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## THE TALK OF THE TOWN

### THE FINANCIAL PAGE

#### NO WORK AND NO PLAY

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In the nineteen-fifties and sixties, it was a commonplace that Americans would soon devote their lives to leisure, not work. The number of hours the average American worked had fallen by almost twenty-five per cent between 1900 and 1950, and pundits saw no reason for the trend to stop. By the end of the twentieth century, the futurist Herman Kahn prophesied in 1967, Americans would enjoy thirteen weeks of vacation and a four-day work week. The challenge, it seemed, would be figuring out what to do with all our free time.

Kahn was wrong. Today, Americans work about as many hours each year as they did in 1970, and, instead of thirteen weeks of vacation, the average American now gets four (and that includes holidays). But there is a place that has got considerably closer to the leisure society of the futurists' dreams—Western Europe. The French work twenty-eight per cent fewer hours per person than Americans, and the Germans put in twenty-five per cent fewer hours. Compared with Europeans, a higher percentage of American adults work, they work more hours per week, and they work more weeks per year.

One obvious result of this is that America is richer than Europe. In terms of productivity—that is, how much a worker produces in an hour—there's little difference between the U.S., France, and Germany. But since more people work in America, and since they work so many more hours, Americans create more wealth. In effect, Americans trade their productivity for more money, while Europeans trade it for more leisure. Folk wisdom suggests that the reason for this difference is cultural, which, depending on your perspective, means either that Europeans are ambitionless café-dwellers or that Americans are Puritan grinds with no taste for the finer things in life. But, while culture undoubtedly matters, not that long ago it was the Europeans who worked harder; in 1970, for instance, the French worked ten per cent more hours than Americans.

So what changed? The Nobel Prize-winning economist Edward C. Prescott has pointed to sharp increases in Europe's tax rates since 1970—higher taxes give workers less of an incentive to work extra hours. But taxes aren't high enough to explain Europeans' new taste for free time. A more plausible explanation was put forward recently by the economists Alberto Alesina, Edward Glaeser, and Bruce Sacerdote: European labor unions are far more powerful and European labor markets are far more tightly regulated than their American counterparts. In the seventies, Europe, like the U.S., was hit by high oil prices, high inflation, and slowing productivity. In response, labor unions fought for a reduced work week with no reduction in wages, and greater job protection. When it was hard to get wage increases, the unions pushed for more vacation time instead. Governments responded to political pressure

by plumping for leisure, too; in France in the eighties, for instance, a succession of laws increased mandatory vacation time and limited employers' ability to use overtime.

The difference in work habits between Europeans and Americans, in other words, isn't a matter of European workers' individually deciding they'd rather spend a few extra hours every week at the movies; it's a case of collectively determined contracts and regulations. There is a good deal to be said for this approach—most Americans, after all, are happy that the forty-hour week is written into law—but it has its costs. Even if you want to work more, it's hard to do so: try getting anything done in Paris during August. And reducing the amount of work employees do makes it more expensive to employ people, which contributes to Europe's high unemployment rate.

The embrace of leisure affects the job situation in Europe in other ways, too. Because Americans spend more hours at the office than Europeans, they spend fewer hours on tasks in the home: things like cooking, cleaning, and child care. This is especially true of American women, who, according to a study by the economists Richard Freeman and Ronald Schettkat, spend ten fewer hours a week on household jobs than European women do. Instead of doing these jobs themselves, Americans pay other people to do them. For instance, Americans spend about the same percentage of their income stocking up on food at home as the French and the Germans do, but they spend roughly twice as much in restaurants as the French, and almost three times as much as the Germans. Not surprisingly, many more Americans than Europeans work in the restaurant business. The same is true of child care.

In the American model, then, you work more hours and use the money you make to pay for the things you can't do because you're working, and this creates a demand for service jobs that wouldn't otherwise exist. In Europe, those jobs don't exist in anything like the same numbers; employment in services in Europe is fifteen per cent below what it is in the U.S. Service jobs are precisely the jobs that young people and women (two categories of Europeans who are severely underemployed) find it easiest to get, the jobs that immigrants here thrive on but that are often not available to immigrants in France. There are many explanations for the estimated forty-per-cent unemployment rate in the *banlieues* that have been the site of recent riots, but part of the problem is that voluntary leisure for some Europeans has helped lead to involuntary leisure for others. The less work that gets done, the less work there is to do. Helping some people get off the labor treadmill can keep many people from ever getting on the treadmill at all.