patrick Ollier and Hervé Novelli, *Rapport d'information par la mission d'information commune sur l'evaluation des consequences economiques et sociales de la legislation sur le temps de travail*, April 14 (Paris: National Assembly, 2004), 114-15.

59. Gubian et al., "Les effets de la RTT sur l'emploi," 51.

60. Ibid., 52.

61. Gilbert Cette argues that WTR is a way of reducing cyclical unemployment, but if it does not change unit labor costs, it does not affect the long-term equilibrium unemployment rate. However, it does generate an earlier reduction of unemployment than would occur without WTR, which has beneficial social and economic effects. See Ollier and Novelli, *Rapport d'information*, 117.

62. For a review of evidence showing that employment protection legislation has little if any impact on unemployment rates, see Sandrine Cazes and Alena Nesporova, *Employment Protection Legislation (EPL) and Its Effects on Labour Market Performance* (Geneva: International Labour Organization, 2003), 4-7. See also Stephen Nickell, "Unemployment and Labor Market Rigidities: Europe versus North America," *Journal of Economic Perspectives* 11, no. 3 (1997): 55-74.

63. Hien Pham, "Les modalités de passage à 35 heures en 2000," *Premières Informations et Premières Synthèses* 6, no. 3 (2002): 7-8.

64. Jérôme Pélisse, "À la recherché du temps inégalement gagné," in Bloch-London and Pélisse, *La réduction du temps de travail*, 72-75.

65. Ibid., 73.

66. 70.7 percent of those with regularly scheduled days off said their quality of life had improved with a 35-hour week compared to 53.6 percent of those whose hours varied through "modulation" and 59.2 percent overall. Marc-Antoine Estrade, Dominique Méda, and Renaud Orain, "Les effets de la réduction du temps de travail sur les modes de vie: Qu'en pensent les salariés un an après?" *Premières Informations et Premières Synthèses* 21, no. 1 (2001): 5; and Méda, "Travailler moins pour vivre mieux?" 103.

67. David Woodruff, "French Election Result May Hinge on Voter Opinion of Workweek," *Wall Street Journal*, June 6, 2002.

68. Dayan, *35 heures*, 128.

69. Based on data from RTT et Modes de Vie survey by DARES. Marc Antoine Estrade and Valérie Ulrich, "Une fragilisation des moins qualifiés," in Bloch-London and Pélisse, *La réduction du temps de travail*, 70.

70. Pélisse, "À la recherché du temps inégalement gagné," 73.

71. Ibid., 74.

72. Cédric Afsa and Pierre Biscourp, "L'évolution des rythmes de travail entre 1995 et 2001: quel impact des 35 heures?" *Économie et Statistique* 376-77 (2005): 173-213.

73. Pham, "Les modalités de passage à 35 heures en 2000," 7-8.

74. Méda, "Travailler moins pour vivre mieux?" 105-6.

75. Government of France, "La réduction négociée du temps de travail: Bilan 2000-2001. Projet de rapport du Gouvernement au Parlement" (Paris: Government of France, 2002), 6.1; and "Involuntary Part-Time Work Declines," *European Industrial Relations Observatory On-line*, November 2001, http://www.eiro.eurofound.eu.int.

76. Estrade, Méda, and Orain, "Les effets de la réduction du temps de travail sur les modes de vie," 4; and Government of France, "La réduction négociée du temps de travail," 7.1.

77. Pham, "Les modalités de passage à 35 heures en 2000," 6-7.

78. Méda, "Travailler moins pour vivre mieux?" 87-89.

79. Gubian et al., "Les effets de la RTT sur l'emploi," 32.

80. Bruno Crépon, Marie Leclair, and Sébastien Roux, "RTT, productivité et emploi: nouvelles estimations sur données d'entreprises," *Économie et Statistique* 376-77 (2005): 55-89, 55, 78.

81. Commissariat général du Plan, *Réduction du temps de travail: les enseignements de l'observation* (Paris: La Documentation Française, 2001); Jacques Freyssinet, "Report Evaluates 35-Hour Week Law at Half-way Stage," *European Industrial Relations Observatory On-line*, July 2001, http://www.eiro.eurofound.eu.int; and Eric Heyer (interview), "L'assouplissement des 35 heures devrait rester marginal," *Le Journal du Management*, March 30, 2005.

82. France's unit labor cost index fell from 113.6 in 1997 to 100 in 2000 (the base year) to 98.8 in 2002. Organization for Economic Cooperation and Development, *OECD Economic Outlook*, no. 78 (Paris: OECD, 2005), Statistical Annex, table 43.

83. For example, François Contensou and Radu Vranceanu, "Les 35 heures ou le discours sans la méthode," *Le Monde*, October 10, 2003.

84. Bulard, "What Price the 35-Hour Week?"

85. In 2002, France received $49.0 billion in FDI inflows versus $52.7 billion in China. United Nations Conference on Trade and Development (UNCTAD), *World Investment Report 2005: Transnational Corporations and the Internationalization of R&D* (New York: United Nations, 2005), 303-7.

86. Interview with former government economist, Paris, August 11, 2003.

87. John Lichfield, "The French Miracle: A Shorter Week, More Jobs and Men Doing the Ironing," *The Independent*, June 19, 2001; and Nicolas Baverez (interview), "35 heures: une catastrophe économique et sociale," *20 minutes*, October 7, 2003.

88. Government of France, "La réduction négociée du temps de travail," 8.1-8.2.

89. In the RTT et Modes de Vie survey, among women at 35 hours, 93 percent say they still do most of the laundry, 86 percent most of the ironing, and 74 percent most of the meal preparation, housekeeping, and shopping. Meanwhile, 74 percent of men say they do most of the odd jobs and repairs ("le bricolage"), and 51 percent most of the gardening. Since WTR, the number of men who report doing more ironing is only 4 percent (the corresponding figure for laundry is 7 percent; meal preparation, 19 percent; housekeeping,

20 percent; and shopping, 22 percent). Roughly similar proportions of women report spending increased time on these activities. Estrade, Méda, and Orain, "Les effets de la réduction du temps de travail sur les modes de vie," 7.

90. Dominique Méda and Renaud Orain, "Peu de modifications dans le partage de tâches au sein des couples," in Bloch-London and Pélisse, *La réduction du temps de travail*, 95.

91. Cette, Dromel, and Méda, "Les déterminants du jugement des salariés sur la RTT," 120.

92. Woodruff, "French Election Result."

93. Estrade and Méda, *Principaux résultats de l'enquête RTT et modes de vie*, 73; and Dayan, *35 heures*, 135.

94. Jean-Yves Boulin and Christian du Tertre, "Les évolutions des pratiques," in Bloch-London and Pélisse, *La réduction du temps de travail*, 99-102.

95. Michel Clerget, "Loisirs: La réduction du temps de travail permet une multiplication des courts séjours," *L'Humanité*, March 11, 2001.

96. Estrade and Méda, *Principaux résultats de l'enquête RTT et modes de vie*, 34; and Estrade, Méda, and Orain, "Les effets de la réduction du temps de travail sur les modes de vie," 3.

97. Estrade, Méda, and Orain, "Les effets de la réduction du temps de travail sur les modes de vie," 2-3; Méda, "Travailler moins pour vivre mieux?" 99-104; and Dayan, *35 heures*, 129-34.

98. Dayan, *35 heures*, 132.

99. Méda, "Travailler moins pour vivre mieux?" 100.

100. Jennifer Bué, Sylvie Hamon-Cholet, and Isabelle Puech, "Un accroisement de polyvalence," in Bloch-London and Pélisse, *La réduction du temps de travail*, 59.

101. Cette, Dromel, and Méda, "Les déterminants du jugement des salariés sur la RTT," 130.

102. Data based on RTT et Modes de Vie survey of Robien law and Aubry I employees, from Estrade and Méda, *Principaux résultats de l'enquête RTT et modes de vie*, 88.

103. Cette, Dromel, and Méda, "Les déterminants du jugement des salariés sur la RTT," 121.

104. Martine Lurol and Jérôme Pélisse, "35 heures: les disparités entre hommes et femmes," *Quatre Pages* 48 (November 2001): 1-4.

105. Jacobs and Gerson, *The Time Divide*, 115.

106. Dominique Méda, "Les 35 heures, arme des femmes," *Le Monde*, February 5, 2005. Although the results regarding work-family reconciliation are positive overall, this challenge may have been complicated for a minority, often less-skilled workers, who faced greater variations in hours at the whim of their employer, and who may have encountered new problems, such as finding child care in the evenings, on weekends, or on short notice. The contrast between the very high satisfaction among women with young children, and the relatively low satisfaction rate among unskilled female workers, may be due to the latter group's more frequent subjection to more variable and unpredictable hours. Another explanation is that unskilled women with children (who are proportionately more satisfied than unskilled women without children) are underrepresented in the sample since they are less likely than other women to stay in the labor market when they have children. See Cette, Dromel, and Méda, "Les déterminants du jugement des salariés sur la RTT," 131.

107. Méda, "Travailler moins pour vivre mieux?" 98-99.

108. Logistic regression allows for a control of other variables to avoid confusing direct and indirect effects, which is a potential problem with previous analyses of this

survey. Confirming the point made above, the authors also concluded that women with young children were more likely than other employees to be satisfied with the 35-hour week. Cette, Dromel, and Méda, "Les déterminants du jugement des salariés sur la RTT."

109. For example, a poll conducted for the small business employers' confederation (Confédération Générale des Petites et Moyennes Entreprises, or CGPME) found that 59 percent of people in France believed that the 35-hour week was good for employees, a figure that rose to 70 percent for those who actually experienced the shorter work-week themselves. Canal Ipsos, "Les 35 heures, un acquis social," July 7, 2004, http://www.ipsos.fr/CanalIpsos/articles/1376.asp?rubId=21.

110. Ernest-Antoine Seillière, "Déclaration d'Ernest-Antoine Seillière à l'issue de son entretien avec Martine Aubry, le 11 juin 1999," June 11, 1999, http://www.medef.fr; and Ernest-Antoine Seillière, "Le MEDEF répond à la demande de Madame Aubry," December 13, 1999, http://www.medef.fr.

111. Interview, CFDT union official, Paris, August 12, 2003.

112. Quoted in Yves Jorand, Jean-Marie Gerlin, Dominique Tonneau, François Fort, Bernard Deorflinger, Michel Pepin, and Myriame Maufroy, *Les réticences à entrer dans le cadre legal des 35 heures* (Paris: DARES, 2005), 11. See also 24, 53-54, and 92.

113. Survey of 500 business leaders cited in Askenazy, Bloch-London, and Roger, "La réduction du temps de travail 1997-2003," 158.

114. Jens Thoemmes, "La lente monté de la réglementation sur le temps de travail," in Bloch-London and Pélisse, *La réduction du temps de travail*, 13-14; and Carine Fouteau, "Le point de vue des grandes entreprises," in Bloch-London and Pélisse, *La réduction du temps de travail*, 44.

115. As a Labor Ministry employee said, "MEDEF hates state intervention," while a former government economist clarified that employers want the state to intervene to get more flexibility, but reject all regulations that restrict their margin of maneuver. Interviews, Paris, August 11, 2003.

116. Jorand et al., *Les réticences à entrer dans le cadre legal des 35 heures*, 92, 96.

117. "Repères," *Le Monde*, December 16, 2004.

118. Jorand et al., *Les réticences à entrer dans le cadre legal des 35 heures*, 47-48, 91.

119. Christopher Caldwell, "The Price of All That Free Time," *Financial Times*, February 12, 2005, 11; and "Hollow Protests: France's 35-Hour Week. Is It Really Dying?" *The Economist*, February 12, 2005.

120. Muriel Gremillet, "Ces entreprises à leur aise dans leurs 35 heures," *Libération*, January 12, 2005; and Valla and Pape, "Off the Deep End." See also Michel Delberghe, "Peu d'entreprises françaises sont revenues sur les 35 heures," *Le Monde*, June 30, 2004.

121. "How to Extract Flexibility from Rigidity," *Financial Times*, July 29, 1999, 25. See also Gunnar Trumbull, "France's 35 Hour Work Week: Flexibility through Regulation," January (Washington, D.C.: Brookings Institution Center on the United States and France, 2001). In 2004, Carrefour did give employees who wanted more money the option of giving up six days off, but maintained the 35-hour standard.

122. David Woodruff, "France Moves Smoothly to Shorter Workweek: Dire Predictions Fail to Materialize," *Wall Street Journal*, November 9, 1998.

123. Askenazy, Bloch-London, and Roger, "La réduction du temps de travail 1997-2003," 163.

124. Hervé Nathan, "Peugeot aux 35 heures (hors pause-pipi)," *Libération*, January 23, 1999, 19-20.

125. The claim that the 35-hour week contributed to the left's defeat was rejected by a number of interviewees. For an analysis of factors contributing to the left's defeat, see

Sebastian Budgen, "The French Fiasco," *New Left Review* 17 (September-October 2002): 31-50.

126. The 2003 reforms included an increase in the annual overtime limit from 130 to 180 hours; compensating overtime hours, from hours 36 to 39 per week, in money rather than time off; allowing sector-wide bargaining to set overtime premia as low as 10 percent; and removing the linkage between payroll-tax cuts and 35-hour agreements. Maurice Braud, "Bill on Wages, Working Time, and Job Creation," *European Industrial Relations Observatory On-line*, September 2002, http://www.eiro.eurofound.eu.int; Isabelle Mandraud, "La fin des 35 heures," *Le Monde*, September 27, 2002; and François Wenz-Dumas, "La loi Fillon rajoute des heures et remonte le temps." *Libération*, October 3, 2002.

127. Michel Husson, "Pressure Mounts on 35-Hour Week," *European Industrial Relations Observatory On-line*, August 2004, http://www.eiro.eurofound.eu.int; and "RTT: A savoir," *Libération*, July 1, 2004.

128. The 2005 reforms included expanded options for the use of "time savings accounts" to accumulate time off, making it easier for time off to be cashed in for money; the right for individuals to "choose" longer hours, even beyond the recently increased annual overtime limit of 220 hours per employee (up to 48 hours in any week or 44 hours averaged over twelve weeks); the ability of firms to buy out managers' days off on a voluntary basis; extension of special provisions for small firms (which effectively allow them to stay at 39 hours at little extra cost) until 2008 instead of 2005; and allowing small firms to pay extra WTR days instead of giving them as time off. "Principales dispositions de la réforme des 35 heures," *Le Monde*, February 9, 2005; and Christèle Meilland, "Reform of 35-Hour Week Law under Way," *European Industrial Relations Observatory On-line*, February 2005, http://www.eiro.eurofound.eu.int.

129. The most common change was expanded use of time-savings accounts (79 percent of firms that made changes), followed by individual rights to choose longer hours (15 percent) and the buyback of time off (5 percent). Béatrice Taupin, "Mille entreprises ont vraiment assoupli les 35 heures," *Le Figaro*, May 11, 2006.

130. The deal also expands the use of time-savings accounts, which allow accumulated hours to be taken as time off or eventually cashed in. Michel Delberghe, "Un accord dans la métallurgie remet en cause les 35 heures," *Le Monde*, February 15, 2006; and Peggy Hollinger, "Pressure Mounts on French 35-Hour Working Week," *Financial Times*, February 15, 2006, 6.

131. Nathalie Brafman and Sophie Landrin, "Peu d'entreprises ont précédé Hewlett-Packard dans la remise en cause des 35 heures," *Le Monde*, November 11, 2005.

132. Peggy Hollinger, "Bosch Tests Boundary of French 35-Hour Week," *Financial Times*, December 20, 2005, 6.

133. Dan Ackman, "France, Bastion of Productivity," *Forbes.com*, March 22, 2005.

134. Quoted in "Bosch envoie valser les 35 heures," *Libération*, December 15, 2005.

135. Thanks to an anonymous reviewer for suggesting the "Trojan horse" interpretation.

136. The 35.6-hour figure is for firms with more than ten employees. "Activité et conditions d'emploi de la main-d'oeuvre au 2ème trimestre 2006," *Premières Informations et Premières Synthèses* 39, no. 3 (September 2006), http://www.travail.gouv.fr/IMG/pdf/2006.06-26.2-2.pdf; and DARES, "Durée collective hebdomadaire ACEMO depuis 1993, par secteur d'activité," (25 September 2006).

137. Ifop, "Les salariés et la renégociation des 35 heures," January 30, 2005, http://www.ifop.com/europe/sondages/opinionf/35h300105.asp. Opinion polls gave a range of results depending on the question asked, but generally showed that most people—particularly those who actually experienced it—believed the 35-hour week was good for employees, even if

they were less convinced about its merits in terms of employment and the economic effect on companies. Polls also showed majority support both for keeping the 35-hour-week laws and for making them more "flexible," for example, by allowing those who wanted more hours to work more. See, for example, "Les Français favorables à un assouplissement," *Le Monde*, August 31, 2004; and Canal Ipsos, "Les 35 heures, un acquis social."

138. Gubian et al., "Les effets de la RTT sur l'emploi," 44, 46.

139. The cost of state support for the 35-hour week has been one of many points of controversy. Critics tend to highlight the gross cost to the budget, up to 15 billion euros per year. The net cost takes into account lower spending on unemployment benefits as well as additional payroll, sales, and income taxes paid by individuals who found jobs due to WTR (while subtracting the loss of tax revenue due to salary moderation among those who were already employed). The net cost is very difficult to calculate, given various uncertainties, but economist Eric Heyer provides one estimate of 4 billion euros per year. This amounts to about 11,000 euros per job created, which supporters consider reasonable at a time of high unemployment and in comparison with other employment policies. However, had the employment-creation objective been pushed more aggressively in the second law, the net cost may have been closer to zero, as originally intended. See Heyer, "L'assouplissement des 35 heures devrait rester marginal"; and Askenazy, Bloch-London, and Roger, "La réduction du temps de travail 1997-2003," 164-65.

140. Dayan, *35 heures*, 171.

141. Interviews, Paris, July 29 and August 11, 2003.

142. See, for example, Jean-Yves Boulin, "Pour une urbanistique des temps: la désynchronisation des temps sociaux," *Futuribles* 285 (April 2003): 5-19; and Méda, "Travailler moins pour vivre mieux?" 126.

143. Laurent Mauduit, "35 heures, salaires et partage des richesses," *Le Monde*, February 4, 2005; and Michel Husson (interview), "1997-2001: la plus fabuleuse période de créations d'emplois du siècle!" *Charlie Hebdo* 264 (June 2, 2004): http://www.legrandsoir.info/article.php3?id_article=1645.

144. Philippe Askenazy, "Les effets emplois des 35 heures: une rapide revue critique des évaluations *ex post*" (2005), http://hussonet.free.fr/35asken.pdf, 7.

145. Vladimir Passeron, "35 heures: trois ans de mise en oeuvre du dispositif 'Aubry I,'" *Premières Informations et Premières Synthèses* 6, no. 2 (February 2002): 1, 3-4, 6-7. See discussion in Gubian et al., "Les effets de la RTT sur l'emploi," 38-40.

146. Gubian et al., "Les effets de la RTT sur l'emploi," 42.

147. This study cannot determine a net employment rate for Aubry II firms since the relevant questions were only asked of firms that went to a 35-hour week before Aubry II came into effect in January 2000. Matthieu Bunel, "Aides incitatives et déterminants des embauches des établissements passés aux 35 heures," *Économie et Statistique* 376-77 (2005), 100-1. See also Matthieu Bunel, Thomas Coutrot, and Serge Zilberman, "Le passage à 35 heures vu par les employeurs," *Premières Informations et Premières Synthèses* 17, no. 2 (April 2002): 8.

148. An econometric analysis by Crépon, Leclair, and Roux concluded that the net job gains were *higher*: 9.9 percent (Aubry I), 3.8 percent (Aubry II "precursors"), and 4.9 percent (Aubry II). Gubian et al. say part of the difference is likely explained by the fact that Crépon, Leclair, and Roux did not control for the fact that firms that moved to 35 hours generally had been creating more jobs even before the reform. Bruno Crépon, Marie Leclair, and Sébastien Roux, "RTT, productivité et emploi"; and Gubian et al., "Les effets de la RTT sur l'emploi," 42.

149. Gubian et al., "Les effets de la RTT sur l'emploi," 47-49.

150. The 350,000 job figure is based on an estimate of roughly 3 percent job gains in Aubry II firms. These firms, which went to a 35-hour week in 2000 and 2001, made commitments, on average, to create 3.8 or 3.9 percent more jobs, respectively. A 3 percent net job creation figure would thus be in line with results from other categories of firms, for which the net figure was found to be roughly three quarters of the original commitment. Also note that Crépon, Leclair, and Roux estimated a higher rate, 4.9 percent net job creation for Aubry II firms, which suggests the DARES estimates are cautious ones. See Gubian et al., "Les effets de la RTT sur l'emploi," 43, table 1.

151. Ollier and Novelli, *Rapport d'information*, 123-24; and Gubian et al., "Les effets de la RTT sur l'emploi," 43.

152. Ollier and Novelli, *Rapport d'information*, 118. Gubian et al. ("Les effets de la RTT sur l'emploi," 44, 45-46) counter that any cost increases for 39-hour firms were very small and, in any case, do not account for the gap between employment growth in 35- and 39-hour firms.

153. Husson, "Réduction du temps de travail et emploi," 9-10, 27. Indirect job gains may have been due to increased consumer spending and an improved government budgetary situation as unemployed workers gained jobs.

154. Logeay and Schreiber, "Testing the Effectiveness of the French Work-Sharing Reform," 2064, 2066.

155. Patrick Artus and Laure Maillard, "Un essai d'analyse sans *a priori* des effets des 35 heures en France," *Flash* (CDC IXIS Capital Markets) 276, no. 31 (October 2003): 5.

156. Ollier and Novelli, *Rapport d'information*, 132 and 118.

157. Ibid., 131-33.

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