
Does France Work Harder Than America?



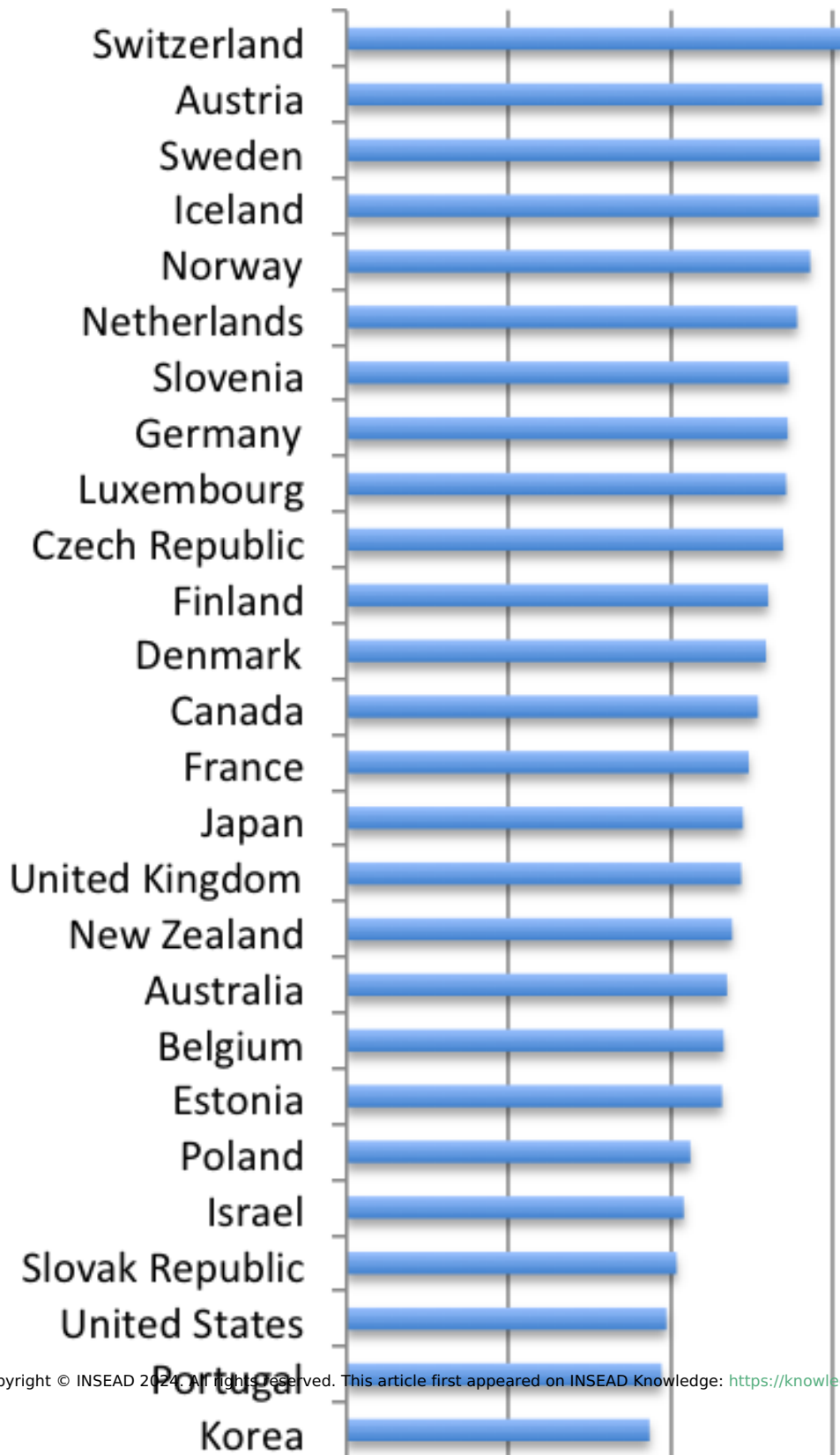
By [Antonio Fatas](#) , INSEAD Professor of Economics

Working-age labour force participation is worsening in the U.S.

The US labour market is dismal, especially when we take a look back over the last decade. In a recent post [Paul Krugman](#) compares the employment-to-population ratio for all individuals aged 25-54 for the U.S. and France. The punch line: even the French work harder than the Americans! And this is indeed a new phenomenon, it was not like that 13 years ago (Just to be clear, there are other dimensions where the French are not working as hard: they retire earlier, they take longer vacations, but the behaviour of the 25-54 year old population is indeed a strong indicator of how a society engages its citizens in the labour market).

So are the French the exception? Not quite. Among OECD economies, the U.S. stands towards the bottom of the table when it comes to employment-to-population ratio for this cohort (#24 out of 34 countries).

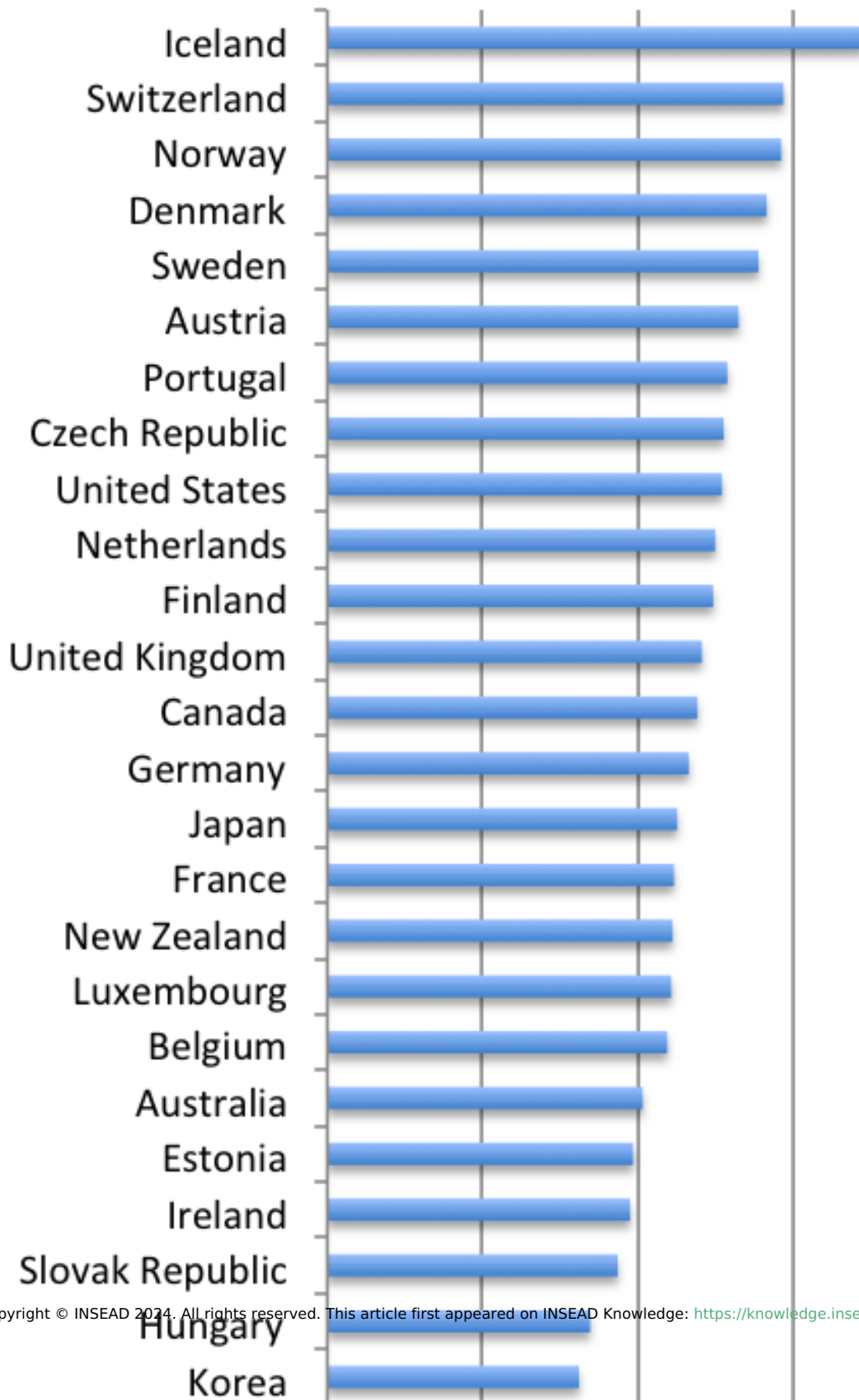
Employment to Population 25-54, 2012



What is interesting is that most of the countries on the top of the list are countries with a large welfare state and very high taxes (including on labour). So the negative correlation between the welfare state and taxes and the ability to motivate people to work (and create jobs) that some bring up all the time does not seem to be present in the data.

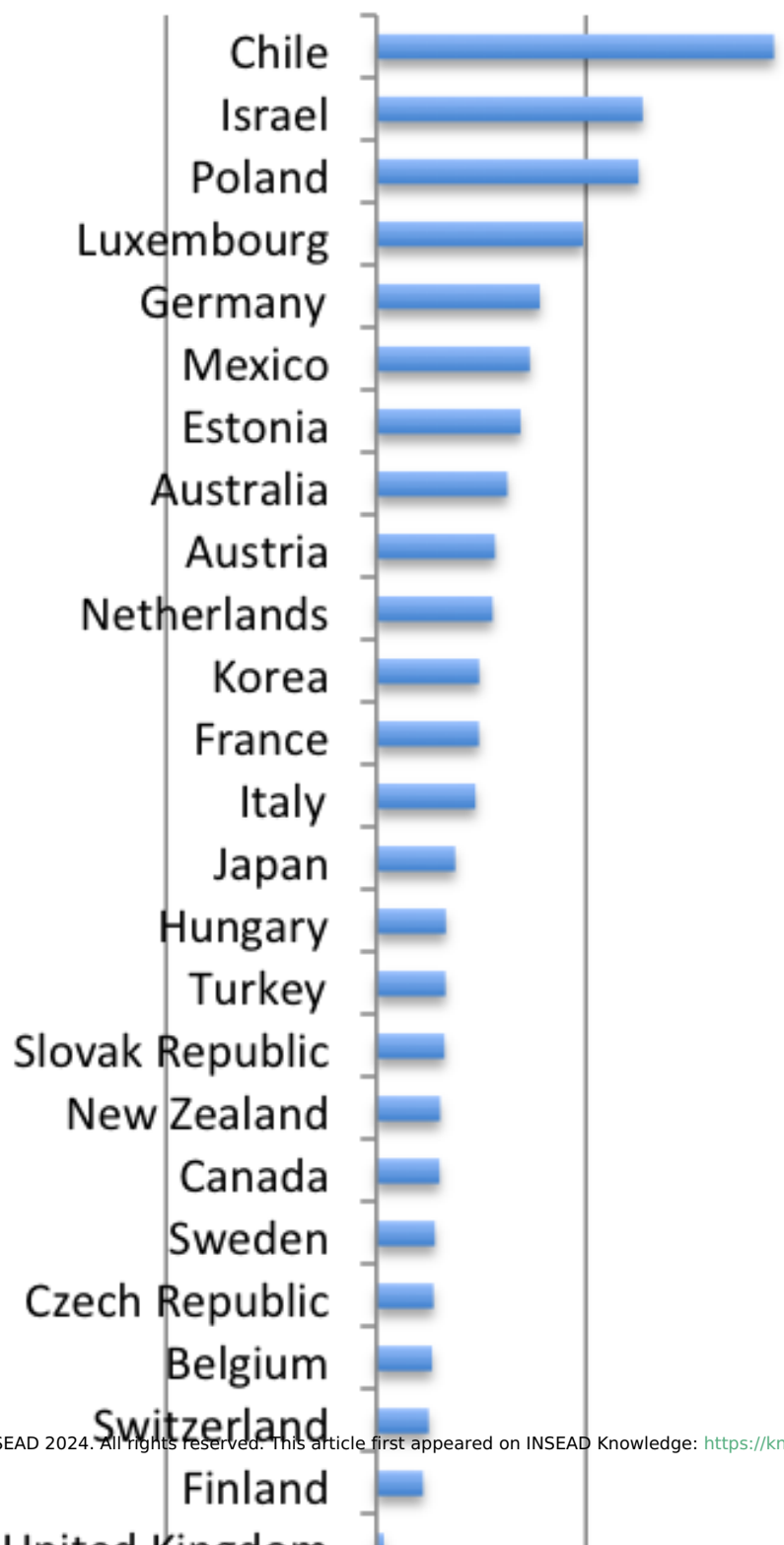
What is interesting is that the U.S. looked much better 13 years ago (see numbers for 2000 below, the U.S. was 10 out of 34).

Employment to Population 25-54, 2000



The U.S. has gone through a major crisis after 2008 with devastating effects on the labour market but so have other countries. In fact, most European countries have done much worse than the U.S. in terms of GDP growth during the last 6 years. In fact, with the exception of Portugal, Greece and Ireland, the U.S. is the country with the worst labour market record for this age group if we compare the 2012 to the 2000 figures.

Employment to Population 25-54, Change 2000-2012



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