

Pain and pleasure

Work with no pay for some workers and pay with no work for others.



These days he's gardening – AFP

Next month the shareholders of British Airways will enjoy the services of the firm's embattled boss and finance chief, free of charge, as the pair do their bit to cut costs by foregoing a month's wages. This week the firm urged other employees to volunteer to work without pay for a spell as well, since the airline is in a "fight for survival". To soften the blow, it has generously offered to spread out the loss of earnings over several months.

Marcegaglia, a big Italian steel firm, has been a little bit more imaginative in its bid to protect jobs. Since February, the 4,500 workers at its 27 Italian factories have been enjoying more time off than usual, since the firm does not have enough work to keep them busy. But they will not lose any pay. Luigi Dedei, a trade union official who helped negotiate this agreement, says that many are from farming families or have vegetable plots and have been using their new-found leisure time to tend their crops.

Production of metal products in Italy dropped by 11.9% in the fourth quarter of last year and by a further 31.7% in the first quarter of this year. Marcegaglia turns steel coils into the tubes, strips, bars and plates needed in an enormous range of goods. Its production has fallen this year by between 25% and 30%, depending on the product. The scheme allows the firm to avoid laying off skilled workers who would be hard to replace when the economy recovers. It also avoids the pay cuts that workers would suffer if Marcegaglia entrusted them to a national fund that pays reduced wages to those who would otherwise be laid off.

Antonio Marcegaglia, the group's managing director, admits that not all firms can afford such schemes, especially if the downturn is protracted. But there is something in it for the owners: workers have promised to repay the firm for the holidays taken but not yet earned by working overtime when the economy picks up. (Overtime accounted for about 5% of hours worked before the recession hit.) Mr Marcegaglia is confident that the group's output will return to the record level of 2008 next year, so the scheme may be short-lived. Meanwhile, says Mr Dedei, workers whose night shifts have been eliminated are probably taking their time off in bed.

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