



The why and how of working time reduction

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etui.

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EPSU foreword

The trend towards shorter working hours came to a halt and the issue was forced off the bargaining table. The question now is how to move from a defensive to a more offensive approach on working time.

Working time is a core issue for EPSU the European trade union federation representing public service workers. Many of our members are responsible for delivering 24-hour services in health and social care, fire and rescue and utilities. It has been essential for EPSU and our affiliates to defend their rights and the protections provided by the Working Time Directive, national legislation and collective agreements. Furthermore, the public sector as an employer has often set a positive example in terms of shorter working hours and other initiatives to improve work-life balance.

All this has been under threat in recent years. The long-term trend to shorter working hours more or less came to a halt in the 1990s and dropped off, or was effectively forced off the bargaining agenda as the economic and financial crisis hit and austerity followed. Many public service workers, particularly in Spain, Ireland and Portugal faced imposed increases in working time without compensation. Employers have been pushing to have more control over working time with initiatives at national level and attempts at European level to revise the Working Time Directive, despite it being already, with all so many derogations and opt-outs, a very flexible piece of legislation.

There are, however, signs that things are beginning to change with collective bargaining more focused on positive working time developments. Public service unions in Portugal resisted the government's unilateral action to increase the working week by five hours by negotiating hundreds of separate local agreements to retain the 35-hour week. Last year the government agreed to properly reinstate the 35-hour week at a national level. Public service unions in Spain are now trying to ensure their members will soon benefit from a return to their pre-austerity working hours.

At European level, the European Commission has decided not to attempt a revision of the Working Time Directive, bringing to an end years of speculation that this key piece of social legislation would be watered down. While the Directive is certainly not perfect, this decision at least means that the emphasis now is on effective implementation.

The prospect that digitalisation will lead to a transformation of many sectors of the economy, including public services, is another major argument in getting working time back on the bargaining agenda. Digitalisation can potentially deliver massive increases in productivity with a dramatic impact on both the quantity and quality of jobs. Trade unions have to be prepared for this and in a position to ensure that workers benefit from this transformation, particularly through an equitable redistribution of working time.

Many of our members across Europe, particularly in the care sector, are working long and often unsocial hours, with widespread staff shortages leading to overwork, stress and burnout. Others are faced with zero-hours contracts which again pose a threat to health as their unpredictability makes it so difficult for workers to plan their lives in terms of both working time and income. EPSU affiliates are campaigning and negotiating for urgent action to tackle these issues and to ensure that their members' health and safety is protected along with the quality of service to clients and patients.

So the question now is what scope is there to move from a defensive to a more offensive approach and to look to achieve improvements in working time that deliver on health and safety and better work-life balance. As this guide argues, changes are needed to move away from a long-hours culture which is not only poses a threat to health but can be a major obstacle to gender equality.

This guide is a useful starting point for trade unions across all sectors. It sets out the main arguments in support of shorter working hours and then looks at the various ways in which this can be achieved, whether at local, sector or national level. It also provides examples of how this has been done, including through collective bargaining or national legislation, assessing both the costs and benefits of different approaches.

EPSU hopes that this guide will stimulate the debate on working time and help instigate a new initiative to deliver better, healthier and more equitable working time arrangements for workers in all sectors across Europe.

Introduction

"We get up at twelve and start to work at one.
Take an hour for lunch and then at two we're done. Jolly good fun!"

Wizards of Oz

Our relationship with work is ambiguous at best. It is a popular discussion topic, makes us proud, increases our competences and, not least, provides us with necessary income, but we also long for periods of non-work and would not mind working a bit less to enjoy life more.

Working fewer hours is understandably a central concern of the labour movement as it reflects exactly this paradoxical opinion about work and employment. By pleading for fewer hours, the labour movement aims to make work feasible and enable the working class to enjoy life but, at the same time, guarantee that all can enjoy the benefits of paid employment. It reflects exactly what Alain De Botton calls the "pleasures and sorrows of work".

But is magic necessary to reduce working time and redistribute employment? Do we need a fairy-tale country to enjoy the pleasures and limit the sorrows of work?

Maybe, but probably not.

This guide clearly shows that, over the course of time, societies have set decisive steps in radically reducing the working time of their people. Helped by massive increases in productivity, working time in many countries has been reduced to previously unimaginable levels. This evolution, however, has slowed and even reversed in some countries while in others it continues in the form of part-time work. [Chapter 1]

Evolution towards a collective decrease in working time has certainly slowed, but this does not mean there are no good (and less good) reasons for a further decrease in working time. Decreasing the time spent at work is seen as at least a partial solution for such long-standing problems as unemployment, gender inequality, unsustainable economics, the ageing population, the burn-out epidemic, work-related health hazards and many more. [Chapter 2]

Working time reduction is a (more or less) promising solution for all these issues, but whether or not it will deliver depends on how the reduction in working time is put into practice. Perhaps surprisingly, there is a wealth of options between introducing simple legislation decreasing the full-time norm, on the one hand, and letting people decide for themselves to work less in the form of part-time work, on the other. And the magic of the wizards of Oz is not one of them (yet). [Chapter 3]

What is crucial is the creativity of actors in the field in designing working time reductions centred on delivering their specific objectives. The startling amount of experiments in reducing working time, and their characteristics and effects, show that reducing working time is not a faraway utopia or a fairy story. The idea is a living one and is used by many, for numerous reasons and with varying degrees of success. Their experiences provide us with opportunities to learn. [Chapters 2 and 3]

Working time reduction is alive, or at least it was living until recently. It is easy to find examples of experiments in reduced working time in the period up until the 2000s, but finding such experiments in the last two decades is a challenge. While reducing working time used to be the sole objective of these experiments, this shifted towards trade-offs in which flexibility was exchanged for working time reduction. In recent decades, however, it seems that such deals are no longer necessary as flexibility is introduced without such an exchange. [Chapter 4]

The dream of working one hour including a one-hour lunch break remains a fairy tale idea but, in the foreseeable future, it is high time to put working time reductions back on the political, corporate and industrial relations agenda, and preferably as a stand-alone demand and not part of a give-and-take game. Reducing working hours is surely not a silver bullet, but its proven effectiveness and hoped-for potential is too high to dismiss it from the toolkit of labour policies. We can only hope this guide contributes to doing so.

Approach

This guide has the central aim to stimulate and frame the discussion on working time reduction and to provide inspiration for practical experimentation. We do this by attempting to disentangle various motivations behind working time reduction (why should we do this?) and the parameters one has to consider when implementing working time reduction (how should we organise this?). We approach this through an academic literature review including a multitude of real-life examples and experiments.

Such an approach has several advantages and disadvantages. The advantages are that the reader gets a relatively rich idea of all the different dimensions of the working time discussion. We do not restrict the analysis to a purely economic, sociological, ergonomic or philosophical discussion but try to evoke arguments made from all those perspectives.

The disadvantage is the sometimes artificial categorisations we are obliged to make. To keep the structure clean, we separate discussion on work-life balance, gender equality and work pressure while these are, of course, all intrinsically linked to each other. The same goes for implementation: to show the multiple choices one needs to make, we separate them. In practice, however, some combinations will be much more likely to occur than others.

We try to overcome this disadvantage by including a discussion of several cases of working time reduction. Here, we show that all the motivations for working time reduction and the choices made regarding their design are indeed intrinsically linked.

This guide does not have the objective of suggesting one single best way of how to reduce working time. We are convinced that, depending on the context and the wishes of those who are experimenting, different optimal solutions can be found. We hope this guide might help and incite many to design their own tailor-made reduction of working time.

Chapter 1

Working time: the state of play

“I work in a factory. For eight hours a day, five days a week, I’m the exception to the rule that life can’t exist in a vacuum. Work to me is a void, and I begrudge every precious minute of my time that it takes”. Dennis Johnson is a factory worker talking about his job in 1968 (Fraser, 1968). “Time, rather than content, is the measure of factory life.” He paints a bleak picture of his job and the absence of meaning in it. In the absence of work having an intrinsic value, working time takes a central place in his experience.

Reducing working time was, consequently, a priority for the labour movement for decades. And with noted success. The number of hours we work in paid employment is considerably lower than what our parents or grandparents were used to. So, before discussing the desirability and feasibility of a further *reduction* in working time, it is essential to have a look at the state of play regarding working time in Europe, and the historic trends.

Historic trends in working time

“The four-day workweek is inevitable.”

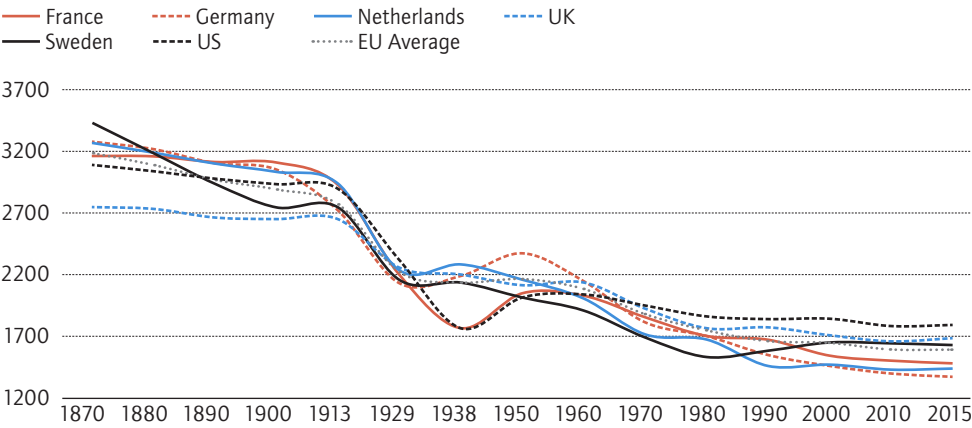
Richard Nixon, 1979

Historically, people tend to spend less time working. This negative trend manifests itself on various levels: the working day has been progressively reduced; the working week has, in most instances, been reduced from a six-day

week to a five-day one; the working year has been reduced by the introduction of paid leave; and working time over a lifetime has been reduced by the extension of time spent in education and the introduction of pension schemes. All these measures are reflected in Figure 1 and Figure 2 showing historic trends in annual and weekly working hours.

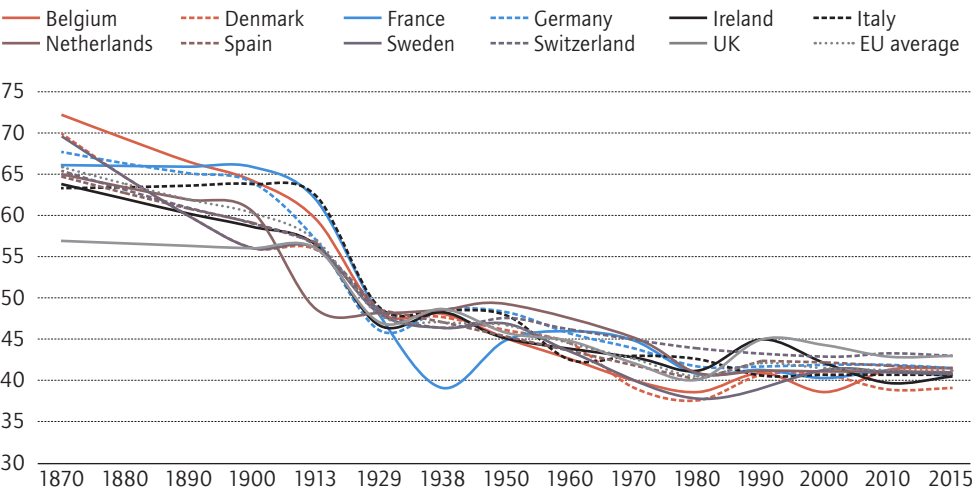
When looking closer at recent decades, however, the historic trend seems to have altered. In most countries, the decrease in working hours has slowed and, in some countries, it has even reversed. Noticeably in the US, annual working hours have not significantly decreased since the mid-sixties. Looking at weekly working time for full-time employees (Figure 2), similar trends can be observed, with the world average increasing again in recent decades.

Figure 1 Historic trend in annual working hours in selected countries



Source: Huberman and Minns, 2007

Figure 2 Weekly working hours of full-time employees in the industrial sector: historic trend

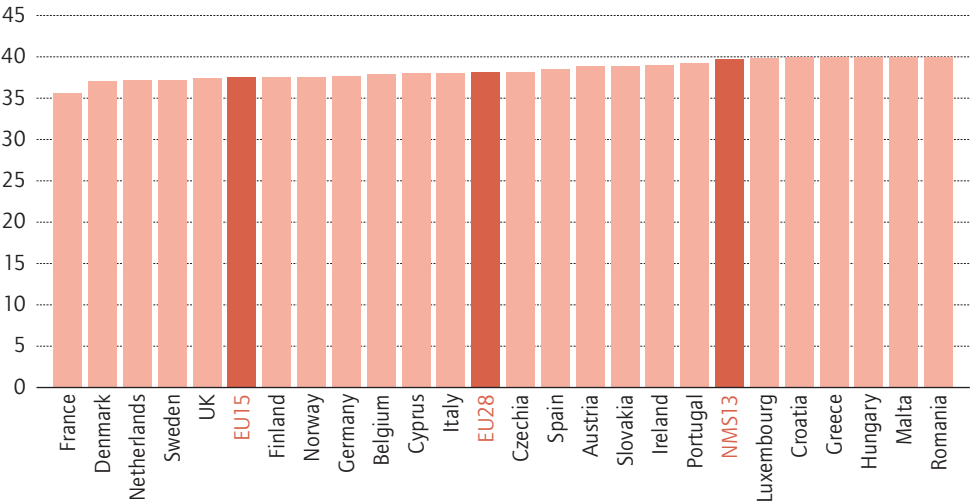


Source: Huberman and Minns, 2007

Conventional and usual working hours for full-time employees

The number of hours worked by a particular individual in a given country of course depends not only on how working hours have evolved through history. It is the national regulation (and culture) of working time that will determine the time spent at work. As Eurofound (2016b) shows, this regulation is not always made through national laws. In many countries, the social partners decide on working time norms through national, sectoral or even individual agreements. This diversity in institutional settings makes comparisons rather difficult. A 2014 Eurofound report tried to summarise these different regulations regarding working time and determine “conventional working hours” per country; that is, the conventionally-agreed number of weekly working hours considered to be the norm for standard full-time employment (Figure 3).

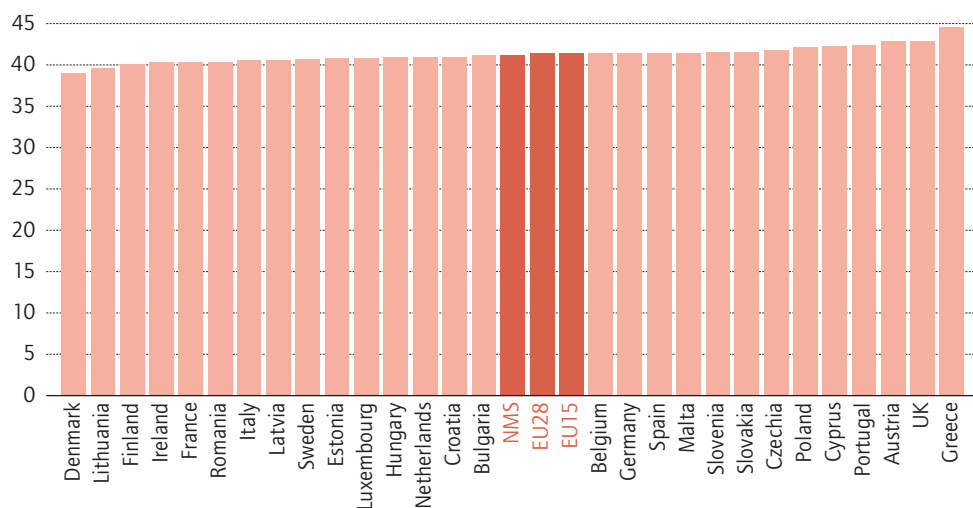
Figure 3 Conventional working time in Europe, 2014



Source: Eurofound, 2014

Figure 3 clearly shows the diversity regarding working time conventions in Europe. Excluding overtime, standard weekly working hours vary between 35 hours in France and 40 hours in most countries in central and eastern Europe. Remarkable outliers are Luxembourg, with weekly working time close to 40 hours, and Czechia, with full-time hours close to or less than 38 per week.

Conventional working time is relevant for full-time employees and excludes overtime. To get an idea of real working hours, Figure 4 shows **usual working hours** in the EU for full-time employees. Usual working hours reflects the number of hours “usually” spent at work and thus includes overtime. Clearly, usual working hours are considerably higher than conventionally-agreed ones. Notwithstanding the official 35-hour week in France, for example, usual working time for a full-time employee is approximately 40 hours per week. Compared to that, the Danish full-time working week is considerably shorter while the working week in Austria, UK and Greece is considerably longer.

Figure 4 Usual working hours in Europe – Full-time employees, 2015

Source: Eurostat

Part-time work and average actual working hours

Conventional and usual working hours concern full-time employees. Many employees, however, work less than full-time jobs. The number of employees working in part-time jobs has increased considerably over the years in almost all EU countries. In the EU 28, the proportion of part-time employees among all employees increased from 17 per cent to 20 per cent (Table 1). Notably, part-time jobs are predominantly occupied by women; in 2015, almost one-third of all female employees had a part-time job.

Table 1 Part-time job as a proportion of all jobs 2005-2015

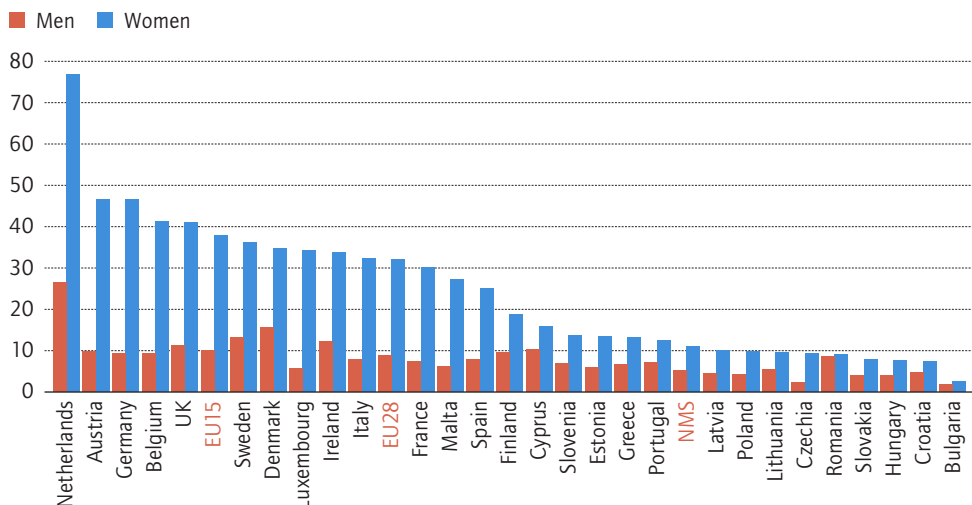
EU 28	2005	2010	2015
Total	17%	19%	20%
Men	7%	8%	9%
Women	30%	31%	32%

Source: Eurostat

The situation in 2015 is shown in Figure 5. The figure confirms that, in all countries, part-time work is highly gendered with women being more often in part-time jobs than men. In most central and eastern European countries, Greece, Portugal and Finland, the overall proportion of part-time workers is relatively small. In the middle group are all other EU countries in which around one in three women in employment have part-time jobs, whereas the proportion of men in part-time jobs hardly reaches one in ten. The obvious outlier here is the Netherlands, where more than 70 per cent of all women in employment have a part-time job. Equally important, men in the

Netherlands also tend to have part-time jobs more often than their counterparts in other EU countries: more than one in four men in employment in the Netherlands are in a part-time job.

Figure 5 Part-time employment as a proportion of all employment, by gender, 2015

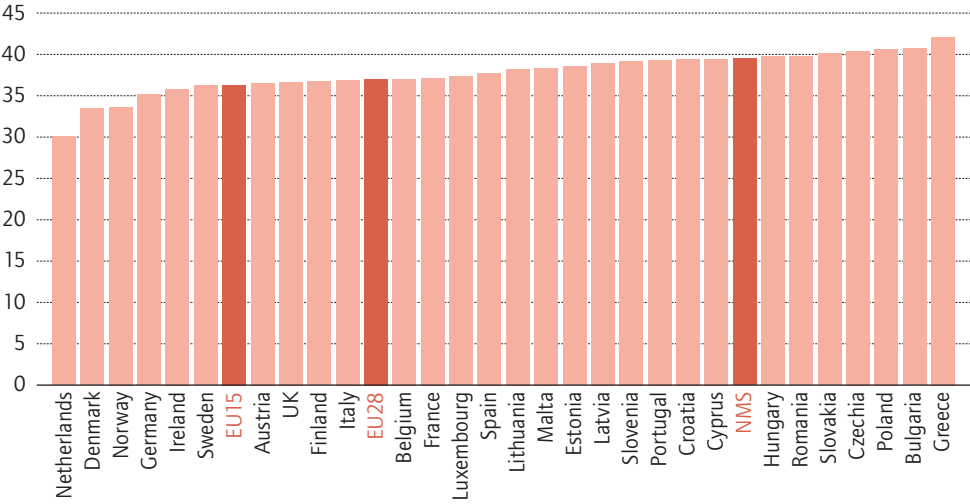


Source: Eurostat

Weekly working hours in part-time jobs are naturally lower than in full-time jobs, so a higher proportion of part-time work lowers average usual weekly working hours at country level. Average usual weekly working hours for all workers in the EU is shown in Figure 6. As expected, taking together full- and part-time workers, usual working hours are considerably lower. Also, as expected, the high share of part-time work in the Netherlands translates to an average work week of about 30 hours. In Denmark, Norway, Germany, Ireland and Sweden, average working hours per week are lower than the EU 15 average of about 36.5 hours a week. In only a few countries does average usual working hours per week extend beyond 40: Czechia, Poland, Bulgaria and Greece.

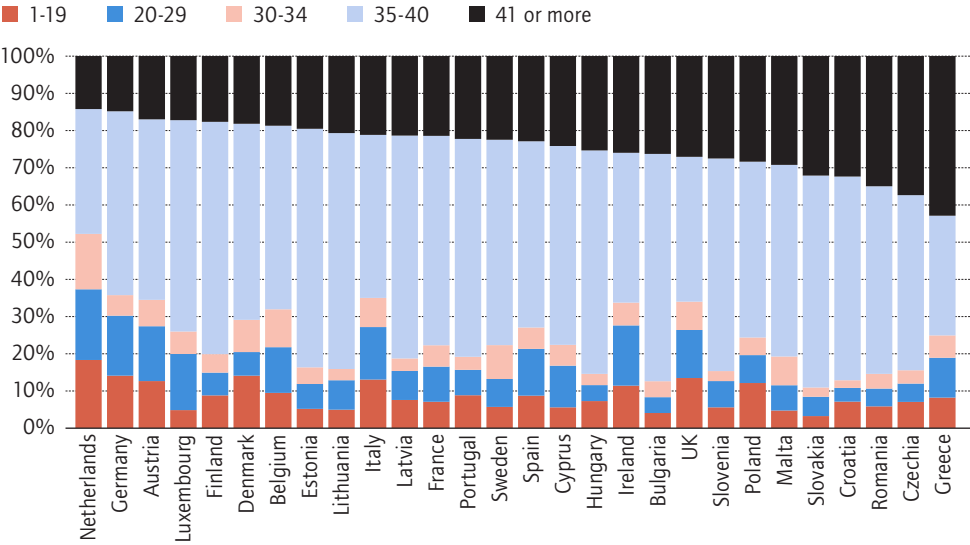
Differences between countries in the length of the working week are thus driven by a prevalence of part-time work and by the length of conventional working time for full-time jobs, but also by norms and practices at workplace level. These often overlap with cultural norms and social organisation. The variety of experiences across the EU is illustrated in Figure 7. In most countries, most employees work standard hours (35-40 hours a week). However, the proportion of employees working particularly long or short hours differs between the countries. There is also a striking polarisation between workers within the same country – for instance in Greece or in the UK, only about one-third of the workforce works the “standard” 35/40-hour week, while the rest is split between those who work less and those who work more. On the other hand, in Baltic countries, the “standard” is much more common, being found among two-thirds of workers.

Figure 6 Usual working hours 2015, all workers



Source: Eurostat

Figure 7 Differences between countries in weekly working hours, all workers, 2015



Source: European Working Conditions Survey, 2015

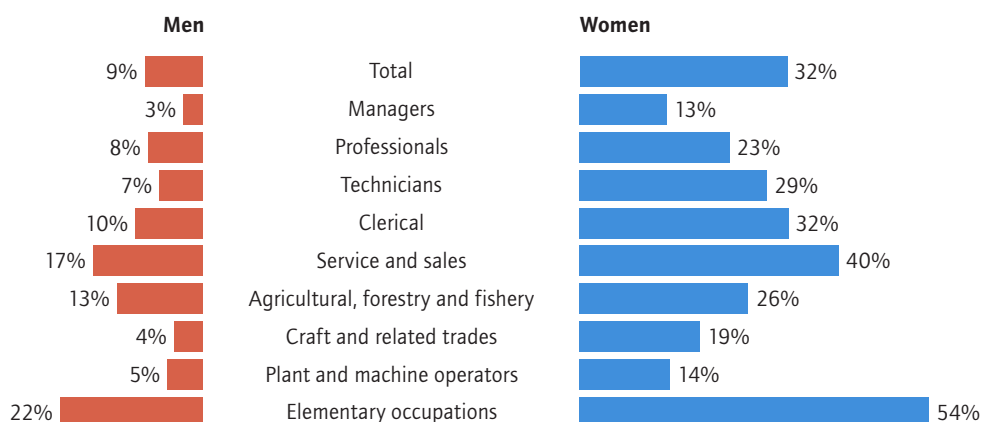
Part time work: gender and occupational distribution

How should we evaluate the observed surge in (mostly female) part-time employment? Shorter working hours (part-time work) are traditionally concentrated in routine and low-skilled service occupations; in other words, at the bottom of the occupational

ladder. This can be seen in Figure 8: 54 per cent of all elementary occupations occupied by women were part-time jobs in 2015 compared to only 13 per cent of management jobs taken by women. A similar, but less outspoken, distribution of part-time employment across the occupational ladder can be seen for men.

Comparing the situation between 2008 and 2015, the growth of part-time jobs as a proportion of all jobs is equally skewed. Between 2008 and 2015, the proportion of part-time jobs in all elementary occupations grew by over five percentage points for both men and women while the overall proportion of part-time jobs in all occupations grew by only about two percentage points in the same period.

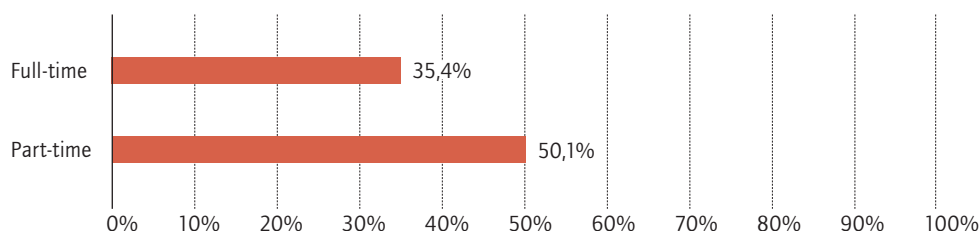
Figure 8 Proportion of part-time jobs by occupation and gender, 2015 Q2



Source: Labour Force Survey

Looking at the career prospects of part-time compared to full-time jobs, a similar observation can be made: part-time jobs tend to have far fewer career opportunities than full-time jobs. As shown in Figure 9, about one-half of all respondents in the European Working Conditions Survey 2015 who were employed in a part-time job disagreed or strongly disagreed with the statement “My job offers good prospects for career advancement”. Among full-time employees, only 35.4 per cent disagreed or strongly disagreed with this statement.

Figure 9 Lack of career prospects in part-time and full-time jobs, EU 27

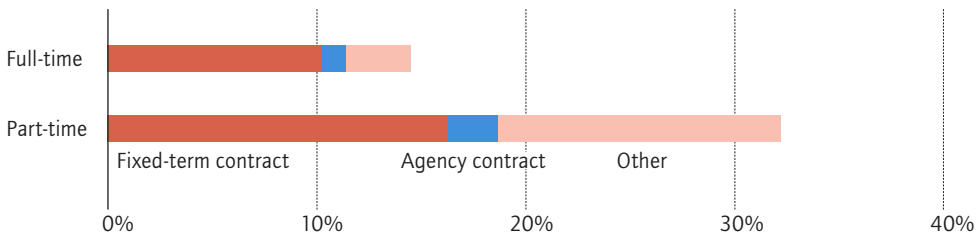


Note: Share of workers who responded that they strongly disagreed or disagreed with the statement “My job offers good prospects for career advancement”.

Source: European Working Conditions Survey, 2015

With regard to contract type, most employees in the EU work under open-ended contracts. Nevertheless, full-time employees are more likely to have an open-ended contract (85.5 per cent) compared to part-time employees (67.9 per cent). Figure 10 shows that part-time workers more often have fixed-term contracts, are temporary agency workers or have “other” contracts, such as a trainee contract, or no contract at all.

Figure 10 Contract situation of part-time and full-time employees, EU 28



Source: European Working Conditions Survey, 2015

We have seen so far that working hours in Europe are declining mostly because of a rise in part-time employment. This part-time employment is mostly female dominated, is concentrated in the lower bounds of the occupational ladder, has restricted career prospects and is over-represented in terms of flexible contracts.

Working hours in public administration

Working hours in public administration tend to differ from those in the private sector. The law tends to play a more important role than collective bargaining in many EU countries in public administration (Eurofound, 2015). Additionally, the dynamics in public administration tend to differ from those in the private sector due to financing mechanisms determined to a greater extent by political decisions rather than being profit driven.

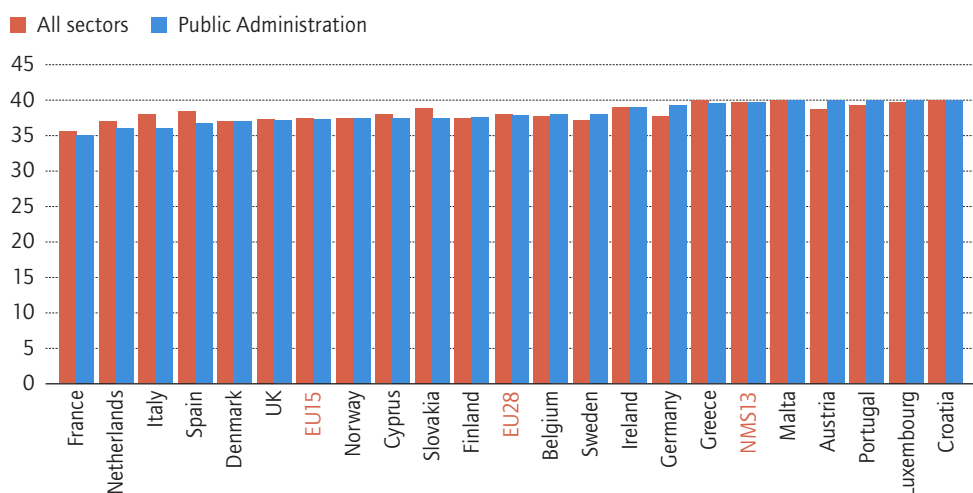
Looking first at collectively-agreed working time in public administration (Figure 11), we observe a strong relationship between conventional working time in the private sector and public administration across countries. In most countries, the differences between the two are not so large. In some, public administration has significantly lower conventional weekly working hours than the private sector. This is particularly the case in Italy (2 hours difference), Spain (1.8 hours difference) and Slovakia (1.4 hours difference). In contrast, public servants have considerably longer working weeks in Germany (1.6 hours more) and Austria (1.2 hours more).

Interestingly, when examining average working hours of employees in public administration and comparing them to the average working hours of all employees (Figure 12), it seems that public servants are, on average, working longer. Particularly in the Netherlands, public administration workers tend to work about five hours more than the average employee. In Slovakia, the situation is the reverse.

How can we explain this particular situation in which, in most countries, the conventional working week in public administration is shorter than in the private

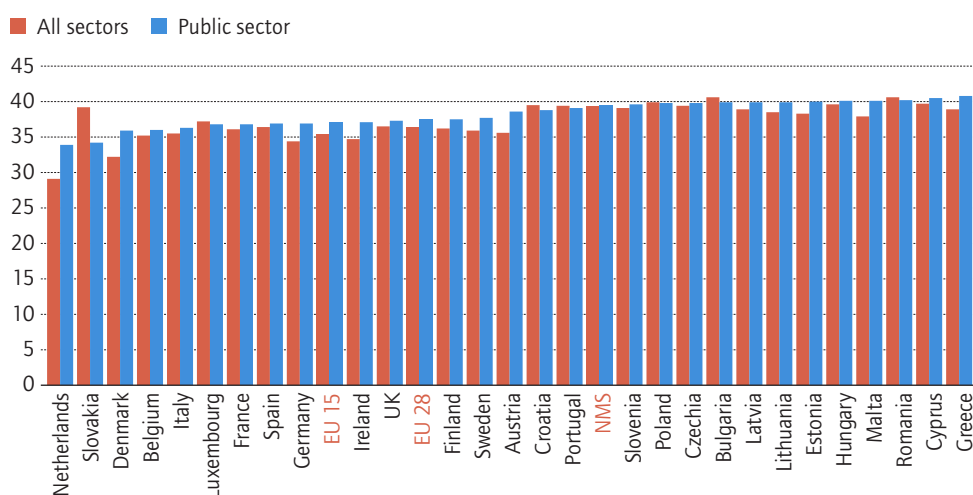
sector, but employees still work longer hours? One main explanatory factor is part-time work, which is less common in public administration than in the overall economy. In the EU 28 in 2016, 18 per cent of all employees worked in part-time jobs compared to only 13 per cent of employees in public administration. In the Netherlands, 47 per cent of all employees are in part-time jobs in comparison with 32 per cent in public administration. Moreover, a part-time job in public administration tends to have longer hours than an average part-time job. For the EU 28, a public administrator working in a part-time job worked, on average, 3.3 hours longer than a private sector employee. Again, in the Netherlands, this difference is larger (6.8 hours).

Figure 11 Collectively-agreed working time in the private sector vs. public administration, 2014



Source: Eurofound: Developments in collectively-agreed working time, 2014

Figure 12 Average weekly working hours, all sectors vs. public administration in 2016



Source: Labour Force Survey

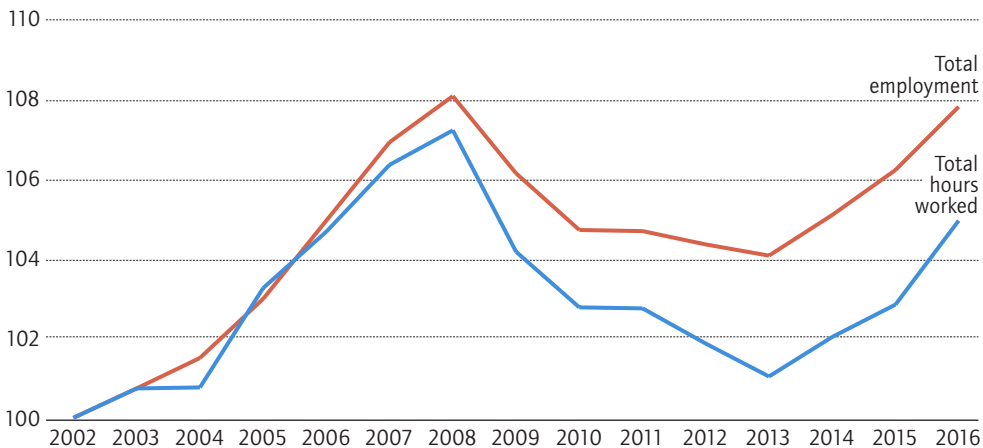
Taken together, employees in public administration tend to have, on average, slightly shorter working weeks. However, in practice, they work longer hours than the average private sector employee because there are fewer part-time jobs in public administration and part-time hours tend to be longer.

Work redistribution after the 2008 crisis

A key factor that has shaped the working time patterns of European workers in recent years has been the post-2008 recession and the following unemployment crisis.

In general, the number of people in employment declined by less than the total volume of work measured by number of hours. This means that those who stayed employed now work, on average, shorter hours than they did at the beginning of the crisis. Employment levels also recovered much faster than working hours (Figure 13). Between 2002 and 2006, the growth in employment was proportional to the increase in total hours worked. However, at the peak of the jobs crisis in 2013, employment fell to levels below those of 2006 while total hours worked dropped to levels not seen since 2007/2008. Overall, this resulted in **work redistribution**, with the total number of working hours declining more than the number of workers performing them.

Figure 13 Trends in employment and total hours worked, index 2002=100, EU 28

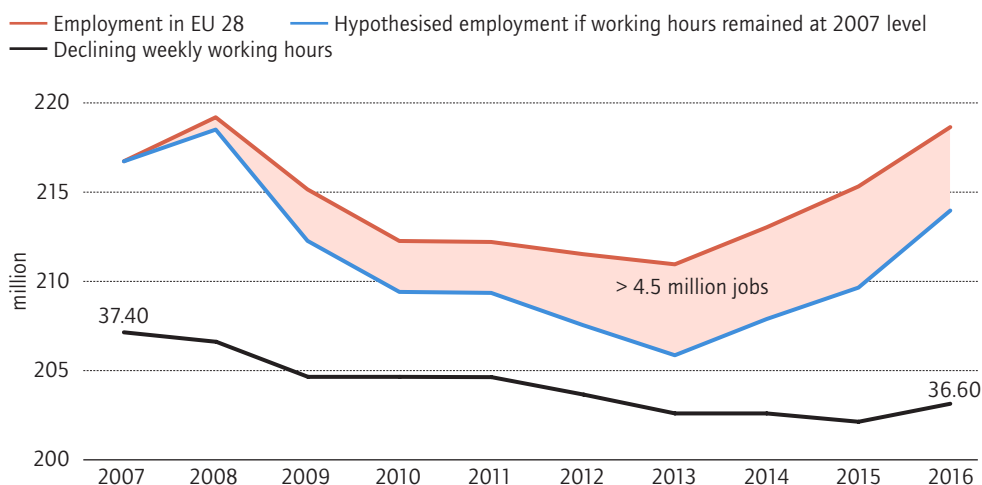


Source: Benchmarking Working Europe 2017, data from Eurostat

An approximation of this work redistribution is illustrated in Figure 13. As can be observed, working time in the EU 28 has declined, on average, by about 0.8 hours per week. Employment first declined in the aftermath of the crisis but has now been restored to pre-crisis levels. Since 2007, employment in Europe is about 1 per cent higher than pre-crisis levels. The total amount of hours worked, however, is still more than 1 per cent lower than pre-crisis levels. Employment, in other words, has been redistributed. According to our estimates, this was the case for more than 4.5 million jobs in the EU.

This does not mean that all jobs were cut by one hour and new jobs were created for the remaining hours. A lot of the changes have to do with composition effects. Full-time jobs disappear in, for example, some industrial sectors and part-time jobs are created in the services sector. All in all, this translates into more employment through a reduction in working time.

Figure 14 Declining working hours, redistribution of jobs



Source: own calculations based on Eurostat data (lfsa_ewhais and lfsi_emp_a)

Policy answers to the crisis: working less or working more?

One of the policy answers to the post-2008 economic crisis is related to working time. Interestingly, the policy response tends to go in two directions. For the private sector, existing policy frameworks for temporary reductions in working time (e.g. Kurzarbeit) were extended or promoted in countries such as Germany, Austria, Sweden and Slovenia, often involving state subsidies or financial incentives for employers. These work-sharing policies have been evaluated by some as particularly apt in preventing mass lay-offs, thus saving jobs and actually buffering the crisis (Messenger and Ghosheh, 2013). However, critics also point to the ineffectiveness of such policies in boosting job creation and that the allocation of resources in favour of those already in employment may have fostered labour market segmentation. Indeed, this is what the French term suggests: "chômage partiel" is

more about sharing unemployment than job sharing. At the same time, many countries have made their laws on working time more flexible, giving employers more scope for hours adjustments and making the use of overtime easier and cheaper. For instance, reforms have allowed for a more flexible use of overtime (e.g. Belgium); increased the reference period (e.g. Luxemburg, Poland); and introduced the precedence of company-level agreements on the issue (e.g. France). In public administration, some countries (such as Spain and Portugal) have also increased working time for civil servants in the aftermath of the crisis so as to cut costs (Eurofound, 2015: 47–48). These diverging policy responses on working time (stimulating temporary working time reduction, increasing flexibility and increasing working time in public administration) reflect different policy priorities towards buffering the crisis, addressing the competitiveness of companies and cutting budget deficits.

The change in the number of weekly working hours over the crisis also had an impact on other aspects of working time organisation in the EU. For instance, between 2005 and 2010, there was a decline in the number of overtime hours and in long working days of more than ten hours, as well as in work during unsocial hours, such as weekends or nights. However, this drop appears to be temporary: in 2015, EU workers reported that they worked on Sundays, Saturdays or at night somewhat more often than in 2010 (own analysis of the European Working Conditions Survey).

Working time and the family

The historic and actual figures on working time, showing that working time has drastically decreased over the years, are revealing. Nevertheless, all these figures are focused on the individual level. Focusing solely on the individual worker might give a false picture of what is happening in society. These figures ignore that, previously, women were hardly active on the labour market. This has significantly altered with women taking up paid employment.

Over the last decade (2005-2015), the number of households where all adults are in paid employment increased in the EU 28 by 16.1 per cent (Table 2). Over the same period, households where none of the adults are in work also increased (+15.2 per cent), but this was predominantly driven by the ageing of the population, with a steep increase in households composed solely of inactive adults aged 65 and over. Among working age adults, households where all adults are in work have become more common. This might suggest that work intensity, as measured by involvement in paid employment, has increased at household level, although more detailed information about the number of hours worked would be needed to formulate firm conclusions.

Interestingly, when looking only at couples with children, there was a similar increase in dual earner households (where both partners work full-time) and in one-and-a-half earner households (one partner works full-time, the other works part-time), by 12.1 per cent and 11.2 per cent, respectively. Therefore, at EU level, we do not see an increase in part-time work as a strategy by families to reconcile childcare obligations with paid employment. What we do observe, however, is a sharp increase in one-and-a-half earner households among couples without children (by 30.7 per cent between 2005 and 2015). This suggests that there are other factors driving the recent increase in the share of part-time work in the EU than care for dependants.

The amount of double income families is increasing in Europe, but what about the working time of those couples? And what happens to working time when couples have children? According to a study comparing the working hours of men and women in couples with and without children, women tend to reduce their working hours on average by three hours while men increase their working hours on average by one hour (Medalia and Jacobs, 2008)2008. It thus makes sense to discuss working time both at the individual as well as at the household level. This guide discusses at length later on that the distribution in working hours in the household has some important gender equality and work-life balance consequences.

Table 2 Trends in working time in selected types of households, EU28, 2005-2015

	Change 2005-2015	
	%	In thousands
All adults working (all households)	16.1%	21,910.1
All adults not working (all households)	15.2%	15,584.4
All adults not working (excluding households composed solely of students or solely inactive aged 65 and over)	5.4%	2,555.4
Both partners work FT - couple with children	12.1%	3,555.6
Both partners work FT - couple without children	13.7%	2,825.2
One partner works PT, other FT - couple with children	11.2%	2,301.1
One partner works PT, other FT - couple without children	30.7%	2,624.3

Source: Eurostat

Summary of developments in working time

Looking at historic trends in working time, we can say that workers, on average, tend to work less and less. This **decreasing tendency has nevertheless slowed down** considerably in recent decades and has even reversed in some countries. This decrease materialised through a reduction in the working day (maximum daily working hours), a week (Saturdays off), a year (paid leave) and over a lifetime (pensions, expansion of education).

Working time is determined in part by what is considered a full-time job in a given country. Figures on the **conventional full-time norm** in different European countries show a heterogeneous picture. France is the only country with a full-time norm of 35 hours per week, whereas most countries have full-time norms between 37 and 40. This full-time norm is not, however, reflected perfectly in the hours usually worked by full-time employees. The usual working hours of full-time employees in Europe range from an average of a little lower than 40 hours in Denmark to almost 45 in Greece. Usual working hours are, therefore, considerably higher than conventional ones for full-time employees.

At the same time, an overall increase in the proportion of **part-time employees** may be observed in Europe. Part-time work is, in all EU countries, highly gendered. In many countries, the proportion of women working in part-time employment easily reaches one-third, but in none of the countries can this be said for male workers. Only in the Netherlands are more than one in five working men in a part-time job.

The increase in (largely female) part-time employment **lowers average usual working hours** for all workers (taking full- and part-time employees together). Due to the particularly high proportion of part-time employment in the Netherlands, working hours there are the shortest in the EU and do not even reach 30 hours per week.

After the crisis, this decrease in working time due to the increase in part-time work definitely contributed to a disproportionate increase in employment in comparison with the increase in total working hours. One might interpret this as a form of **work**

redistribution which contributed to the creation of more than four million additional jobs in Europe.

This work redistribution through part-time work might, nevertheless, exacerbate existing inequalities. The rise in part-time employment concerns elementary occupations and is disproportionally taken up by women. Current work redistribution through part-time working might, therefore, reinforce rather than reduce existing gender inequalities.

Chapter 2

Why should we work shorter hours?

“We shall endeavour to spread the bread thin on the butter – to make what work there is still to be done to be as widely shared as possible. Three-hour shifts or a fifteen-hour week may put off the problem for a great while. For three hours a day is quite enough to satisfy the old Adam in most of us!”

John Maynard Keynes, 1930

“The solution to (nearly) everything: working less.” According to the Dutch author and journalist, Rutger Bregman, reducing working hours will bring about positive change in virtually every field of our lives, going from workers’ safety, environmental problems, stress, inequality, happiness and, last but not least, unemployment (Bregman, 2016)

This might seem a long shot, but the literature on working time reduction indeed promises a wealth of reasons why we should be working less rather than more. In that literature, two major trends appear. On the one hand, some defend working time reduction from a *pragmatic* point of view: working time should be reduced to improve the distribution of employment, gender relations, working conditions, etc. Another strand is more *ideological* and sees working time reduction as a means to put into question the foundations of the current consumerist, capitalist organisation of society. In what follows, we develop a discussion around ten points that are much used in the current debate on the reduction of working time.

Health and safety

"The best of wages will not compensate for excessively long working hours which undermine health. And working conditions may be so bad as to nullify the good effects of high wages and short hours."

Supreme Court Justice Louis Brandeis, 1915

"This Directive lays down minimum safety and health requirements for the organisation of working time."

Working Time Directive 2003/88/EC

"1. Every worker has the right to working conditions which respect his or her health, safety and dignity. 2. Every worker has the right to limitation of maximum working hours, to daily and weekly rest periods and to an annual period of paid leave."

Article 31, European Charter of Fundamental Rights

Working too much means getting tired, and being tired at work is a safety hazard. One of the main arguments in the demand for reduced working time relates to the negative health effects of working long hours. Due to the onset of fatigue, workers are more likely to have an accident, while persistent fatigue might translate into serious health problems. Multiple studies have demonstrated the close relationship between working time and health (Artazcoz *et al.*, 2009; Bannai and Tamakoshi, 2014; Sparks *et al.*, 1997). In particular, working long hours is related to circulatory heart diseases, a depressive state, feelings of anxiety and reduced sleep quality. Additionally, an increase in working hours has been found to be related to an unhealthier lifestyle, including smoking, alcohol consumption and weight gain. Further, one American study (Dembe *et al.*, 2005) has shown that working overtime is associated with a significantly higher possibility of becoming injured.

Not without reason, the European Working Time Directive (2003/88/EC) explicitly motivates its framework on the detrimental effects of long working hours on the health of employees. The European Charter of Fundamental Rights equally evokes the right of every worker to a limitation of working hours, and to annual leave and guaranteed rest periods, in order to respect his or her health, safety and dignity.

Reducing working hours to lower the occurrence of serious medical mistakes

Landrigan and colleagues (2004) Friedman and colleagues reported that interns made almost twice as many errors reading electrocardiograms after an extended (24 hours or more) study of the impact of working time reduction introduced for interns in medical facilities. Interns generally work very long hours and perform regular night shifts. This study showed that interns working reduced and more

regular hours made serious medical errors 36 per cent less often than interns not on the reduced working hours pattern.

Six-hour day for 41 per cent fewer accidents

According to Hunnicutt (1996), the introduction of a six-hour working day in the American Kellogg's factory in 1930, contributed to a significant decrease in work related accidents of 41 per cent.

Knowing that long hours are negative for the health and safety of employees does not, however, automatically mean that shortening working hours will mean employees will enjoy improved health. First, there could be a difference in effect between a reduction from 50 to 40 hours a week and a reduction from 40 to 30 hours. The reduction has the same magnitude, but the effects might be less pronounced. Second, working time is not the only variable in the health and safety debate. When reduced working time goes together with more atypical, flexible or unpredictable working time, the net health effect might even turn out to be negative (Piasna, 2015; Tucker and Folkard, 2012).

Gender equality

“Çocuk da yaparım kariyer de [I will make kids and a career]
 Pes etmem ben en zor günümde [I will not give up on the hardest days]
 Kanatlandım özgürüm ben de [I made wings, I am free]
 Deseler geçecek bu heves de [They can say it's only a fad]
 Çocuk da yaparım kariyer de [I will make kids and a career]”

Nil Karaibrahimgil

Combining a full time professional career with being a parent is by no means a given. This is particularly challenging for women. Next to paid employment, women in general, and mothers specifically, do the lion's share of unpaid household and care work. The current division of work and working time is a slight modification of the traditional “male breadwinner model” in the sense that women now need to combine paid and unpaid work. Although women have entered the labour market *en masse*, gender norms have only evolved slightly and little effective progress has been achieved in involving men in unpaid work on equal terms with women.

Women face the so-called triple burden. They are still responsible for the bulk of domestic and care work which they increasingly combine with participation in the labour market. The combination of full-time paid work with unpaid obligations is, for many, impossible because paid work is still biased towards the “male breadwinner model”. This becomes evident in the huge drop-out rates of women from the labour market following the birth of a child; these are much higher in countries with a low availability of part-time work (Piasna and Plagnol, 2017).

For women seeking to stay active on the labour market, the burden of care and household work makes it difficult to dedicate as much time as their male colleagues to paid work. This puts them in a disadvantageous situation in terms of career opportunities. The study by Rutherford (2001) discussed in Part 3.12. clearly shows how a long working hours culture can reinforce existing gender inequality.

Working time reduction for greater gender equality

There are essentially three mechanisms under which a reduction in working time could improve gender equality:

1. It might increase the participation of women in the labour market
2. It might put women on a more equal footing with men on the labour market
3. It might lead to a redistribution of caring and household tasks.

First, if the full-time norm is reduced, more women might be able to enter paid employment. Women who cannot now see how to combine caring and household tasks with a paid job might do so when a working week is shorter. Added to that, if working time reduction contributes to a redistribution of employment (see p. 20) these additional jobs might disproportionately be taken up by women.

Second, a shorter working week might put women on a more equal footing with men on the labour market. Their current responsibility for caring and household tasks limits their potential (time) investment in work. Men tend to be more available for overtime, to take fewer career breaks and are more likely to be able to adopt a more flexible attitude. A shorter working week would enable more women to work full-time and might enable them to respond to accepted norms regarding working time.

Third, if men reduce their working time through a shorter working week it might encourage them to take on more caring and household tasks, which might rebalance the burden of domestic tasks. This would alleviate some of the burden on women and might further boost participation in the labour market.

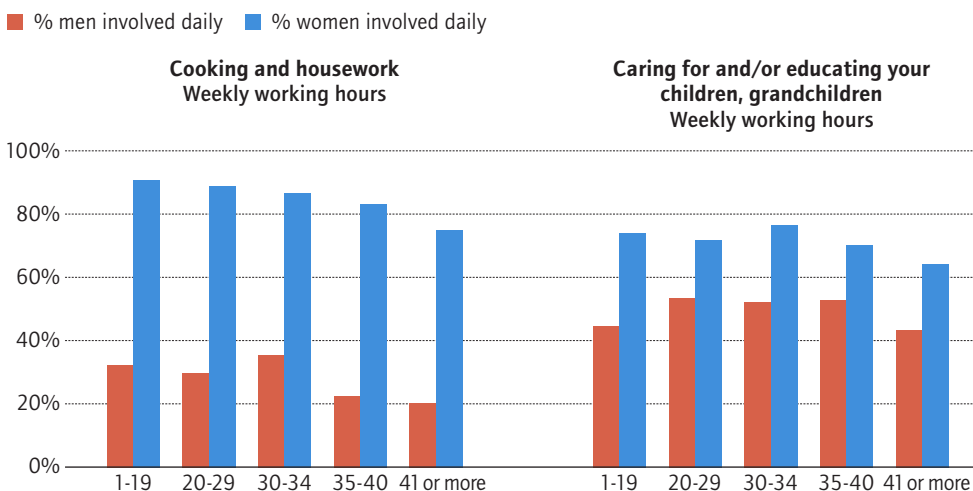
Potentially, therefore, working time reduction can contribute to greater gender equality on the labour market and in the household. Mutari and Fingart (2001) neatly summarise such positive expectations: “Reductions in the standard work week are a long-term solution for achieving gender equity in the labor market and the redistribution of domestic labor. Although undertaken primarily as a job creation strategy, a shorter work week can enable both men and women to participate in the labor market on an equal basis.”

On the other hand, if no collective reduction of working time is organised, and if in Europe the emphasis continues to be on promoting the participation of women in the labour market, women will do so increasingly by taking up part-time rather than full-time jobs. Part-time employment is a form of *individual* rather than *collective* working time reduction which has several drawbacks, especially for gender equality. Part 3 presents a more detailed discussion of this form of individual working time reduction.

Working time reduction might not work wonders

The reasoning on the relationship between collective working time reduction and gender equality is powerful, but it might not work wonders. There is little evidence that men will take up a larger share of domestic and care work should their paid working hours be reduced. An analysis of time use of workers across the EU 28 is revealing (Figure 15). Among workers living with at least one child, more women than men are involved in care activities on a daily basis. Interestingly, men who work less than 35 hours per week are even less likely to dedicate their time daily to care activities than those who work 35-40 hours. For women, the picture is different – those in part-time jobs (i.e. working less than 35-40 hours per week) are involved in care activities more frequently compared to full-time workers. In fact, the gender gap in involvement in care work is largest for those working fewer than 19 hours and more than 41 hours a week. A similar pattern emerges for time spent on housework and cooking. However, not all part-time hours seem to have the same outcomes and very short hours of work (up to 19 per week) are, on average, the least favourable to gender equality.

Figure 15 Gender differences in time spent on childcare and household activities, employed people only with at least one child living in the household, EU 28, 2015



Source: European Working Conditions Survey

35 hours: less pressure, but little equality

The 35-hour week in France (discussed at greater length in Chapter 4) was not focused on achieving more equal gender relations. The experiment can, however, be used to assess possible changes in gender roles. The evaluation report of the French National Assembly (Assemblée Nationale, 2014) provides some insights. According to several studies and surveys, the

35-hour week stimulated men to become more occupied with children and the household. It thus alleviated the burden from the shoulders of women. It did not, however, provoke a fundamental change in gender roles and women continued to be responsible for the bulk of the care and household work. The 35-hour working week did, however, stem the trend towards women taking part-time work, which might be seen as encouraging in terms of gender equality.

Work-life balance

"A 'good job' can be both practically attractive while still not good enough to devote your entire life to."

Alain de Botton

In the same vein, but not only focused on women, working time reduction can contribute to achieving a better balance between paid work and private life. As mentioned in the previous part of the narrative, working a full-time job of approximately 40 hours a week and combining this with unpaid household work, the need for social activities and the wish to enjoy hobbies and be involved in the community is a challenge not only for women but also for men.

However, the problem of work-life balance does not only present itself in households with traditional family models. Single parent families are faced even more with the problem of how to combine work and family life. According to EU statistics, single parent families accounted for almost 16 per cent of all families in the EU 28 in 2011. Most single parents are women. According to data from the European Working Conditions Survey, about 18 per cent of workers faced problems with reconciling their working and non-working life in 2010. In 2015, this figure was 19 per cent (Eurofound, 2012, 2016a).

It is also clear that working hours are directly related to work-life balance. A review of over 60 studies by Albertsen and colleagues (2008) showed that almost all studies into the relationship between long working hours and work-life balance found significant negative effects. The effects were more pronounced for women than for men. In the EU 28 in 2015, 33.3 per cent of workers who worked more than 41 hours per week reported problems with reconciling paid work and other spheres of life, compared to 15.6 per cent of those working 35-40 hours per week and only 11.2 per cent among those working 30-34 hours per week (own calculations from the European Working Conditions Survey).

Of course, working time is not the only factor affecting work-life balance. Next to the volume of working hours, the degree of overtime and the predictability of work schedules play a role. In addition, work-related aspects like the time pressures experienced on the job and the type of work also have an influence. Next to work-related issues, work-life balance is equally affected by family-related factors such as the type of household, support from the partner (if present), the care needs of the children, etc.

From this, it follows that reducing only the volume of working hours might have some beneficial effects where work-life problems are experienced, but it will not solve the problem entirely. Moreover, if reducing working hours goes in parallel with an increase in work pressures, overtime or unpredictable work schedules, the overall effect might even be negative.

Also, it is not a given that shorter working time is always beneficial for work-life balance. If family time is not equally redistributed, women might end up with relatively more domestic and family-related tasks and, as a result, find it even more difficult to combine employment with private life.

Portuguese 40-hour week particularly beneficial for women

In 1996, the Portuguese government decided to reduce weekly working time from 44 to 40 hours gradually over the course of 2 years. Lepinteur (2016) used data from the European Community Household Panel to estimate the impact of this working time

reduction on the job and leisure satisfaction of employees. His study found that working time reduction had beneficial effects, especially for women and employees with a heavy burden of family obligations. This study shows that a reduction in working hours can benefit people who find it hard to combine paid work with family life and, at the same time, improve their job satisfaction.

30-hour week: an improved work-life balance

Akerstedt *et al.* (2001) but very little data is available. The present study compared a group (N = 41 reports from an intervention study in two child care units in Sweden where working time was reduced from 39 to 30 hours a week in 1996 but discontinued in 1998 after a change in the local government (Crouch, 2015). The experiment was designed to include a control group which remained on a 39-hour week. The participating workers were health care workers and the loss of working hours was fully met by additional employment, with salaries remaining at the 39-hour level. One and two years after the reduction,

the experimental group was compared with the control group on issues related to health, work demands, exercise and satisfaction with life. Additionally, questions were asked regarding participants' use of the extra free time. Positive effects were found on most variables, but what changed in particular was satisfaction regarding time spent with friends and family. Acknowledging that this research was carried out in a particular situation (care and nursing), and with very beneficial circumstances (wage stability and additional employment), the results nevertheless suggest that work-life balance might particularly gain from reduced working hours.

Stress and burn-out

Every day, news channels report the growing problem of burn-out. According to these, more and more people are suffering from exhaustion, depression and a loss of energy because of work. In studies from the European Agency for Safety and Health at Work, a direct correlation is observed between stress and burn-out on the one hand and long working hours on the other (European Agency for Safety and Health at Work, 2009).

Time spent at work is partially responsible for stress and burn-out. Effort spent at work must be recovered from. However, when there is no time for recovery, the psychological effects can gain a more permanent character and might result in burn-out. To avoid burn-outs, both theories suggest that sufficient time-off should be envisaged. A variety of studies confirm that leisure time is essential for individual well-being (Sonnetag, 2001).

Should we therefore decrease working hours to fight burn-out? Studies suggest that it might not be so easy. The same theories and studies indicating long working hours as a source of stress also point to another cause of burn-out: work pressure. The more intense the work, and the more deadlines and pressure to perform quickly, the more employees are likely to suffer from stress.

Unfortunately, some experiences show that decreasing working hours frequently goes hand-in-hand with increases in the intensity of work. This is the case in the two case studies of France and Volkswagen (see further in Chapter 4). It was also confirmed in a recent study of workers from 22 European countries that shorter working hours combined with employer control over the scheduling of these hours is associated with very high levels of work intensity (Piasna, 2015). Only when the reduction in working time is fully matched by additional employment (Schiller *et al.*, 2017), or when workers have a say in how their working hours are organised (Piasna, 2015), can reduced working time be linked to less stress at work.

Yes we can: less stress when lost time is completely matched

A study of a Swedish working time reduction experiment between 2002 and 2006 observed very beneficial effects for work-related stress. In this experiment, 33 workplaces were randomly assigned into two groups. The first group saw its working time reduced by 25 per cent while for the second nothing was changed. Importantly, the working time reduction was fully matched by additional employment. The workload did not increase and the experiment

showed some very beneficial effects on the stress levels of employees and on their quality of sleep (Akerstedt et al., 2001)

Mostly we don't: greater stress when there is no (or too little) extra recruitment

When the reduction in working time is not (or is only partially) met by extra employment, it often leads to work intensification and greater stress. In the case of France and Volkswagen (see Chapter 4 with the case studies), this is obviously a problem to be reckoned with.

Employment

"Only a fraction of the available human labour in the world is now needed for the production of the total amount of consumption goods necessary for life... therefore the number of hours per week ought so to be reduced by law that unemployment is systematically abolished."

Albert Einstein, 1933

"La réduction du temps du travail. Pour les chômeurs, c'est déjà fait." [The reduction of working time. For the unemployed it's already happened.]

Guy Debos

"The essence of the plan is a universal limitation of hours of work per week for any individual by common consent, and a universal payment of wages above a minimum, also by common consent. (...) I have no faith in 'cure-alls' but I believe that we can greatly influence economic forces."

F. D. Roosevelt, 1933

"As long as we have one person seeking work who cannot find it, the hours of work are too long."

Samuel Gompers, 1887

One of the best and, at the same time, most tricky arguments in the debate on working hours is that it would create employment or, at least, redistribute employment between the employed (who often complain about too much work pressure) and the unemployed (who suffer the consequences of not having work at all). Reducing working hours would help to solve this paradox by making everybody work a little less so that the jobless can enjoy working more.

The argument is attractive as many countries in Europe are facing significant levels of unemployment. In December 2016, the unemployment rate was about 10 per cent in the EU on average, with major variations between Member States. The unemployment rate is decreasing, but it is still significantly higher than pre-crisis unemployment rates (ETUI and ETUC, 2017).

This line of argument seems rather straightforward, but the reality is a little more complex. Detractors of working time reduction will struggle with the *lump of labour fallacy*: the false idea that, in an economy, there is a fixed amount of work that can be (re)distributed at will. According to them, however, a redistribution of work might on the contrary backfire and result in fewer working hours for all.

There are several reasons why labour cannot be easily distributed:

- **Fixed costs of labour:** labour costs have a variable and a fixed component. The variable component is the hourly wage. Decreasing the hours worked directly translates into a decreased cost for employers which can be used to pay the wages of another worker. The fixed part relates to all of the costs associated with recruiting a worker, providing work resources, training, supervision, etc. These costs do not decrease if an employee works fewer hours. Several more employees working 30 hours will thus be more expensive than fewer employees working 40 hours. The employer will, consequently, provide less employment in a 30-hour week than in a 40-hour week but might, however, use overtime more intensively. One important factor here is the amount of social security contributions paid on a *per capita* or on an hourly basis. In countries with greater *per capita* contributions (and thus more fixed costs), the employment effects of a shorter working week will be considerably reduced (Bosch and Lehndorff, 2001)
- **Imperfect substitution:** even when employment is partly redistributed and the unemployed are recruited for the jobs created as a result, there might still be a negative economic effect as those newly employed may not be perfect substitutes for current employees. They are likely to have a lower level of education and less experience and might therefore be less productive. This will have a negative impact on the health of the company. Moreover, when a company cannot find skilled employees for its job vacancies due to the redistribution of work, it might even have to reduce its production (and thus its economic activity) as a consequence of the shorter working hours.
- **Division of tasks:** another reason why there is no fixed lump of labour that can be reallocated as we wish is the problem regarding the division of tasks. Not all jobs can be easily cut into parts and reallocated to other employees. Imagine a managerial secretary whose work efficiency is related to the completeness of the information possessed. If this person worked only four days, with another employee stepping in for the fifth day, the costs for both in the exchange of the necessary information will be very large. The job is, in other words, not easily divisible into parts. A working time reduction might thus mean that this person needs to do more in fewer hours, or will just do less. In both scenarios, the amount of redistributed jobs will be limited.

All the arguments mentioned here are correct: work is not perfectly redistributable. However, most of the proponents of reduced working time have never proclaimed this in absolutist terms: the claim is that working time reduction would lead to less unemployment by redistributing work, not by *perfectly* redistributing work. It is not because employees have fixed costs that all the costs of having employees are fixed. It is not because there is an imperfect substitution of employees from the unemployed that there is no substitution at all. And it is not because not all jobs can be divided that no labour can be divided at all.

Some jobs are less divisible than others

In an in-depth case study of a software company in the UK, employing primarily highly-skilled professionals, Kelliher and Anderson (2008) found that, following a reduction in working hours, workloads were not adjusted proportionately and part-time employees had to cope also with "the other half of the job" within

shorter working hours. Very similar conclusions were drawn by McDonald, Bradley and Brown (2009) from a study of a public sector agency in Australia. Job roles in managerial and professional positions were perceived by respondents in terms of fixed and unchanging entities and, consequently, part-time employees were required to complete a full-time job within reduced hours.

Work sharing through patriotism

In 1933, the American President F.D. Roosevelt proposed the "President's Reemployment Agreement" which was based on two premises. First, by reducing the working week from 45-50 hours to 35 hours, employment would be redistributed among people; and, second, by increasing the wages of employees, purchasing power would be boosted which would, via consumption and production, lead to greater employment.

The agreement was peculiar as it was a voluntary system. Companies could choose to enter the system or not. If they did, they could display a patriotic emblem. If they did not, they were open to boycotts called for by the President himself. This emblem and the boycotts were the only incentive to push for compliance. Nevertheless, most firms would have signed the agreement. Taylor (2011) reviewed the evidence around the programme and concluded that the work sharing exercise put about 1.34 million people into work in

four months. According to him, the effect came mainly from work sharing as the rise in wages (and the concomitant rise in costs) would have reduced the employment creation effect by half.

Work sharing in times of crisis

In many European countries, systems of work sharing exist in times of economic hardship (Eurofound, 2010). When companies face serious (but temporary) economic difficulties, they can reduce the working hours of their employees in some way. Income loss for employees is partially compensated by state funding (Lang *et al.*, 2013). As such, companies can retain human capital in the company and reduce costs significantly in the short-term, and employees do not face unemployment. A study for the ILO by Messenger and Ghosheh (2013) reviewed such regimes and their performance during the 2008-2009 crisis and concluded that it is highly appropriate in keeping up employment levels in times of crisis.

On the last point, it is interesting to note that the "division of labour" forms the bedrock of the capitalist industrial system. It was Adam Smith who popularised the idea of breaking work down into different tasks and giving them to different employees to increase efficiency.

Working time reduction will not lead to a perfect redistribution of work. The redistribution will be imperfect and will depend on how the working time reduction is shaped. The effectiveness of working time reduction as part of an employment policy thus depends on the architecture of the reduction in working time. Bosch and Lehndorff (2001) provided some conditions for a reduction in working time to be effective in creating employment.

1. In order to avoid raising unit wage costs, working time reductions and wage compensation should be negotiated simultaneously
2. Significant working time reductions should be accompanied with a reorganisation of working time in order to extend operating hours, adjust working hours to lower costs and make way for productivity increases
3. There should be a kind of “negotiated flexibility” in which working time reduction can answer to individual demands, guaranteed and framed by collective agreements
4. A flexible labour market should guarantee that working time reduction does not lead to shortages in labour supply
5. Social contributions should be paid in proportion to wages.

Another precondition for an effective working time reduction is that it should lead to an **effective reduction in working time based on a proportionate reduction in workload**. The reductions in full-time working should not be restored by an increase in overtime work. To avoid this, a good policy on overtime working (and its compensation) should be developed. Also, the problem of fixed costs contained in, for example, social security contributions should be avoided by installing a system in which these are paid in proportion to wages (and thus working hours).

Sustainable economy

A relatively different argument for working time reduction relates to the creation of a sustainable economy. Given the planet’s finite resources, we need to make our economy sustainable and working time reduction might have a place in this endeavour. The argument takes two shapes. First, there are several reasons why working time reduction could **contribute** to the creation of a sustainable economy; and, second, there is an argument that reduced working time would be the automatic **consequence** of a sustainable economy.

The first argument (that reduced working time can **contribute** to a sustainable economy) departs from the observation that work puts pressure on the environment. It does so in two ways: through both *composition* and *scale* effects. The composition effect refers to the way households consume their income. In labour-intensive households (i.e. with a heavy time burden of paid work), a greater part of income goes to the consumption of ready-made meals, household equipment, vacations, etc. These products have a heavy ecological footprint. Reduced working time could shift the composition of consumption toward more eco-friendly alternatives as there will be time, for example, to prepare home-made food (Coote *et al.*, 2010).

Second, there is a *scale effect* of reduced working hours. Currently, productivity gains are mostly distributed in income from capital (profit) and labour (wages). These further stimulate consumption and production which puts pressure on the environment. If productivity increases could be translated into greater leisure time, these negative ecological effects could be reduced.

However, Ashford and Kallis (2013) note that there is no automatism between reducing working hours and increasing the sustainability of the economy. If reduced working time leads to higher wages and greater substitution of labour by energy-intensive machines and increased consumption, the total effect might be negative for the planet.

Some studies find positive indications. As such, Knight, Rosa and Schor (2013) found that nations with shorter working hours have smaller ecological and carbon footprints. Another study by Rosnick and Weisbrot (2006) estimated that, if the US would follow EU trends in working time, its energy consumption could be curbed by 20 per cent. Next, a Swedish study on working hours and greenhouse gas emissions indicated that a 1 per cent decrease in working hours could be followed by, on average, a 0.8 per cent decrease in emissions (Nässén and Larsson, 2015).

How long working hours promote environmentally unfriendly consumption

How do working hours affect the consumption patterns of people? According to Devetter and Rousseau (2011), long working hours increase energy-intensive consumption for different reasons. First, as people work long hours, their free time decreases. As they will want to use their free-time intensively, they enjoy more consumer goods. This is the typical "work hard, play hard" line of thinking. This also has a social signalling function as such people might be more inclined towards so-called conspicuous consumption, i.e. consumption to mark their position in the society. Ultimately, long working hours make it difficult to organise leisure time and incentivise a resort to prepared (yet energy intensive) leisure activities. The researchers studied this using French data and indeed found that, even controlling for income, people

working long hours had a more environment-damaging consumption pattern.

UK 1974: save energy by cutting the working day

In 1974, the UK implemented a radical measure to save energy thereby tempering the inflation and high energy prices resulting from a mineworker's strike. The conservative government introduced a mandatory three-day week with no possibility to work overtime. Once a deal was struck with the mineworkers, the three-day working week was dropped in March 1974. According to some, the reduction of working time resulted in a drop in output of only 6 per cent, thanks to a combination of increased productivity and lower absenteeism. In any case, the example shows how reducing working time may historically be used to decrease energy consumption (Coote *et al.*, 2010).

The second argument made with regards to the environment and working time reduction takes a slightly different approach. Here, one departs from the observation that reduced production and consumption will be unavoidable in a sustainable economy. This means less work. Given the growth in population, less work might lead to massive unemployment with serious social consequences. A massive reduction in working hours would then be a necessity to redistribute the remaining work across the population.

In any case, it is clear that these arguments relating to sustainability and the creation of a sustainable economy have a very different point of departure than most other arguments: the necessity to reduce economic growth to save the planet. Whether or not working time reduction is a prerequisite or a consequence of such reduced economic activity, it will require a paradigm shift. Most of the other arguments used for working time reduction do not necessitate such a fundamental paradigm shift in the economy.

Creativity and self-accomplishment

"We find that the men come back after a two-day holiday so fresh and keen that they are able to put their minds as well as their hands to work. We are not of those who claim to be able to tell people how to use their spare time. We think that, given the chance, people will become more expert in the effective use of their leisure time if they are being given the chance."

Henry Ford, 1926

"The idea that the poor should have leisure has always been shocking to the rich."

Bertrand Russell, 1932

A completely uncheckable anecdote tells the story of a GM assembly-line worker who skipped work nearly every Monday. His supervisor asked him why he only worked four days a week, to which the worker aptly replied: "Because I can't make a living working three days." For many, paid labour is a means to a specific end: earning a living. The less time and energy consumed in this process, the more time and energy left over for other dimensions of life. In industrial history, the struggle over time has been a central issue. For a long period, in the words of Thompson (1967), workers were fighting against time but, after fierce disciplining efforts, they started fighting about time, i.e. about the amount of time spent at work.

Although work is often a means of gaining competences, structuring life, providing a social network and leading to a kind of self-accomplishment, it sometimes is not. And in both cases, it is keeping time and resources away from other useful activities. So, the struggle for qualitative, enriching employment goes in parallel with the struggle for less time spent at work and for more time for non-work activities. Spending less time at work means more time for family, friends, hobbies and involvement in the community or just easily doing nothing at all.

Free time can be a means for self-accomplishment, but it can also serve society and the economy as free time seems to be essential for innovation and creativity. Many innovative and creative ideas (both large and small) are the fruits of people having

Kellogg's six-hour day

In 1930, the Kellogg plant in Battle Creek, Michigan, changed its working time policy and reduced the total working day to six hours. Hunnicutt (1996) draws a lively picture of how this new full-time norm changed the lives of many individuals but also affected the community life. The six-hour working day gave workers considerable control over their lives. Families spent more time together doing activities both useful and pleasant to carry out together, and sick and elderly family members were better taken care of. Women used the extra time mostly for household

activities, but the record for men was more mixed. Several of them were interested in working longer to earn more or did not know immediately what to do with the extra time. Most reported activities to do with house projects, such as gardening, or leisure in terms of fishing, hunting and simply getting together. The overall image is one of society in which working people, for the first time, had real time on their hands, time for real leisure and real control over how to organise their lives. The Kellogg's experiment was stopped officially in 1985. A discussion on why the experiment was stopped can be found under Chapter 3, p. 66.

knowledge and experience in different fields (in and out of work) having a bright idea and the time and resources to pursue it. The stories of the invention of the Post-It at 3M is a classic and provides the reasons why companies like Apple, Google and others give their engineers time and room for free experimentation, hoping this will result in innovative new products.

Longer working lives

A debate running in approximately all EU countries is the one about the ageing population and, consequently, the sustainability of pension systems. One of the traditionally proposed solutions to this challenge is working longer. According to this reasoning, if people stay active in waged labour until a later age, they will contribute more to social security systems and enjoy pension benefits over a shorter period. In almost all countries, policies are being put into place to lengthen careers, increase pension ages and raise the activity rate of the population throughout their lives. Trade unions have generally resisted such policies to increase retirement ages and have proposed alternative policy measures to finance pensions.

The objective of increasing the participation rates of older employees can be approached from two sides: **work demand** and **work supply**. On the demand side, policies could focus on creating extra employment, especially for older employees so they do not prematurely exit the labour market. On the work supply side, policies could focus on stimulating (or forcing) older workers to stay active by increasing pension ages and discouraging early exit from the labour market. More positive policies focus on enabling older employees to work longer by making jobs more “workable”.

Working time reduction could contribute to this challenge both from the supply side and from the demand side. On the supply side, working time reduction might make work more workable. Employees might have more time to recuperate and, as work pressure declined, older workers might be more able to continue doing the work. On the demand side, working time reduction could redistribute work and increase overall employment levels, which could lead to higher participation rates in general and among older workers in particular. Whether “working less will lead to working longer” depends on its effectiveness in terms of stress reduction and employment creation. Also, the decision to take early retirement is related to a great many variables and not only working time (Topa *et al.*, 2009)

Indications from practice and research on this issue are hard to find. Many policies reducing working time did not have the objective of enabling longer working lives or otherwise came at times when this was not a policy priority. One positive observation

Working time preferences of older inactive workers

According to a rather old survey (1998), the working time preference for inactive unemployed older

workers (56-64) was for work of about 23.8 hours a week. In comparison, actual working hours for this age group at that time was 33.1 hours while the preferred working time of employed workers lay around 29.3 hours a week (Jolivet and Lee, 2004).

can be found in the French experience with the 35-hour week (see further in Chapter 2) in which an increase in the participation rates of older workers was observed. Note, however, that this increase enabled France to catch up with the other European countries and by no means made it a front-runner in terms of the activity rates of older workers. Policies including working time reduction focused explicitly on this purpose are often targeted on reducing working hours for older workers.

Productivity

"Abundant labour, like salt on the edge of a plate, tends to be wasted."

John Habakkuk, 1967

Productivity refers to what is being produced in a certain amount of time and using a certain amount of resources. How many items can a worker produce in an hour or a day with the resources at hand? Productivity thus depends on the workers (how hard they work, what competences they have, etc.), but also on the work organisation (what machinery is used in production, etc.). At country level, productivity is calculated by taking gross domestic product and dividing that by the amount of people employed or the number of hours worked.

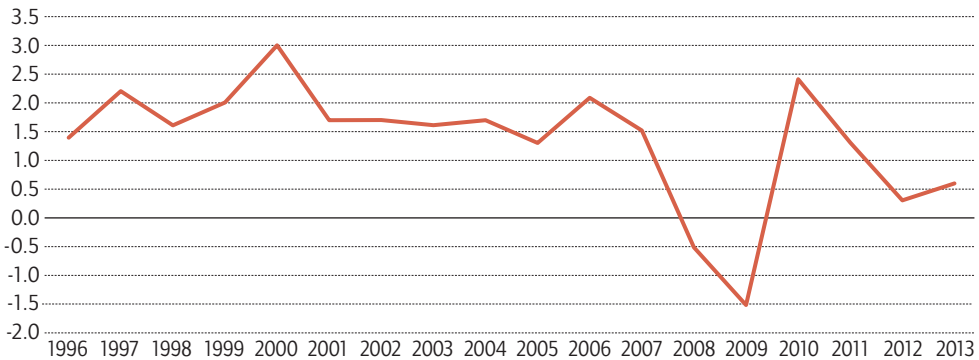
Productivity is a key factor in the working time debate. The more productive the economy, the more wealth is created in less time. Increasing the productivity of employees thus means there is wealth that can be distributed in terms of wage increases, greater profits or fewer working hours.

Looking at the trend in productivity increases, there is little reason for hope. As can be seen in Figure 16, and as acknowledged by many, the overall trend is for productivity growth to be slowing down, causing many to fear that Europe is currently in a state of "secular stagnation" (Pichelmann, 2015). Limited increases in productivity means limited additional wealth which can be distributed or redistributed.

A discussion on the reasons for productivity increases and what they signify is a highly complex one. In what follows we focus solely on the relationship of productivity with working time and its relevance to a reduction in working time. In doing so, we may distinguish between three types of increases in productivity (Ashford and Kallis, 2013):

1. **Labour productivity increase:** Productivity increase because employees have become more productive
2. **Capital productivity increase:** Productivity increase because capital (machines) have become more productive or efficient
3. **Productivity increase through substitution:** Productivity increase because labour has been substituted by (more productive) machines

In reality, productivity is always the result of interaction between the worker and the products of capital. A machine does not produce without the intervention of a worker. Often in reality, productivity increases might simultaneously be due to increased labour and capital productivity and partial substitution. Still, differentiating between them is a good analytical tool to discuss the relationship between working time and productivity.

Figure 16 Productivity growth per hour worked EU 27

Source: Eurostat

Working time and productivity

According to some, reducing working time can result in higher hourly productivity and thus it might be part of a solution to the observed low productivity growth in recent years. Theoretically, reduced working time can lead to productivity increases thanks to labour, capital and substitution.

Labour productivity increases

Reduced working time might increase **labour productivity** in various ways. The ILO (2004) distinguished between physiological, motivational and organisational effects. The first (*physiological*) effects refer to reduced working time preventing workers from getting tired and working slower as a result. It also increases their time for recuperation from their efforts. When employees are able to concentrate more, their overall productivity per hour worked will increase. The *motivational* effects stem from the idea that shorter hours will be appreciated by workers who will try to work more effectively in the working time that remains. The third improvement might stem from the *improved organisation of work* as the reduction in working time might go in parallel with a total review of work organisation. This might smooth the work process and enable employees to do more in less time.

We might add a fourth possible productivity enhancing factor related to human capital and *creativity*. If workers invest their additional free time in training activities or other competence enhancing activities (so-called *productive leisure*), they might use those experiences to be more productive at work.

All this is likely to affect the quantity of production, but also the quality. These physiological, motivational, organisational and creativity-related effects might also encourage employees to produce better products or deliver better services. The primary example could be a teacher who still teaches the same number of students but does so more effectively than when working longer hours.

However, reduced working time can also **negatively** affect labour productivity as it might lead to increased costs in communication between workers on different shifts, the employment of less productive workers or a limitation of the possibilities for on-the-job-training and experimentation. Also, if working time reduction comes with a lower wage, this might demotivate employees (Schmidt-Sørensen, 1991).

Research on the relationship between working time and productivity generally confirms that shorter working time goes together with more productive employees (Bosch and Lehndorff, 2001; Golden, 2012). Many studies compare part-time with full-time employees, although such a comparison is not so instructive for resolving the question of how a *collective* reduction in working time might affect labour productivity. The study by Virtanen *et al.* (2009) researches the effect of long working hours on cognitive functions. They conclude that “longer hours result in lower scores on cognitive performance tests. In other words, you are literally working your employees stupid”. Hanna *et al.* (2005) studied 88 projects in the labour-intensive construction sector. The study showed a clear decrease in productivity as the number of hours worked per week and/or project duration increased. Additionally, there is a wealth of research showing that long or irregular working hours are associated with a range of physical and mental health and injury risks that limit long-run capacity to remain productive at work (Golden, 2012).

Capital productivity increases

Reducing working time can also affect productivity in other ways. As such, when combining working time reduction with extended operating times (see the following section), **capital productivity** might increase. Indeed, when machines or offices are used, for example, for 14 hours per day instead of ten, the costs of those machines or offices can be spread over more production, increasing capital productivity. Note that such an increase in capital productivity through more intensive use might have negative side effects for the health and well-being of workers, as will be discussed later.

Increases by substitution

Another way in which working time reduction might increase productivity is by stimulating the **substitution** of less productive employees by more productive machines. Depending on how labour costs evolve when working time is reduced, more or less labour will be substituted. If working time is reduced with full wage compensation and no other measures, this will increase the costs of work and encourage enterprises to invest in labour saving machinery. If labour costs are kept stable, such a substitution is less likely to occur.

Reduced working time, and productivity and employment

If working time reduction does lead to an increase in hourly productivity, it immediately contributes to solving the key discussion on who (or what) is going to finance that reduction. As will be discussed at length later (see Chapter 1), a reduction of working

time can be financed in various ways and an increase in productivity is an easy way out. If employees do the same amount of work in fewer hours, they can gain the same wage while the company continues to produce at the same costs. If working time reduction effectively increases productivity, its financing seems to be only a matter of time.

The problem is that this will curtail heavily the employment effects. If reduced working time is installed to redistribute employment, it is essential that productivity increases are limited. If the same number of employees can do the same work in less time, there is no need to employ additional workers. Of course, there might still be an employment effect because of second-round effects, when workers with greater leisure (and the same pay) deliver a boost to the economy in various ways, but the idea of redistributing work by cutting hours can be curtailed by high productivity increases (Bosch and Lehndorff, 2001).

Less but better work and no additional employment

In a working time reduction experiment in Finland and reported by Anttila (2005: 86–88), working time reduction contributed to such a productivity increase that it weighed on the employment effects. In this manufacturing company, the eight-hour working day was replaced by a six-hour day for a production department. The reduction in working time was

combined with an extension of operating hours (see Chapter 1), a reduction of breaks, work reorganisation and the elimination of some days off. In total, this experiment contributed to a productivity increase of 42.2 per cent, reducing the wage cost per produced item by 20.7 per cent. The consequence of this particular result was that no extra employees were recruited and one job was even eliminated during the experiment.

Another problem with a focus on increased productivity lies in the health risks that this poses for workers. If working time reduction is implemented by employers as a productivity strategy, thus designed to cut costs and better align staffing levels to workloads, then it is highly likely that it will result in work intensification (Piasna, 2015). Therefore, it is important to bear in mind, when designing the reduction of working time, that it should not increase the scope for employers to set working hours at will. In the case of part-time work, this frequently tends to be the case as part-time work is often used as a means to cover workload peaks, alongside increasing the overall competitiveness of companies (Houseman, 2001).

Reducing or compressing working time

Goudswaard and De Nanteuil (2000) found that a reduction in working time to 6.5 hours per day in a Finnish bank was achieved by eliminating or shortening most breaks (such as the lunch break) and not by reducing workloads. The result was that the overall

pace of work increased as the more relaxed times in the working day were eliminated from the schedule. The Finnish bank made a business case for working time reduction which was designed to extend opening times and achieve greater productivity from less tired workers performing stressful work for a shorter time.

Digitalisation, robotisation, productivity and working time

Recent debates on the future of work gravitate around two buzzwords: digitalisation and robotisation. Digitalisation refers to the increased use of digital technologies and artificial intelligence in the economy. Robotisation reflects the increased use of robots in the work process. Both trends might have a significant impact on the labour market and on the regulation and practices of working time.

The impact of digitalisation and robotisation on the world of work can take different shapes going from the creation of jobs to the destruction of jobs, as well as involve changes in work content (Degryse, 2016). Depending on the author making the projections, the anticipated impact on working time differs greatly.

As such, Degryse (2016) paints a rather bleak picture. With the advent of internet platforms like Über, Deliveroo or Amazon MTurk, an ultra-flexible parallel labour market is taking shape. This labour market is composed of dependent, yet own-account, workers to whom normal rules on working time do not apply. This parallel labour market will put pressure on the traditional labour market and reinforce pleas for general deregulation, including a deregulation of working time. This might result in employees working longer hours or, in any case, having a hard time predicting when and for how long they will work. Additionally, workers deprived of the guaranteed work and pay that was associated with a standard

employment relationship are bound to dedicate a large proportion of their time to looking for work yet, once they find it, are expected to perform it right away. This reduces not only the effective hourly pay but also one's control over working time. In essence, digitalisation and the way it transforms the labour market can be a serious threat to the *quality* of working time.

If the wave of digitalisation and robotisation comes with a massive increase in productivity (and a decrease in available jobs), working time could also be affected in its *quantity*. If, as is predicted by Frey and Osborne (2013), 47 per cent of all jobs are indeed at "high risk" of being automatised, and if there is an insufficient growth in other segments of the labour market, a radical redistribution of employment might be necessary. This might, in the words of Andrew Haldane (2015), lead to "the path Keynes charted a century ago – a world of progressively shorter working weeks, where mini-breaks become maxi-breaks".

In short, digitalisation and robotisation might have an impact on the quality and quantity of working time. The final effects are hard to predict and will depend on the extent to which the platform economy booms and which segments of the workforce will be most affected, as well as the productivity increases it might create and the amount of the increase in other economic activities. Mostly, however, it will depend on the policy responses to such developments and the ways in which countries re-regulate or deregulate their labour markets and shape the conditions for decent working time in terms of quality and quantity.

From the perspective that working time reduction is not likely to increase productivity (or, at least, is not supposed to do so), defenders of working time reduction use a different line of argument: they see working time reduction as a "reward" for past productivity increases and as a way effectively to redistribute the remaining work. Looking at the long-term, many economists acknowledge that a reduction in working time indeed contributed to combine high productivity with reasonably low unemployment (Dreze, 1985).

Whether working time reduction is the chicken (leading to higher productivity) or the egg (following an increase in productivity), it remains that very high productivity goes hand-in-hand with a reduction in working hours. This is promising as it might help solve the difficult financing puzzle, but also troublesome as it might undermine

one of the key motivations of reducing working hours – the redistribution of work – and have a negative impact on health due to increased work intensity.

Better Society

“En réduisant son temps de travail l’homme risque d’échapper à l’emprise de la rationalité économique découvrant que plus ne vaut pas nécessairement plus, que gagner et consommer plus ne signifie pas nécessairement vivre mieux, donc qu’il peut y avoir des revendications plus importantes que les revendications salariales.”

André Gorz

“Modern methods of production have given us the possibility of ease and security for all, but we have chosen instead to have overwork for some, and starvation for others. Hitherto we have continued to be as energetic as we were before there were machines; in this we have been foolish, but there is no need to go on being foolish forever.”

Bertrand Russell, 1932

Reducing working hours can be motivated not only from work- or leisure-related perspectives, it can also be motivated from the perspective of society. In this reasoning, reducing working hours might be beneficial for society at large.

Mostly, the positive effects for society would be a result of the envisaged improvements in terms of the distribution of employment, gender equality, health and safety, stress, a more sustainable economy, etc. (Coote *et al.*, 2010). All this would lead to a happier, healthier and more equal society. According to some studies, time affluence (having the feeling that you have enough time to do what you need) is indeed closely related to subjective well-being and happiness as it is necessary to engage in activities that promote personal growth, a connection with each other and community involvement (Kasser and Sheldon, 2009).

However, if having more time on your hands is essential for happiness, why do people not choose more often to work less? Part of the reason will be discussed at length when we talk about part-time work. Here, it is important to observe two elements: (1) the added value of time is abstract and (2) the added value of time is, to a large extent, collectively determined.

Starting with the first one, time seems as equally measurable as money. We can count one hour just as we can count a wage increase of €50. However, the added value of that one extra hour of free time is more difficult to imagine and to grasp. We are not sure what we can do with that hour, if we will like the activity we attribute to it and if we will come out a happier person. The choice for additional money is much more concrete and palpable. It’s easy to imagine what you can buy with an extra €50.

The value of an hour of free time is abstract, but it is also collectively defined. In terms of happiness, time is best spent on activities where you connect with others, i.e. in social activities (Kahneman *et al.*, 2004). People can only engage in such activities when their peers enjoy similar amounts of free time. Depending on the free time of your peers, your own free time will be more or less valuable.

Consider the first workers to enjoy a Saturday off. Each will appreciate the extra leisure time and it will, most probably, smooth the combination of work and family

obligations. However, imagine now the workers who need to work on Saturday while all their peers have a two-day weekend. For them, having a Saturday off would mean they can join meetings of friends, go to social events and relate to others with Saturdays off. For the first, the Saturday off is a welcome luxury; for the second, it will be perceived as a social necessity.

The value of free time is collectively defined and obliging people to work fewer hours could be perceived as a welfare enhancing constraint (Maital, 1986).

However, the effects of shorter working could go beyond the mere sum of all the advantages. As shown in the box below, making time a central value in society might encourage people to be more honest. Reducing working time and stressing the importance of free time (instead of only material wealth) might, as such, increase honesty in society.

The reduction of working time might also make sense from a democratic point of view. Workers spending less time at their jobs might become freer from the pressures of their work. This might empower them and make them less dependent on the authority relationship encompassed by paid employment. As Cross (1989) puts it: “This redistribution of time toward leisure represents a concrete reduction of authority and compulsion, a personal realization of liberty and even the democratization of opportunity for personal choice”. (Cross, 1989)

Focusing on time makes people more honest

When people face decisions on money, unethical behaviour seems to be ubiquitous. It seems that intrinsically good people can lose their moral compass when money is at stake. At the same time, our society is pushing us to think about money quite often with, among others, social status being linked to material wealth. American researchers (Gino and Mogilner, 2014) implemented some experiments to see whether making people think about time rather

than money would make them more or less honest. Through four experiments they provoked thoughts about time or money (or something unrelated) and subsequently provided an opportunity to cheat. Through all the experiments, participants who were provoked with thoughts of money cheated more, while those who were provoked with thoughts about time did so less. Thinking about time makes people think about themselves and their self-image, which will encourage them to be honest.

Conclusions

Working time reduction has been proposed by many, for many different reasons. This overview of the arguments used reflects the diversity of the goals and reasons why people want to work less (or want other people to work less). While some defend working less in the context of improving public health, enabling people to spend time freely and be creative, others focus on creating more employment or enhancing productivity. Still others see working time reduction as an unavoidable consequence of an economy which has to be slowed if we want to save the planet and avoid climate change.

It is evident that not all the evoked arguments are compatible with each other. Boosting productivity with a reduction in working time stands awkwardly with the

wish to construct a sustainable economy or even redistribute employment. A focus on gender equality and enabling women to work more through a reduced working week might be at odds with an aim to work towards a less work-centred society.

The effects of working time reduction are thus very likely to differ depending on who implements it, and for what reasons and how. Indeed, the shape of working time reduction might be a more important factor than the mere fact of reduced working time itself.

This shape, and the contours and characteristics of different working time reductions, will be discussed in the next Chapter.

Chapter 3

How should we organise a reduction in working time?

Depending on the focus and the goal of the reduction, its shape might greatly differ. And how working time reduction is put into practice determines whether it is capable of reaching its stated, and other, goals. In the words of Cette and Taddei (1994): “What matters is the measures put in place in the aftermath of a cut in working time, rather than the cut itself.”

In this chapter, we go over the multiple forms that working time reduction can take. We do this by (artificially) splitting the different decisions one can take in giving shape to a reduction in working time.

How much of a reduction?

The most obvious decision to be taken with regard to a reduction in working time is how much you want to reduce working hours. Is the goal a 35, 32, 30 or an even shorter working week? Depending on the size of the reduction, the effects on the previously mentioned domains will be larger or smaller.

In many instances, the employment effects of working time reduction depend on the degree to which companies will recruit new employees to compensate for the reduced working hours or whether employees will be required to do the same work in fewer hours. From this perspective, one needs a considerable reduction to push organisations to rethink their work organisation and employ additional employees. On the other hand, a

smaller decrease might be preferable as it is less disruptive to work organisations. This means the costs might be reduced and therefore easier to implement.

From a gender perspective, a similar trade-off can be made. A small decrease in working hours will not suffice to encourage women to take full-time rather than part-time jobs, and neither will it suffice to change role distributions in the family, but it might greatly help female workers better to combine the burdens of paid and unpaid work.

In practice, examples of both radical and incremental reductions in working time can be found. While the radical ones are mostly to be found at company level (Volkswagen, Kellogg's etc.), incremental ones are generally found at sectoral or national level. Decreasing working time in small steps at national or sectoral level might have as a disadvantage that it has little impact on real working time in companies (see example below).

Netherlands, the working time reduction that wasn't

In 1982, the Dutch social partners reacted to the deep economic crisis with the famous "Agreement of Wassenaar". The agreement envisaged wage moderation and working time reduction. Through sectoral agreements, the 40-hour working week was reduced to a 38-hour week, mostly through the allocation of extra days off. This official reduction in working

time did not, however, translate into a real reduction in working hours. According to De Beer (2012), an increase in unpaid overtime might have curbed the effects of the working time reduction. In other words, a small decrease in official working time does not necessarily mean an effective reduction in the time employees spend at work. In consequence, the measure was also ineffective in redistributing employment or alleviating the triple burden on women.

Reducing working time in one go, or step-by-step?

A similar, but distinct, decision concerns the timeframe for the adoption of reduced working time. Here, one can opt for a radical approach which immediately reduces working hours to the desired level, or a slower approach with a step-by-step introduction of shorter working hours.

A radical cut in working hours has several advantages. It would force companies and families to reconfigure their traditions. Companies would have to reorganise their production, which might lead to a more efficient organisation of work and could limit work intensification. Families would be immediately confronted with extra leisure time which could encourage men and women to reconsider their roles in the household. The same can be said at society level as a substantial amount of extra leisure time might act as an incentive for societies to reconsider their patterns of consumption which might be beneficial from a sustainability point of view.

The problem with a radical reduction is that the cost (see p. 17-18) would be felt immediately, reducing the feasibility of the reduction in working time in the short-term. At the same time, one might argue that changes in family roles and the organisation of work and society are better introduced incrementally to avoid disruption and confusion. The same can be said for companies. An incremental decrease in working time might enable them to reconsider their work organisation by trial and error.

Given the varying degrees of complexity and certainty of the effects of working time reduction on, for example, the sustainability of the economy, Ashford and Kallis (2013) propose a certain middle ground option and advise that “The reduction of working hours [should] be implemented initially as an interim measure to relieve unemployment, and over time improved through trial and error as other structural changes (...) are instituted.”

Evolution in Sweden: working 30 minutes less in three years

In 2001, the working time for employees in the metal sector was reduced by 30 minutes per week for day workers and 36 minutes per week for two-shift workers. The reduction had to be implemented by 2004 and reduced annual working time by about 66 hours. This reduction materialised through a collective agreement and brought full-time weekly working hours to 38.6 (Berg, 2001).

In steps to a 35-hour week in the German metal sector

After about seven weeks of strike action, the German metal union IG Metall achieved a negotiation of a

step-by-step introduction of the 35-hour week in 1984. In several steps, the sector would go from a 39-hour week in 1984 to a 35-hour week in 1995. The agreement included stipulations that employment levels would be maintained and partial wage compensation was envisaged. IG Metall also promised to make no further demands regarding working time until 2000, while greater flexibility was introduced in working time regulations. The reduction in working time was copied in other sectors, but mostly to a lesser extent (Bispinck, 2006). According to some studies, this working time reduction was responsible for the creation of a considerable amount of jobs: up to 20 per cent of all jobs created in the period covered by the reduction in working time (Messenger and Ghosheh, 2013: 13).

Shortening the working day, week, month, year or life?

Working time can be measured in several ways, while a reduction in working time can be organised using different reference schemes. Traditionally, working time is calculated on the following levels: per day, per week, per month, per year and over a lifetime.

Working time reduction mirrors this and can take the following shapes:

- shorter working day: e.g. six-hour working day;
- shorter working week: e.g. four-day working week; part-time work;
- shorter working month: e.g. 3 weeks with 6 days of work followed by one week off;
- shorter working year: e.g. additional leave;
- shorter working life: e.g. earlier pension, career breaks, parental leave.

Depending on the approach to implementation of a reduction in working time, its effects on gender, employment, sustainability and other issues might differ strongly. As such, one could argue that a six-hour working day or a four-day week might be beneficial for work-life balance as parents can spend more time with their children on a daily basis. However, other parents might prefer a reduction in working time

which includes additional leave so they can spend more time with their children during school holidays.

In terms of employment, one could argue that a six-hour working day might be more likely to lead to an intensification of work than, for example, a system with recurrent weeks of leave during which employees need to be replaced. Conversely, more paid leave might, in some sectors, lead to collective closure times which might reduce the economic activity of the sector and not lead to the hoped-for employment effects.

Similarly, if the goal is to extend working lives, working time should not be reduced by installing early pension systems. It might, however, make more sense to provide career breaks or extended parental leave systems which might enable people to stay active in the workforce for longer.

In the case of the 35-hour week in France, a pragmatic way out was chosen for this problem. The law installed the principle of the 35-hour week but gave the social partners at company level the authority to negotiate and agree on how to organise the reduction in working time. Where there was agreement, companies could even reduce working time over the course of a year and provide additional leave to employees.

In the 90s, most preferred reductions in the working week

According to a Eurofound report (Taddei, 1998: 41) based on country studies from Belgium, Germany, France, Sweden and the Netherlands, most companies used weekly working time as a reference point when reducing working time. However, in actual cases of implementation, a large degree of flexibility was observed, even using time credit accounts in which employees could save hours for other periods during a year.

Important in this regard is that some have proposed working towards a “**compressed working week**”. In this scenario, the current working time per week would remain constant, but it would be performed in four rather than five days (e.g. in a 38-hour week: four days of 9:30 duration followed by three days off). Several studies and examples show that working time being compressed in such a way is not beneficial for workers in general and for women specifically (Tucker and Folkard, 2012).

Who should pay for this?

A shortening of working hours has an economic cost. Depending on how the reduction in working time is organised, the costs can be compensated in different ways. Additionally here, we give a schematic overview of how the costs of working time reduction can be borne, and by whom (see Figure 17).

Employees, employers or the government?

First of all, **employees** can pay the costs of the working time reduction in several ways. The most direct way in which employees can bear the costs is through their wages. In

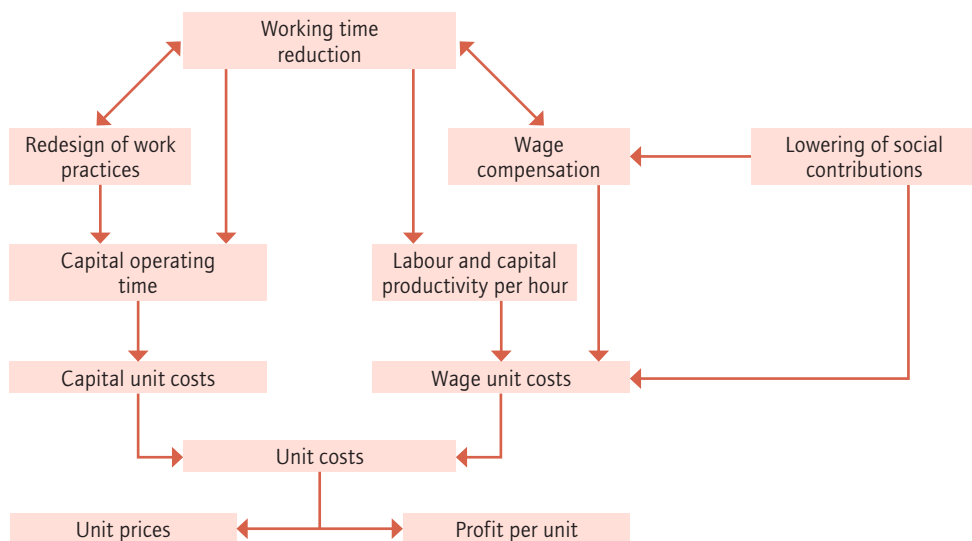
this case, the wages of the workers are decreased proportionally to the reduced hours of work. A less drastic version is where employees pay in the longer term where the negotiations encompass a wage freeze. In this version, wages remain at the same level but do not grow in spite of productivity increases. Such a “wage freeze” is a wage increase in the short term but might be a moderation in the long term.

Workers can also pay for shorter working time in non-wage ways. As such, work can be intensified so workers produce more in less time. Alternatively, working time can be organised more flexibly so as to allow, for example, longer capital utilisation time by the introduction of different shifts (see p. 18). Machines are used for more hours, increasing productivity and therefore keeping unit costs neutral.

The option to let employees pay has several possible negative side-effects. As such, a wage reduction (or freeze) might create great financial problems for employees at the lower end of the wage distribution. An increase in work intensity might negatively affect employees’ health, and similar arguments can be made regarding greater flexibility in working time. In the overview of working time reductions in the 90s, Taddei (1998) observed that employees were able to negotiate pay stability if they made concessions which were greatly to the benefit of the organisation (e.g. by extending the operating hours of companies).

Second, the cost of the reduction can be paid for by **employers**. In this case, wages would remain constant while working time decreased. This would increase the costs of production which might be compensated through (1) lower profits, (2) higher prices and less production. In the longer term, the risen costs of labour could act as an incentive for employers to invest in labour-saving technologies (machinery). The choices of the employer will depend on the overall profitability of the company, the price-elasticity of product demand and the prospects of investing in labour-saving capital products.

Figure 17 Costs related to working time reduction



Source: Cette and Taddei (1994), Bosch and Lehdorff (2001), authors' adaptations

Equally, the option to let employers pay for the reduction in working time has several potential disadvantages. In price-sensitive markets, an increase in prices might have serious effects on the demand for the product and the competitiveness of companies. Also, lower profits might encourage companies to relocate production or limit future investments. On the other hand, it is argued that a shortening of working time might contribute in rebalancing the increasingly unequal distribution of profits between capital and labour.

Third, the **state** can pay for the reduction in working time by providing cuts in social security contributions in exchange. The state can do so by cutting the contributions of employees to ensure that wage compensation does not translate into extra costs for employers. Alternatively, the state can cut the contributions of employers, to provide compensation for increased labour costs.

This option to let the state pay, using cuts in social contributions, has as a drawback that it reduces the financial base for social security provision. In countries where pensions and other benefits are proportional to gross wages, a cut in employee contributions might negatively affect the future income of workers. Also, of course, such a strategy increases the pressure on government budgets. According to the proponents of working time reduction, this effect might be reduced through several areas of potential return such as reduced social spending and increased social security contributions due to increased employment.

Everybody pays: Belgian 5-3-3 agreements

Between 1983 and 1984, trade unions and employer organisations started making so-called 5-3-3 agreements. These agreements consisted of a working time reduction of five per cent in exchange for a limited wage increase of three per cent (including indexation) and a reduction in employer contributions of three per cent. The system thus tried to spread the cost of the reduction in working time over the three parties.

Let the employer pay. The problem of wage share

Since the 1980s, roughly speaking, wage growth in the US, the UK and (to a lesser extent) countries in the rest of the EU has stopped following productivity increases. Before, when we managed to produce more in the same time, a part of that gain went to workers (in the form of higher wages) and a part to the employer (in the form of higher profits). The part that goes to workers, the wage share, has been declining now for decades. According to some researchers, like Özlem Onaran (2015), this decline is responsible for lower

and more volatile growth. Indeed, wages are not only costs but also a source of demand. Stagnating wages thus means stagnating demand. One of the policy interventions proposed to reverse this is a "Substantial shortening of working time in parallel with the historic growth in productivity (...), without loss of wages, in particular, in the case of low and median wage earners, which implies an increase in hourly wages as well as the wage share." (Onaran, 2015: 28). Similarly, Husson (2015) states that the rise of the wage share (and the consequential rise in unemployment and financialisation of the economy) was the consequence of an insufficient reduction in working time. He therefore pleads for a rather radical reduction in working time which would rebalance income distribution and put capital back to work.

The question remains whether such a reduction in working time (and thus an implicit increase in wages) will lead to an increase in the wage share. This would mean that employers react by accepting less profits and not resort to other strategies like increasing prices, reducing production or radically substituting workers with machines.

Let nobody pay

The central challenge in designing a reduction in working time is finding a solution where there are **no costs to be paid by any of the parties**. This can be achieved in several ways. When working time reduction prevents work-related accidents, it reduces costs for all parties involved. When working time reduction prevents long term absences due to burn-out, it is again beneficial for all parties. The same goes for a reduction in short term absenteeism. Beneficial health effects provide a definite win-win which might pay for the reduction (or at least reduce its cost significantly).

Next to the health effects, working time reduction can also be financed by increases in **productivity**. Working smarter, not working harder. As discussed in Chapter 2, p. 39, an increase in productivity might reduce overall costs but equally it might reduce the potential employment effects.

A third potential way to finance (in part) reductions in working time is through a maximisation of the economic **payback effects**. Working time reduction which creates employment will (1) decrease the amount of unemployment benefit a country will need to pay, (2) increase the tax returns of a company through income taxes, (3) increase purchasing power and consumption in an economy.

The question remains whether (and how) these win-win-win situations for employees, employers and the government might generate the savings and the gains from which working time reductions could be fully financed.

How much should be paid: gross versus net costs

effects, however, the net costs are estimated to hover around 2.5 billion euros.

A great many experiments in working time reduction have been set up and financed in various ways. These can teach us about the extent of win-win solutions and how to reduce or at least limit costs for the parties involved.

The **35-hour week in France**, discussed in more detail in Chapter 2, p. 29, was financed through a combination of tax concessions, a wage freeze and an increase in organisational efficiency. The bulk of the burden was, nevertheless, carried by the government in the form of reductions in social contributions. According to the evaluation report of the French National Assembly (Assemblée Nationale, 2014: 105–113), the gross costs of the policy are about 11 to 13 billion euros. When taking into account the economic payback

The cost of the experiment with the **six-hour day in a Swedish elder care centre** was carried by the local government which provided subsidies to compensate for the loss in hours in the form of new recruitments. Here, the gross costs over the 23 months of the experiment was about 12.5 million SEK. Taking into account economic paybacks, such as savings on unemployment benefits, the net cost is an estimated 6.5 million SEK. This estimate does not take into account the decrease in absenteeism, the increase in income through the income tax system and other non-estimable benefits. One problem in this experiment is that the costs were carried by a subsidy from the local government while some of the paybacks occur at national government level.

Reducing working time and extending operating hours?

One way of attempting to combine a reduction in working time with stable salaries and stable costs for employers is by simultaneously extending operating hours in a firm. In industrial companies, introducing systems in which machines can be used more intensively could potentially decrease unit production costs. In this way, extending operating hours would lead to an overall increase in productivity which could finance higher wages per hour while keeping costs under control.

In less industrial settings, an extension of operating hours can equally well be imagined. In this case, services could be provided over a longer period in the day. However, to be able to finance the reduction in working time, such longer working hours should lead to a proportionally higher demand for services. This might be more difficult to realise in service sectors (Bosch and Lehnendorff, 2001).

In Taddei's (1998: 55) analysis of working time reduction schemes in the 80s and 90s, the parallel extension of operating hours was identified as a bargaining chip in discussions on reductions in working time. Moreover, in France many working time reductions were established at the request of managements wishing to extend operating hours in an industry. Next, in some public services, the demand to provide services in the evening or at the weekend often had to be combined with an overall reduction in working time to be acceptable to staff.

While extending operating hours could provide a solution for the "who pays" question, it might have some negative side-effects on overall job quality in companies. Shiftwork, evening work and weekend work are work schedules with pronounced social and health effects on employees. In this case, employees might still "pay" for the working time reduction with their health or well-being.

6+6 experiments in Finland

In the 90s Finland started to experiment with a combination of shorter working hours (six hours per day) combined with longer operating hours (twelve hours per day). The experiments were inspired by Prof Seppänen, who proposed the 6+6 model as a way to accommodate employees' demand for shorter working hours with employers' demands for more flexibility and consumers' demands for longer service hours (Peltola, 1998). The system would introduce a general two-shift day: one morning shift, from 8 to 14h; and an afternoon shift, from 14 to 20h. This would introduce a general 30-hour week. After lengthy discussions, experiments with the system started in 1994-1995 with some private and public sector companies joining in. In the private sector, no government aid was attributed although in the public sector some funds

were made available. Overall, employment increased in those units by around 30-35 per cent. The extra costs in the private sector were recuperated thanks to the additional operating hours for machinery. As such, according to Anttila (2005: 68), the introduction of a 6+6 scheme in a Finnish industrial plant led to a decrease in unit labour costs of 17 per cent and limited costs related to overtime premia.

Some negative side-effects were an increase in work intensity (Peltola, 1998); the loss of autonomy over time (Anttila *et al.*, 2005); and social separation between workers (Anttila *et al.*, 2005). Nonetheless, some authors state that similar initiatives were taken in, for example, Italy (D'Aloia *et al.*, 2006: 171).

In many companies and public services, however, the experiments stopped after a certain period. In some

companies, this was because the market situation had changed but, according to Anttila (2005: 141), the main reason was cultural: "The empirical test with the six-plus-six hour model showed that the model is technically clever and provides indisputable benefits, but it is also socially insensitive. (...) The two-shift model would also have required a two-shift society". Indeed, workers resisted working late shifts because they were not aligned with social norms. Even when given full wage compensation, employees perceived the system to be in the interest of the employer or the client and not in the interests of employees.

More competitive firms through 6+6 system in Sweden

In 1994, the Swedish spectacle manufacturing company Essilor was confronted with an increase in demand beyond its current production capacity. The company considered employing more employees and extending the working hours of existing employees, but did not succeed in meeting production demands. It then introduced a two-shift system of six hours,

effectively reducing working time of employees by two hours per day. Wages were kept at the eight-hour level. This intervention increased the wage budget by 100 per cent as an additional seven employees were recruited. However, the operation time of the machines increased by 72 per cent (from six hours to 10.33 hours per day). The company also experimented with the introduction of self-managing teams and with job rotation systems (Anttila, 2005).

As the company was able to produce more spectacles using the same machinery, the capital cost per unit decreased. The company could thus finance the working time reduction by increased efficiency and increased competitiveness on the market. Additionally, it was able to meet customer demands, thereby guaranteeing its position in the market. Both employees and employers were satisfied with the system. The traditional resistance to shiftwork was lessened as the shifts were relatively short and came at the same wage level as the previous eight-hour shift, while the amount of overtime was reduced (Olsson, 1999).

Start with national legislation, or company deals?

The way in which working time is set varies considerably from country to country. At EU level, the working time directive sets the maximum working time at 48 hours per week. In many countries, national legislation or a national collective agreement reduces the maximum working time to around 40 hours. In some countries, regional legislation can implement different rules. Sectoral agreements can further reduce working hours for a specific industry. Additionally, single companies can decide, through agreement, to install a different working time regime. And, at the individual level, single employees can agree on contracts. The weight of these different levels is, in some countries, limited and in others quite extensive. In a Eurofound report (2016b), distinction is made between four different systems: pure mandated, adjusted mandates, negotiated and unilateral systems.

The way in, and the level at which working time limits are set has consequences for the way in which working time can be reduced. In countries with important sectoral agreements on working time, a general reduction in working time can start with a sectoral agreement which introduces a new full-time norm which can then be taken over by national legislation. In countries lacking sectoral social dialogue, such a strategy is difficult to envisage. There, a reduction might need to come at national or company level.

European: Trade union alignment

In 1998, the European Metalworkers Federation agreed on a "Charter on Working Time". This Charter mentions the general aim of the EMF and its affiliates of seeking a reduction of working time, committing to a 35-hour week. After specifying the objective, the Charter also states that its affiliates should not agree to yearly working time of more than 1,750 hours on an annual basis (a 38-hour week) and a maximum of 100 overtime hours in order to avoid downward competition. The Charter also included measures to benchmark progress and exchange experiences to encourage affiliates to reduce working time.

In 2000, the European Federation of Public Service Unions (EPSU) equally adopted a policy on working time. Its policy document clearly states the objective of attaining a 35-hour week through negotiations with EPSU affiliates at the appropriate level (EPSU, 2000). According to an ETUC fact sheet, this policy inspired national affiliates in their negotiations on working time reduction (ETUC, 2011).

National: small reductions in Belgium and the Netherlands

In 2003, the maximum weekly working time in Belgium was reduced from 39 to 38 hours. Companies and sectors could anticipate this reduction via collective agreements reached between 2001 and 2003. These agreements were capable of determining the way in which the reduction would take shape (a reduction per week, extra leave allowance, etc.) (FOD WASO, 2017). In 1982, Dutch employer and employee representatives agreed on a landmark text, the Wassenaar Agreement. This agreement was a response to a period of high unemployment and aimed to solve this question through wage moderation and working time reduction. Following this agreement, many sectors reduced their working time through collective agreements from 40 to 38 hours per week (de Beer, 2012).

Sectoral: 35 hours in Spanish metal sector in Asturias

In June 2000, a sectoral agreement in the metal sector in the Spanish region of Asturias "broke the taboo" on the 35-hour week. Over a period of four years, working time would be reduced from 38.5 to 35 hours. The reduction was part of an agreement including a wage increase but also an elimination of seniority pay for new recruits and a reduction of this for current workers. The unions hoped that this agreement would set an example for other sectors.

Company: 38 hours in Czechia

In 2004, statutory weekly working time was set at 40 hours. However, in multiple company-level collective agreements, working time was reduced to 38 hours without wage compensation. According to Fassman and Cornejova (2006) such provisions were included in no less than 94 per cent of all company collective agreements in 2004.

Company: Portuguese public sector avoids 40-hour week through local bargaining

In September 2013, the Portuguese government passed a law lengthening the 35-hour week in the public sector to 40 hours. According to the first version of the law, a local collective agreement could not establish more beneficial hours. This last aspect was considered unconstitutional, paving the way for unions to negotiate the continuation of the 35-hour week in individual local authorities. By February 2014, 145 local authorities had signed such agreements, including Lisbon and Porto, showing that local bargaining could prevent the lengthening of working time from occurring in practice (da Paz Campos Lima, 2014). Notwithstanding this effort to counter the lengthening of working time through local agreements, the Portuguese unions still felt it necessary to call a strike later on to demand a full reinstatement of the 35-hour week (da Paz Campos Lima, 2015). In July 2016, the Portuguese government announced the reintroduction of the 35-hour week in the public sector (The Portugal News, 2016).

In general, we differentiate between six levels at which working time reduction can take place: European, national, regional, sectoral, company and individual. As the individual level does not concern a “collective” working time reduction, this is discussed elsewhere in this guide (see p. 59).

The success of a bottom-up strategy in reducing working time depends essentially on whether or not other companies, sectors or countries follow the example. Success depends, in other words, on possible **spill-over effects**. A great many examples exist on spill-over at the same level (between sectors) or within a single country (from the company to the sectoral level). In a European context, however, the spill-overs should not only be confined to the national level but should equally extend to the European level.

Spill-overs in Peugeot

Following the introduction of a 35-hour week in the French plants of Peugeot, the unions and the management of Peugeot in the UK started a negotiation for a similar reduction in working time in 2000. They agreed to a reduction from 39 hours weekly to 36.75,

which would correspond to the French 35-hour week (as it excludes breaks in France). The reduction, however, came in parallel to the introduction of a third shift and an annualisation of the reference period. Still, the example shows how pattern bargaining can also become an international institution (Marginson, 2001).

Mandatory or free to participate?

The reduction in working time can be mandatory or voluntary. In mandatory systems, all employees, companies or sectors are obliged to reduce working time to a similar extent. In voluntary systems, the reduction is dependent on an opt-in.

At enterprise level, employees can opt-in using a system of work sharing (see VRT case, p. 75), or companies can voluntarily use a system of tax concessions to compensate for the (non-voluntary) working time reduction of their employees. The choice for a voluntary or compulsory system of course directly influences the effect of the working time reduction.

In a voluntary system, only a part of companies and employees will effectively reduce their working time, which might reduce the employment effects of the measure. Additionally, it might reassert common gender roles rather than weaken them. In voluntary systems, women might be the first to choose to reduce their working time.

On the other hand, a voluntary system is easier to implement and will probably meet less resistance from employees and employers not wishing to reduce their working time.

Voluntary working time reduction at company level with policy support: the French Robien law

In 1996, France adopted the so-called “loi Robien” providing government support to companies wishing to reduce the working hours of their employees. Depending on an agreement with the social partners, companies could receive a reduction in the employer’s social security contributions of up to 50 per cent if they reduced working hours by at least 15 per cent. The compensation would be phased out over six years and could be less if the working time reduction was less important. The plan had both progressive and defensive versions. In the progressive version, the company had to create additional employment proportionate to the reduction in working time. In the defensive version, the employer had to provide job security for a certain time, established by agreement. In the two years in which the law was applicable (it was later replaced by a general working time reduction), a total of 3,000 agreements were made, creating or saving a total of 33,000 jobs. Interestingly, most agreements made were progressive ones (Fiole *et al.*, 2002).

Freizeitoption: choosing between money and time at sectoral level

In 2013, the Austrian collective agreement in the electrical and electronics industry included a so-called *freizeitoption*. This option allowed employees to choose between a wage increase of about three per cent or additional leisure time of around five hours per month (Gerold and Nocker, 2015) based on data from the Austrian Microcensus 2012, suggest that employees who prefer shorter weekly working hours are older, higher educated and work longer hours in white-collar positions, compared to those who do not wish to change their hours. Gender differences are greatest in terms of household and family characteristics, supporting the ‘male breadwinner & part-time’ model. Qualitative interviews have been conducted among employees who had the possibility to choose between a pay increase and equivalent leisure time via a new worktime policy (“Freizeitoption”. Employees could

only make this choice if there was a specific company agreement between the works council or union and the management. If there was no such agreement, the agreed sectoral wage increase would automatically apply. This agreement was perceived as a serious hurdle by works council members. Also, the narrow timeframe to step into the system, and uncertainty about the practicalities, led to the situation where an estimated 8-10 per cent of all eligible employees chose time instead of money (Gerold and Nocker, 2015; Soder, 2014) based on data from the Austrian Microcensus 2012, suggest that employees who prefer shorter weekly working hours are older, higher educated and work longer hours in white-collar positions, compared to those who do not wish to change their hours. Gender differences are greatest in terms of household and family characteristics, supporting the ‘male breadwinner & part-time’ model. Qualitative interviews have been conducted among employees who had the possibility to choose between a pay increase and equivalent leisure time via a new worktime policy (“Freizeitoption”. In-depth interviews showed that those not choosing extra leisure time did so mostly because of financial concerns in the long-term. More than the immediate loss of income, respondents were concerned about the impact of reduced working time on their pension and future income developments.

Job sharing in one company: Alcan in Canada

In 1995, the aluminium processing company Alcan made an agreement with the company’s trade unions to save jobs through voluntary job sharing. The programme was rather simple. Employees could sign-up to work a 40-hour working week although they would only get paid for 38 hours. The extra hours were put in a personal time bank account and could be used for extra holidays. With this reduction in working time of five per cent, laid-off employees could be reemployed and additional recruitment was possible. A federal and provincial support mechanism further reduced the wage decrease for the first three years (Lanoie *et al.*, 2000). Most employees joined the system, paving the way for the creation of more than 100 extra jobs (Tremblay, 2003).

Collective or individual reductions and the trouble with part-time work

Probably the most important choice to make when developing a policy to reduce working hours is the choice between collective and individual systems. In collective systems, the choice to reduce hours is made on a company, sector, country or higher level.

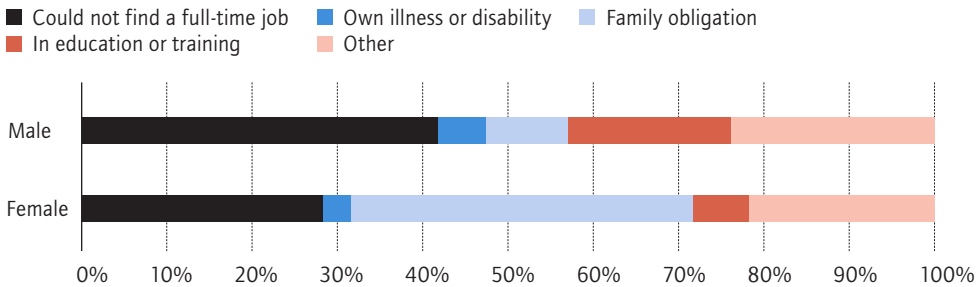
In individual systems, the choice to work less is made at the individual or job level. It is the individual employee who chooses to work fewer hours and take a part-time job, or it is the company which decides also to offer some jobs for less than full-time working hours. The main form of individual working time reduction is part-time work. Here, a distinction may in general be made between short part-time hours (< 20 hours a week) and long part-time ones (> 20 hours per week).

What should we think about the rise in part-time employment? There are several arguments in favour of such individual systems of working time reduction. Proponents say that it leaves the choice about the number of hours worked to the employee, based on his or her family and income situation. It allows people to work more hours should they want to and it is relatively clear who pays for the reduced hours, i.e. the employee. Additionally, promoting individual reductions of working time in the form of part-time employment might increase the overall participation of women in the labour market and act as a stepping stone to full-time jobs.

However, a closer scrutiny of those arguments bleaches the picture considerably. First of all, it is not clear whether the choice of part-time work really is a free choice. Figure 18 provides reasons for why people work part-time, showing a clear difference between men and women. Where men typically opt for part-time jobs because they could not find any other job, or because they want to combine work with education or training, or have other (unspecified) reasons, almost 40 per cent of women opting for part-time jobs do so for reasons of family obligations. These include taking care of children and elderly family members or the existence of other family obligations in general. It is clear from these figures that part-time work is dominated by women, and the reason why is mostly related to the other two burdens women have to carry: doing the household and providing care. Given the current distribution of tasks between men and women, one can hardly say women have a really “free” choice to limit their professional life to a part-time job.

The choice of part-time work is not a neutral one. It has some direct and indirect consequences for equality between the sexes on the labour market. Of course, part-time work is associated with a direct reduction of the income of employees. However, there is also an indirect income effect as most social security benefits (health coverage, unemployment benefit, pension) depend on the income of the person. If that income is lower because one only works part-time, these benefits will be lower, too.

Furthermore, employees who work part-time are often perceived by employers as being less motivated and less committed to work. This might result in assignment to less central roles in the organisation; an effect undoubtedly connected to gender discrimination. They are also less able to gain a dense and rich network in the organisation as they are absent on a frequent basis. All this leads to reduced **promotion chances** for part-time workers (q.v. women) which, again, has an effect on their direct and indirect income.

Figure 18 Reasons for part-time work Euro 19 area

Source: LFS 2015

Part-time workers treated differently by employers

Edwards and Robinson carried out two similar studies of working time reductions and their effects on the workers involved. They found that, among police officers in the UK, a reduction in working hours, driven by employees' requests to accommodate care commitments, resulted in reduced responsibilities for part-time workers (Edwards and Robinson, 1999). This was linked to their limited availability as well as their confinement to less demanding and marginal roles, thus leading to an overall reduction in work intensity. A comparable qualitative analysis of working time reduction among nurses in the UK revealed similar patterns of decreased responsibilities (Edwards and Robinson, 2004). This included an assignment to less central roles, coupled with managers' evaluation

of part-timers as less committed; less available for work, especially during unsocial hours; and unwilling to tackle new tasks and roles. Beechey and Perkins (1987) reached similar conclusions in their case study of a healthcare institution in the UK, where nursing administrators were reluctant to employ skilled nursing staff on part-time contracts. As a result, part-time nurses were used to provide "off-peak" cover, on night or weekend shifts.

Work longer, get a promotion

In a study using German and US panel data, Bell and Freeman (2001) studied the relationship between working extra hours and the probability of gaining promotion. Controlling for other factors, their study confirmed that ten per cent more hours worked increased the probability of getting a promotion by four per cent.

Last, but not least, as women are pushed into part-time employment, they will predominantly work in **sectors** which are open to part-time working. These sectors (non-profit, personal services) generally give lower wages which, again, affects the direct and indirect income of part-time workers (most of whom are, of course, women).

So, the option to shorten working hours by promoting individual systems and pushing people to choose part-time work individually seems like a dead-end solution, particularly from a gender perspective. The choice of a part-time job is principally determined by gender roles but the choice itself is not a neutral one. It decreases the financial independence of women, reduces their promotion chances and their indirect income and, all-in-all, might well re-affirm the gender-pay gap.

For these reasons, many feminist organisations favour collective working time reductions which share the price of the reduction between the different parties

(employers, employees and government) and enable women to make real progress towards establishing an equal occupational footing with men.

A mid-way option might be to improve the status of part-time workers. This could be done by limiting the direct income loss associated with working part-time (through taxation regimes, equal pay regulation); adapting social security systems to ensure rights for part-time workers (e.g. removing hours-related thresholds); promoting equal gender roles; ensuring smooth transitions from part- to full-time work and back; and attempting to change company culture.

Upgraded part-time work in the Netherlands

In no other country is part-time work as common as in the Netherlands (for more details see p. 26). Dutch labour market policy has contributed to this by improving the position of part-time workers. In 1993, a law removed hours-related thresholds for entitlements to the minimum wage and holiday allowance. In 1996, legislation prohibited all discrimination between employees based on working hours, and thus guaranteed equal treatment in terms of wages, holiday pay, bonuses, training and other entitlements (Fouarge and Baaijens, 2006). In 2000, another act introduced a right for employees to request an increase or decrease of their working hours (Visser *et al.*, 2011). Employers need to justify refusals. All these measures strengthened the

position of part-time workers and stimulated people to opt for such jobs. This does not mean, however, that all of the problems regarding part-time work have been solved.

Avoiding the use of part-time work in Sweden

Given the gender inequalities related to part-time work, some initiatives have been taken in Sweden to introduce a "right to full-time work". The idea would be that employees working part-time for three years would be given the automatic right to a full-time job (Thorsen and Brunk, 2009). The Swedish Trade Union Confederation (LO) proposed this right in negotiations (LO, 2010) but it has not yet resulted in any national legislation.

Job sharing

Another more individual way of reducing working time is job sharing. Here, employees might decide to go part-time to allow another person to be recruited and take up the remaining working hours. Time on the job is, in other words, shared between different people. Job sharing is, in essence, a kind of part-time work which is, however, collectively regulated.

This has potential advantages to employers as it might improve productivity, decrease absenteeism and lead to innovations in the job because of the multiple perspectives (Williamson *et al.*, 2015). From an employee perspective, the advantages include a better combination of work and private life while retaining their old position. Challenges and problems are the increased need for communication and coordination, the need for the two people to get on with each other and the potential for costs to increase. For employees, sharing your job, just as with part-time work, might impede professional progression.

Policies promoting job sharing in Finland

In 1996, Finland introduced a system of job sharing. The system provided that employees could, by agreement with their employer, reduce their working time by between 40 per cent and 60 per cent. The reduced income was 50 per cent compensated by the government (for one year) and the employer had to

recruit new staff in respect of the reduced working time. Peltola (1998) reviewed the system and stated that, by late 1997, 6,000 employees had joined the system. One of the problems, however, was that there was temporary wage discrimination between employees reducing their working time (and receiving compensation) and the employees who were recruited to fill the reduced working hours.

Creating or saving jobs by reducing working time?

In an analysis of working time reduction policies in the round, distinction may be made between defensive and progressive policies: the first are focused on decreasing working time to save jobs (prevent dismissals), while the second are focused on the creation of additional employment.

Many company-level examples of temporary working time reductions have a clear defensive feature, the Volkswagen case being a prime example (see p. 60). Likewise, some national policies have been developed to encourage companies to use temporary working time reductions to avoid cyclical lay-offs (e.g. *Kurzarbeit* in Germany, *deeltijdse werkloosheid* in Belgium). However, not all defensive working time reductions are implemented in response to cyclical falls in demand. A defensive working time reduction can also be part of the answer to a more structural decline in employment in a company, sector, country or continent (Taddei, 1998: 33).

US Kosice four-day week to save jobs

In 2009 and 2012, the US steel company Kosice implemented temporary four-day working weeks in the production sector for respectively six months and one month. The employees received 60 per cent of their wage for the days not worked. The system was put in place in agreement with the local unions and sought to protect employment in periods of low orders. In 2012, the company envisaged installing a four-day week for two months but returned to normal working hours after just one month (Cziria, 2012).

Short-time working during the crisis in Sweden

During the economic crisis years of 2008 and 2009, the social partners in Sweden agreed on a form of temporary working time reduction paid for by the employer, the employee and the government. The agreement enabled workers to reduce working hours from between 10 per cent and 60 per cent. The wages of the employees would be affected only slightly, the result of a joint effort from the employer and from the government. This system enabled companies to reduce wage costs temporarily while keeping employees on board, and could be used for up to twelve months. According to the IF Metall union, the system saved up to 15,000 jobs. In 2012, the system was put on to a more permanent basis (Kullander and Halling, 2012).

Such defensive agreements, however, bear some risks. First of all, when salary concessions are made in the context of permanent defensive working time reductions, they risk being irreversible while working time can easily be increased at a later stage. Second, in temporary defensive agreements, there is a risk that management exaggerates the difficulties in the company to negotiate more concessions. Third, it is very difficult to control job security guarantees: no lay-offs is one thing, but what about natural attrition which is not replaced; and what about the replacement of personnel in more precarious employment relationships?

A reduction for some years, or forever?

Closely linked to the previous question is whether the working time reduction should be permanent or only temporary. If the working time reduction is an answer to an immediate and temporary problem, it might be repealed once the issue is off the table. As such, most company-level defensive working time reductions are temporary. They seek to save employment in the face of a (hopefully temporary) decrease in demand for products. However, not all defensive measures at company level are temporary, such as the Belgian Vande Lanotte law (see box underneath).

Working time reduction can also be temporary but not defensive on the employment field. As such, we have seen examples of dramatic temporary reductions in working time in response to energy shortages (see p. 35) and the Presidents Reemployment Agreement (see p. 32). The decision between temporary and permanent policies essentially depends on the objectives of the reduction and will have consequences as regards the actual effects in practice. Temporary working-time reductions have proven their effectiveness in saving employment in times of temporary economic downturn (see p. 32) and might even have buffered the impact of the crisis. They also limit the costs of employers and employees of introducing such systems. At the same time, temporary systems are unlikely permanently to change gender roles in society nor put women employees on the same footing as male employees. Work-life balance is only temporarily improved and there is little or no effect on the sustainability of the economy, etc.

Defensive but permanent: the Belgian Vande Lanotte Plan

On January 1, 1997, the Belgian government introduced its working time reduction plan for companies in economic trouble. Conditional on an agreement with the trade unions, companies could reduce working time to at least 36 hours in exchange for a considerable reduction in employers' social security contributions. If companies introduced a 32-hour week, the reduction was equally larger. Importantly,

while the reduction in working time was meant to be permanent (with an open-ended collective agreement), the reduction in social security contributions was temporary and phased out over a period of a maximum of six years. The number of companies participating in this defensive part of the plan (there was also a progressive part) was limited because of the unwieldy procedures, the temporary nature of the social security reduction and the unwillingness of companies to change work and organisational routines.

Shorter work for all, or just for some?

When working time reduction has the goal of enabling longer working lives, policy-makers often think about targeting working time reduction on specific groups. As such, many countries have introduced systems in which older workers receive additional leave. From the point of view of improving work-life balance, many countries have systems in place which provide new mothers with the opportunity to reduce their working hours to take care of the children.

These systems seem attractive because they are targeted on a specific problem (older workers leaving the labour market, mothers having trouble combining work with raising children) faced by a specific target group. At the same time, one should be wary of possible negative side-effects. It is generally known that women face discrimination when searching for a job simply because of the possibility that they will become pregnant and will have to stop working temporarily, or will reduce their working hours afterwards.

The same could be said for older workers. While it might increase the feasibility of the job for some such workers, it might also be an obstacle for them in finding (or keeping) a job as the employer will perceive the older worker as being more costly or troublesome than younger ones.

Extra leave for older workers in Belgian non-profit sector

Since 2000, workers in the Belgian non-profit sector have received additional leave depending on their age: one day per month for those aged 45+, two days per month for those who are 50+ and three days per month for 55+ workers. The objective of the system is to make the jobs attractive and keep older workers

active for a longer period. A recent evaluation of the system shows a mixed picture. While most employers agree that these systems helped them in recruiting good candidates for open positions, they also report that they presented an obstacle to employing older workers. As for working longer, most employers agree that reducing working time contributes to employees staying longer in the job (Lamberts *et al.*, 2015).

Changing legal working hours, or the working hours culture?

Up to now, the focus has lay mostly on the structure of working hours (the amount legally required) and the effects of this on various aspects of the debate. Working hours are, however, not only a matter of structure, but they are also a matter of culture. The stories of Japanese or Chinese employees working till they die (*karoshi* and *guolaosi*) are widely known. At the same time, many European countries equally face a similar type of “long working hours culture”. Particularly in management functions, working long hours is seen as a form of status, signalling importance.

When asked, the main reasons provided for working long hours are workload, staff shortages, project work, the introduction of so-called “flat organisations”, email overload, meetings-oriented culture and an increased need to travel (Kodz, 2003). However, in addition, there is a generally perceived need to “be present” to show the

commitment of the employee to the firm. Having so-called “face time” with the supervisor increases promotion possibilities significantly, leading to what can be called “competitive presenteeism” (Simpson, 1998).

Such a culture nevertheless affects the health of the employee and the possibilities of combining work and private life, and, not unimportantly, it puts women with children at a significant disadvantage.

Working time culture to confirm gender inequality

In an interesting study, Sarah Rutherford (2001) focused on companies with long working hours cultures and highlighted that time was a means to confirm gender inequality. She draws a telling picture of company managers who see going home at around

6:30 as a signal of not having enough work, companies in which meetings are set at 7am or 6pm, and co-worker competition to remain in the office as long as possible. While obviously being bad for the health of employees and their quality of life, it also introduces a gender division in the workforce as women with children, given their unchanged workload in the household, are simply not able to work such hours.

Reducing the number of hours worked without reducing the culture of long working hours in some parts of society might therefore be a rather non-effective measure. Together with a change in the structure of working hours, an adaptation of the culture is required. One way of doing this is by trying to limit working outside office hours. The French right to disconnect (see beneath) goes in this direction.

The French right to disconnect, 2017

With emails, laptops and smartphones, employees are able to work just about anywhere and everywhere. This puts a permanent pressure on workers and could be one of the causes of burn-outs. To counter this evolution and better to mark the border

between private life and work life, the French legislation introduces a “right to disconnect”. This right can be invoked when employers push employees to respond to work emails after work hours. It is aimed to change the culture of continuously being connected and on stand-by for work.

Another way to influence the long working hours culture, or competitive presenteeism, could find inspiration in campaigns to fight normal presenteeism. Normal presenteeism occurs when employees come to the office even though they are unwell. This is particularly damaging for the employee, but also for fellow workers, the employer and society at large. People coming in when they are unwell could lengthen the period of sickness and might lead to bugs being spread around the office. Consequently, employers, governments and trade unions generally ask people to stay at home when sick.

The same could be said about competitive presenteeism. It harms health and makes people less productive; their own presenteeism may encourage other employees to do the same; and it might decrease ability to work later in life. To the advantage of us all, we should all go home when work hours end. Some companies like Patagonia seem

to have understood this lesson by locking the doors of the office after hours to stop employees from working (Quan, 2015).

**Culture and working time reduction:
the unravelling of the Kellogg six-hour day**

In 1930, the Kellogg plant in Battle Creek, Michigan, changed its working time policy and reduced the total working day to six hours. The company changed from a three-shift system of eight hours to a four-shift system of six hours, hoping to create jobs in the era of the Great Depression. The experiment met with particular enthusiasm from workers, labour leaders, politicians and business leaders. Over the course of several years, however, the six-hour day was rolled back department-by-department. In 1985, the remaining 530 workers on a six-hour day yielded and the experiment was officially over. So why did we observe an unravelling of the six-hour day? There are, of course, many explanations but Hunnicutt (1996) particularly addresses the

cultural problem: "The 'necessity' to work 'full-time' was a culturally-produced outcome of class and gender struggles" (1996: 6). The class element refers to a change in management opinion about the reduction in working time from being supportive to being openly hostile. The gender element is of equal interest. It was, namely, male workers in the plant who mobilised for a return to an eight-hour working day. A six-hour working day decreased the centrality of work in society and therefore undermined the position of the male in the family. Added to that, the advent of television reduced the enthusiasm for common leisure activities. Leisure became more individual and actually less valuable. Against the pressures of management, gender relations and shifts in leisure activities, the proponents of the six-hour working day kept on losing battles in departments until they lost the war.

Conclusions

The devil is in the detail. Being in favour of reduced working time is one thing; agreeing on how this reduction should take shape is another. As has been made clear, there are many decisions to be taken in giving shape to reduced working time and all have consequences for the actual outcomes of the reduction.

Luckily, numerous experiments have been implemented with almost all differing in their shape. No working time reduction is the same. We can learn from these experiments to shape working time reductions which are focused on the practical needs of our companies, sectors, countries or societies.

In order further to guide the endeavours of those implementing working time reductions, the following section discusses in more detail five different cases of working time reduction in terms of their goals, the shape they took and the results they delivered.

Chapter 4

How they did it: examples of working time reductions

The Netherlands

Olivier Pintelon and Stan De Spiegelaere

The Dutch 30-hour week or 'part-time economy'

- When: 1980-2017
- Individual and voluntary: massive part-time employment
- Paid for by employees (via loss of salary)

With 76 per cent of women working in part-time jobs, the Netherlands is an absolute outlier and a prime (and sole?) example of individual working time reduction on a mass scale. The large proportion of part-time employees results in an average working week (taking full- and part-time workers together) of less than 30 hours. The Netherlands, in other words, has realised a four-day working week through individual, rather than collective, forms of reducing working time.

How did they get there?

The start of this evolution dates back to the Wassenaar Agreement of 1982. Confronted with high and persistent unemployment figures, the Dutch trade unions accepted wage moderation in exchange for (a modest)

working time reduction. This working time reduction, however, did not materialise. The official evolution, from 40 to 38 hours per week, was never fully implemented (De Beer, 2012). The 1982 agreement did, however, give way to long term wage moderation, the other part of the agreement.

At the same time, the number of part-time jobs increased massively during the 80s and 90s. The Dutch labour market became the first “part-time economy” of the world (Visser, 2002). The particular rise in part-time work in the Netherlands is hard to explain and is most likely the consequence of an interplay between public norms and policy. Women entered the Dutch labour market late (in comparison with other EU countries), but rapidly. For a long time, the model of the housewife was deeply culturally embedded, preventing women from becoming active on the labour market. These conceptions shifted dramatically in the course of just a few years. As such, Yerkes and Visser (2006: 243) report that the disapproval rate of working mothers dropped from 84 per cent in 1965 to 44 per cent in 1970. During this period, women entered the labour market massively but mostly did so by taking up part-time jobs (van Doorne and Schippers, 2010; Visser *et al.*, 2011). On the employer side, these jobs were given in economically difficult periods and could prevent more painful dismissals.

Only at a later stage did policy step in to promote further the use of part-time employment. Some legislative acts here were essential, such as the 1996 *Prohibition of discrimination by working hours act* which forbids employers from discriminating between employees on the basis of differences in working hours unless there is an objective justification. Second, the 2000 *Working hours adjustment act* lends employees the right (under certain circumstances) to alter their working hours unilaterally. The right actually counts both for the reduction and the extension of working hours (Visser *et al.*, 2011).

Lessons from the Netherlands

Is the Dutch part-time economy a good example of modern working time reduction based on voluntarism and individual choice? While such a conclusion might be tempting, here are three lessons we can learn from this experience.

First, the Dutch example shows that **employment is relatively redistributable**. The increase in part-time work contributed heavily to the “Dutch miracle” as it saw the number of jobs increasing at a much higher pace than the EU average. Three-quarters of additional employment were part-time jobs and many went to women (Visser, 2002). In a critical review of this “Dutch miracle”, Van Oorschot (2002) showed that, while the Netherlands managed to put an exceptional amount of people to work, the amount of additional worked hours was below average. Similarly, van Doorne and Schippers (2010) noted that the activity rate of women in the Netherlands is particularly high but, when looking at working hours, or activity rate in full-time equivalents, the Netherlands scores below the EU average (van Doorne and Schippers, 2010). As such, the “Dutch miracle” demonstrates that redistributing work is feasible, that companies can adapt to people working part-time and that it can be part of a successful employment policy.

Second, **a virtual collective shortening of working time** does not result in increased employment. Reviewing the collective working time reduction of the 80s, Paul

De Beer (de Beer, 2012) argues that, in reality, full-time employees hardly shortened their working week. The reasons are manifold. Workers continued to work overtime and, in many companies, the number of days of paid leave was increased. This could explain why the shortening of the working week had only a limited employment effect.

Third, **a shortening of the working week on an individual and voluntary basis leads to gendered employment patterns.** Women are predominantly responsible for domestic work, which stimulates them to work part-time. In consequence, they have lower wages and lower career perspectives. An important remark to bear in mind is, however, that the Dutch social model is also characterised by the relative absence of affordable childcare provision – especially compared to Scandinavian countries.

France

Stan De Spiegelaere

The 35-hour week in France

- When: +/- 1998-2008
- 35-hour week for all companies
- Mandatory for all with incentives for voluntary adoption
- Permanent
- Paid for by government, employees and employer

In 1998, the French government came up with a startling proposal. Official working hours would be reduced from 39 to 35 hours. In doing so, France was (and still is) the first to decrease working hours via legal means to a 35-hour week. The working time reduction was introduced in two steps: in 1998 by the Aubry I law and, in 2000, by the Aubry II law. In the first act, the 35-hour week was announced for large enterprises (> 20 employees). Companies willing to reduce working hours earlier via a collective agreement could rely on considerable tax concessions. The Aubry II law reaffirmed the 35-hour week and gave the social partners more freedom to negotiate. Additionally, the requirement to prove the creation of additional employment in return for the tax advantages included in the Aubry I law was dropped. The social partners at company level gained considerable leeway in negotiating the practicalities. Working time could be calculated on an annual basis (and could thus be transformed into additional leave) and, for managerial staff, a separate arrangement was provided.

Working time reduction in France is therefore characterised by the following elements: (1) a relatively substantial reduction in legal working hours, (2) a major role for, and freedom of, the social partners, (3) a parallel reduction in tax contributions (especially for lower wages) and (4) increased flexibility for companies to arrange their working hours. While wages were not cut, a wage freeze of 18 months was implemented following the working time reduction.

The cost of the shorter working week in France was therefore paid mainly by the government and the workers. This, combined with a slight increase in productivity, contributed to overall labour costs remaining relatively unaffected by the policy measure. Unlike smaller working time reductions in, for example, the Netherlands, working

hours in France did have an observable effect as regards the number of hours worked per week which fell by about two hours (Askenazy, 2013; Lehndorff, 2014).

How should we evaluate the French experience? A recent evaluation report of the French National Assembly (Assemblée Nationale, 2014) provides us with ample insights into the effectiveness of the measure. The first issue of importance is the **employment effect**. Whether or not working time reduction contributed to any job creation and, if so, how many jobs was for a long time an issue of intense debate between academics. Job creation after the introduction of shorter working hours was acknowledged by all, but whether it was *thanks to* shorter working hours or *in spite of* them was unclear. Many stressed that it was greater flexibility and reduced taxes which were responsible for job creation, not the reduced working time. Nevertheless, there seems to be a general consensus that the working time reduction package led to the creation of between 350,000 and 500,000 jobs (Méda and Larroustou, 2016).

A second interesting effect is the reduction in the proportion of part-time workers, especially female **part-time** work. Apparently, women who would have chosen a part-time job under the 39-hour scheme considered that a full-time, 35-hour, job fitted their preferences. Also, companies previously providing part-time employment probably reconsidered and provided full-time, 35-hour, jobs. Given that female part-time working is considered an obstacle to true gender equality, this evolution might be considered as positive. Moreover, men enjoying a reduced working week reported being significantly more involved in caring and tasks, signalling a change (however moderate) in gender roles (Méda and Larroustou, 2016).

Third, an increase in the **employment rate of older workers** was observed. In a shorter working week, older workers seem to stay active longer. Given the ageing population in Europe, this could be a very positive signal. However, some caution should be exercised. The activity rate of older workers was very low in France and the increase in the employment rate just meant that France caught up with other countries. So, working hours is surely not the only, nor even the most important, determinant for the activity of older people on the labour market.

The evaluation of the 35-hour week on **work-life balance** is more mixed. Although a majority of respondents in one survey found the 35-hour week to be positive for work-life balance, the assessment was particularly more mixed when reduced working hours also meant the introduction of non-standard working hours, reduced control over working hours or a lack of respect for notice periods (Fagnani and Letablier, 2004).

But working hours in France did not bring only good news. One important side effect was the **intensification** of work. People worked fewer hours, but work during those hours was more intense than before (Askenazy, 2013). This was definitely a problem for white-collar employees. Also, with the decrease in working hours and the wage freeze, the proportion of employees earning the minimum wage was said to have increased significantly (OECD, 2005: 35–36).

In terms of **costs**, the 35-hour week in France provided considerable cuts in social contributions in parallel to the working time reduction. The cost for companies was, on average, neutral but the cost to the public finances was certainly not. According to the National Assembly (Assemblée Nationale, 2014) the tax cuts reached a total cost of €11–13 billion in 2006. This, however, does not represent the net cost. For this, one needs to account for the contributions paid by people who were employed thanks to the

working time reduction, the savings on unemployment contributions, other taxes paid through increased income, etc. The report of the French Assemblée Nationale (2014: 113) came to an indicative cost of about €8,000 per job.

The overall evaluation is thus surely not negative. Unfortunately, the shorter working week was eroded in several ways by successive French governments (Méda and Larrouturou, 2016). As a result, average working time increased again (Askenazy, 2013) and reached almost 40 hours for full-time employees (Nicot, 2010). It is therefore impossible to make a true evaluation of the long-term effects.

Sweden

Olivier Pintelon

The Svartedalen experiment

- When: 2014-2016
- 30-hour working week at company level
- Mandatory for all employees
- Temporary
- Fully paid for by the municipality of Göteborg

In the last two years, most discussion on working time reductions has turned on one particular experiment: the six-hour working day in the Swedish retirement home Svartedalen. For a period of 23 months, the nurses worked six instead of eight hours per day. Now, shortly after the experiment finished, we can interpret its effectiveness based on an official evaluation report (Lorentzon, 2017) and direct contact with the main researcher on the case, Bengt Lorentzon.

The experiment in the nursing home was not the first Swedish experiment with the six-hour working day. In 1989, a 30-hour working week was introduced in the mining town of Kiruna. Unfortunately, there was very limited research follow-up. In the 90s, there were further experiments in nursing homes in Oslo, Stockholm, Helsingborg, Malmo and Umea. The results were not always unequivocal. One constant, however, was a decrease in absenteeism (Helgeson, 2017).

In April 2014, the city authorities of Gothenburg decided to launch another experiment with the 30-hour week. The project started on February 1, 2015 and lasted until the end of December 2016. The explicit aim was to assess the long-term effects of the shorter working day. Politically, the project was controversial from the very start. The city is governed by a leftist coalition of Social Democrats, Greens and the “Left Party”. The opposition in Gothenburg was strongly opposed to the project and tried in 2015 to discontinue it on the basis that the whole experiment was a waste of public funds.

The experiment took place in the Svartedalen nursing home. Over the 23 months, the nurses saw their working time reduced to six hours per day, or 30 hours per week. The length of the night shift was eight hours on average, a reduction of two hours. To meet this reduction in hours, additional employees were recruited covering about 15 full-time equivalents. The wages of the nurses remained stable and the wages of the new recruits were paid with the use of public money. The shorter working hours were, in other words, completely financed by the government. To evaluate the effects

of the shortened working hours, two control groups were used: on the one hand, the Solängen nursing facility; and, on the other, all the nursing staff of the city of Gothenburg. The Svartedalen and Solängen nursing homes were chosen because of their comparability. Except for the shortening of the working week in Svartedalen, no other interventions took place.

After the end of the experiment, a final evaluation report was presented. We discuss here the effects of reduced working hours on the health of staff and on quality of service as well as on the economic impact of the experiment. The results are mainly based on questionnaires distributed among staff and residents of the Svartedalen and Solängen nursing homes. In addition, reference is made to physiological data and administrative statistics.

Regarding health, the report indicates a considerable **health gain** for the employees who worked a 30-hour week, most particularly for nurses aged over 50. As can be seen in Table 3, most self-reported health indicators (general health, alertness, absence of stress and having an active lifestyle) are considerably better where the 30-hour working week was introduced. An active lifestyle refers to daily exercise of at least 30 minutes walking, cycling, etc. Nurses at the Svartedalen home slept on average one hour more than nurses at the reference facility. Moreover, nurses working the 30-hour week reported lower levels of blood pressure. This improved health was also reflected in sick leave rates for full-time employees. Total sickness absence rates slightly decreased during the experiment, but it increased within the reference group. Most notably for nurses over 50, the difference between the two homes is remarkable (11.7 per cent vs. 6.2 per cent).

Table 3 Self reported health states after 23 months (end of experiment)

End of experiment	Self-reported good health status	Alertness	Absence of stress	Active lifestyle
Svartedalen	72%	65%	64%	58%
Solängen	60%	50%	45%	43%

Not only did the health of nurses improve, the **quality of service** did, too. The residents of Svartedalen report more positive experiences. Staff did more activities with the residents, such as walking in the open air, singing or dancing. It should be noted that the evaluation report acknowledges that it remains difficult to relate these results directly to the shortening of the working day. However, this experiment in Gothenburg might have provided a further argument for shorter working hours, i.e. quality of service provision. Especially for personal services such as care, it is not inconceivable that good working conditions do have a positive impact on the service provided.

Finally, there is the economic impact of the experiment, its **price tag**. To provide round-the-clock care and to avoid increases in work pressures, extra staff were recruited which brings extra costs. Moreover, as salaries remained the same for the workers on reduced hours, no savings were made in that field. On the positive side, reduced long-term sick leave resulted in modest budgetary savings. Ultimately, the Swedish experiment had a total price tag of around SEK 12.5 million. The report suggests,

however, that if the savings on unemployment benefits are taken into account, the net cost would drop to around SEK 6.5 million.

The Swedish experiment teaches us that shorter working hours can contribute to the health of employees and can improve service quality. However, the context of this specific experiment should be kept in mind. The wages of the nurses were not affected, with the missing work hours being taken up in full by additionally recruited employees, and this whole extra cost was paid neither by the employee nor by the employer but by subsidies from the local government.

The experiment has finished and the employees are again working eight-hour days. The experiment nevertheless drew the attention of the world and has led to the installation of another project in Mölndal, in a surgery clinic close to Göteborg (Helgeson, 2017) as well as in several start-up companies (Hardeep, 2016). Overseas, the Belgian women's organisation Femma (a great enthusiast of working time reduction) is also preparing an experiment with the 30-hour week (Deredactie.be, 2015).

Volkswagen 28.8-hour week

Stan De Spiegelaere

The Volkswagen experiment

- When: 1993-1999
- 28.8-hour working week on the company level
- Mandatory for all employees
- Temporary and defensive to avoid lay-offs
- Paid for by employees and employer

In 1993, the German works council of Volkswagen was informed of over-capacity problems in the company. One-third of the 100,000 jobs was at stake. The news came in October and, in late November, the German metalworkers' union IG Metall made an unprecedented agreement with management. There would be no compulsory redundancies. Instead of laying off people, working hours would be laid-off at a rate of 20 per cent. The working week was reduced from 36 to 28.8 hours per week.

A short history of a radical experiment

The workers avoided mass lay-offs; for the employer, this agreement meant a considerable saving in the short-term (no need for a social plan) as well as the long-term preservation of human capital. At first sight, this is a win-win, but a closer look gives a more nuanced impression.

The reduction in working hours did come with a serious reduction in employees' earnings. In order to avoid employees getting into trouble with their monthly financial outgoings, IG Metall negotiated around a simple rule: the monthly wage should stay stable (Hans Böckler Stiftung, 1993). In this, the negotiators succeeded. By increasing the hourly wage by one per cent and with a phased payment of holiday pay and annual bonus, the monthly payment for employees stayed stable while the annual wage dropped by

about 16 per cent (compared to a shortened working time of 20 per cent). The avoidance of mass lay-offs through reduced working hours was therefore paid mainly by the employees and a little by the employer.

Following 1993, however, came greater flexibility and longer hours. The purpose of the 1993 agreement had been that it was a temporary measure: once the problems of over-capacity had been resolved, employees could go back to a longer working week (35 hours) with parallel wage recovery. After two years, the situation was considerably better but the problem of over-capacity had not been resolved completely. Unions and management agreed to extend the 28.8-hour week with some more compensation from the workers' side. Workers lost a number of benefits (overtime wages, Saturday bonus, etc.) and their working hours were extended by 1.2 hours without pay compensation. Additionally, a good deal of flexibility was introduced in the organisation of working time: working hours were annualised; a kind of time bank system was installed whereby accumulated overtime could be saved up; and clocking-on was abolished. In 1997, the union agreed to some further concessions: new recruitments were made on a temporary basis and on less favourable pay conditions than other workers. In other words, the so-called two-tier wage system was installed (Zagelmeyer, 1997).

By 1999, the over-capacity problem was resolved and there was a return to traditional work schedules. The 28.8-hour week remained on an accounting basis but, in reality, most employees went back to longer working weeks. In 2006, the company returned officially to a 33-hour week for blue-collar workers and a 34-hour week for white-collar employees (Dribbusch, 2006).

Conditions and evaluation

Volkswagen and IG Metall thus succeeded in drastically reducing working time for a period of several years in exchange for job security, without any intervention by the state and without wages being preserved. However, one should acknowledge the very specific context in which this experiment took place. First, Volkswagen wages were much higher than the average as well as the sectoral minimum. A partial wage reduction was thus more digestible for VW staff than for the average German worker. Second, Volkswagen and IG Metall attached great importance to the consensual relationship between employers and employees. Volkswagen was therefore not too eager to lay off one-third of its staff. Finally, Volkswagen employees have a range of company-specific skills. This limits their job opportunities outside the company, but it also means that recruiting new staff is costly for the company. This motivated both parties to find solutions that avoided lay-offs (Schulten, Seifert and Zagelmeyer, 2007).

How should we evaluate the Volkswagen experiment? In terms of **employment**, the reduction in working time at Volkswagen had a positive, but defensive, effect. A large wave of redundancies was avoided. However, in the years following the reduction of working time, many jobs disappeared as departing employees were not replaced. Additionally, the introduction of the two-tier system meant that newly-hired employees received significantly worse working conditions. Consequently, the experiment was successful in retaining jobs in the short-term, but the long-term effectiveness is far less clear.

Regarding **stress**, the assessment is equally mixed. Three in four employees found that their workload was higher in a 28.8-hour week. This was especially the case

with white-collar employees. Their evaluation of the system was therefore more negative than that of blue-collar employees: only 12 per cent of blue-collar workers were dissatisfied with the arrangement whereas 37 per cent of their white-collar counterparts were (Seifert and Trinczek, 2000).

The **social** impact is also unclear. According to some, the reduction in working hours led to a veritable cultural revolution in Wolfsburg. The town had lived for years on the rhythms of a two-shift system, with little time for family, culture, friends and hobbies. The transition to a four-day week meant for many a discovery of what other things life had to offer (Krull, 2010). In contrast, the more flexible schemes introduced after 1995 seem to have led to general confusion. At one point, there were more than 150 different work schedules in use and everyone began to live and work to very different rhythms. This would have been partly responsible for a lot of social problems as well as higher divorce rates (Zagelmeyer, 1999).

In terms of **gender equality**, the experiment learned that the four-day week at Volkswagen did not coincide with a drastic change in the roles of men and women in the household. Women were more concerned with the housework while men were mainly responsible for the garden. However, the gender effect of working time reduction does not only relate to gender roles. The idea is equally to put women on an equal footing with men in their professional careers. Unfortunately, there is no data available to assess the effectiveness of the Volkswagen experiment on this issue.

Another result was an increase in **productivity**. This would have resulted in part from the increase in the intensity of work but also from the improved performance of employees since they were better equipped to work.

Taken together, an evaluation of the Volkswagen experiment would conclude that it was positive, but not entirely. It succeeded in avoiding lay-offs in the short-term, but came at a serious price for employees in terms of reduced income and higher work pressures. Meanwhile, the social and gender effects were mixed since the reduction in working time coincided with the introduction of a good deal of flexibility and unpredictability in working time arrangements.

VRT

Sacha Dierckx

VRT work sharing

- When: 2016-2020
- 22 extra days of leave
- Voluntary opt-in, collectively agreed
- Defensive to avoid lay-offs
- Paid for by employees and employer

In 2016, the Belgian public broadcast organisation VRT (Vlaamse Radio en Televisie – *Flemish Radio and Television*) was confronted with a reduction in its public grant and limits on its staff spending. The first estimates envisaged reduced employment amounting to 350 jobs out of a total of 2,200.

The trade unions proposed avoiding lay-offs and designing instead an experiment into voluntary work redistribution or job sharing. By using voluntary cuts in working time (with proportionate, but not total, cuts to salaries), the organisation would be able to finalise its budget while avoiding lay-offs and understaffing in busy periods and preventing the loss of human capital. The management was sceptical at first, both because of the uncertainty about how much expenditure would be cut as a result of the working time reduction and because of the difficulties it would create for work organisation (see below). The work sharing experiment is one aspect of a broader social and restructuring plan focused on avoiding dismissals.

During the negotiations, the trade unions mobilised their members through rallies and demonstrations but they also collected survey information to evaluate the potential of the proposed solutions. In this way, employees were more aware and supportive of the union strategy. Moreover, both the trade unions and the HR department put their full weight behind the working time reduction strategy and, in the end, succeeded in convincing management and the government.

The agreement struck between the unions and management envisaged up to 22 days of additional leave for employees that voluntarily gave up their bonus. So, for about 1/14th of annual salary (12 months' pay + bonus + vacation bonus), participating employees would gain a reduction in working time of about 1/10th (22 days out of 220 working days) (Descheemaeker, 2017). Employees could freely choose the number of days of additional leave they took, with each day reducing pay by 1/22 of the bonus (thus giving up the whole bonus if they chose to take 22 extra days of leave).

Once the system was introduced, employees had to decide by the end of November 2016 how many extra leave days they would be taking in 2017. More than 270 employees signed up for the system, representing about 6,000 working days or 23 full-time equivalents. Trade unions and the HR department expect the number of working days reduced through this system to grow in the following years, as many employees are in other (governmental) systems of working time reduction which are currently being phased out. The unions hope to reach their objective of saving 75 full-time equivalents through work sharing (Descheemaeker, 2017). The experiment, in other words, contributed directly to saving 23 and, hopefully, up to 75 full-time jobs. In combination with the other measures in the social plan, almost no direct dismissals will be executed.

One of the additional advantages of the system is that it does not have an impact on pension rights, sick leave or "regular" annual leave. This is in contrast to, for example, part-time working systems where social rights are more or less reduced in proportion to the reduction in working time.

On the downside, there is a general impression that the experiment makes the organisation of work more difficult. Especially for the planning department, it is not easy to organise working time in a way that meets the demands both of employees and of the organisation. One of the solutions envisaged by the HR department is that employees will have to plan most of their leave more in advance, in a decentralised consultation with their direct supervisor. What has facilitated the experiment is the ample experience of work organisations with atypical working hours. First, employees were already used to other systems of individual working time reduction, such as (part-time) career breaks. Second, VRT is an organisation with peak production periods, when many employees are needed, and off-peak periods when fewer are required. However,

according to the HR department, this may complicate planning even more, as an extra layer of flexibility is introduced.

Regarding uptake, we should be wary to jump to conclusions as the experiment is still in its early stages. However, the first results suggest that more women than men have signed up, although the difference is small. Additionally, higher-paid employees seem to be more inclined voluntarily to give up part of their salary in exchange for more free time. Strikingly, the incidence of working time reduction is also quite large at management level. According to the HR department, taking part in voluntary working time reduction will not have any consequences for career opportunities since VRT is a company which is already well-used to flexibility.

Both the trade unions and the HR department agree that work intensification is a potential negative effect of the working time reduction. As the workload has not decreased proportionally, it implies that employees will have to do the same work in fewer hours. However, this observation should be qualified in two ways. First, work intensification would have occurred anyway if people had been laid off instead of working time being reduced. Second, work pressure has been increasing for many years as VRT has been increasingly faced with budget cuts. It is difficult to disentangle the specific effects of the working time reduction from the more general trends. Nevertheless, both the trade union and the HR department acknowledge that one of the challenges for the future would be to convince management and the Flemish government that fewer full-time equivalent staff does also imply less output.

One of the challenges that both the trade union and the HR department have identified is that employees are able to choose each year how many extra leave days they want to take in the next year. Consequently, employees will have to be informed and re-encouraged each year to maximise the impact of the voluntary working time reduction. Moreover, this also implies that there are no guarantees in advance on how many posts will be saved and how many job losses will be avoided.

However, despite this challenge, and despite the preliminary nature of the evaluation, both the trade unions and the HR department are satisfied with the results so far. They have indicated that they would like the working time reduction system to continue after 2020, when a new agreement will have to be reached between the Flemish government on the one hand and management and the trade unions on the other. However, it also seems clear that it will remain a voluntary, individual, working time reduction programme, not a collective (mandatory) system.

Case studies

The five case studies can provide us with some insight into how the design of working time reduction has an impact on outcomes. We do, however, stress that this selection of case studies was not done at random and the objective of this exercise is not to make decisive research statements.

The different cases are diverse in their objectives but mostly focus on the creation, redistribution or defence of employment. Only the Swedish experiment clearly had, as a unique goal, an increase in the well-being of workers. Most of the experiments also reached their stated objectives. Note that the two temporary working time reduction programmes had the objective of avoiding lay-offs and that, while they were successful in

doing so, there is little indication that these reductions have led to the sustainable creation of additional employment.

The effects on gender equality, work-life balance and job-related stress are mixed. In the Dutch case, the participation rates of women are particularly high, which is positive from a gender equality point of view. However, social services provision (such as child care), which would facilitate women getting full-time work, remains low and women still bear the costs related to part-time work. More collective forms of working time reduction could score better on the gender field but, when the take up is voluntary (VRT), we equally see that women reduce their working time more than men. The French case of collective and mandatory working time reduction shows that some shifts in roles do occur, but that these are minimal. It remains an open question how the advantages of the individual voluntary system (high participation, but based on part-time work and with an unclear effect on gender roles) are balanced against the advantages of the collective system (lower participation, but with more full-time work and slightly changed gender roles).

As for work-life balance, all cases show a clear, positive effect. When working less, the combination of work and private life is easier. However, in both the French case and that of Volkswagen, increased working time flexibility eats into the advantages of the reduction in working time. In the Swedish case, with full employment matching of the hours given up, the effects are remarkably positive.

Last, but not least, divergent patterns appear as regards the quality of work. While this is not a problem in the Swedish case, it seems to be an issue in all other cases and in particular for white-collar employees (e.g. the Volkswagen case). These jobs are less redistributable and so the easier answer for companies could be to intensify work rather than recruit a new employee.

Without drawing definite conclusions on how working time reduction should be designed, the challenge is obviously to reduce working time with an effective redistribution of work (for all types of employee). The solution to this Gordian knot in the context of the reduction of working time is obviously beyond the scope of this discussion overview.

Conclusions

There is no one-size-fits-all solution for reducing working time, but an organised reduction is necessary. Doing nothing would only result in a socially unequal and gender-biased distribution of working time.

Going over the multiple motivations behind working time reduction and the various decisions to be made in the implementation, it becomes evident that a policy on working time reduction is hard to frame using simple slogans. Depending on the objectives, the organisation of the reduction in working time can take different forms and, therefore, its effects are likely to differ. And positive effects in one area (e.g. longer active working lives) could run in parallel with negative effects in another (e.g. employment or equality).

It does, however, also become clear that working time reduction is **not a policy nor an idea of the past**. Over the last centuries, decades and years, **numerous experiments** in reducing working time have been organised all over the world. Important lessons can be drawn for future policy from virtually all of them. These lessons include how to shape the reduction of working time to reach the goals, how to avoid the pitfalls which only reduce working time legally but not in practice, and how to make working time reductions sustainable or avoid negative side-effects.

Looking at experiments in working time reduction, an interesting **trend** is, however, manifest. Early experiments seemed to reduce working time without much compensation. They were focused on increasing the safety and dignity of workers. Experiments in reducing working time that followed in the 90s tend to take the shape of exchanges: companies were given extra flexibility in organising working time in exchange for shorter hours. Since the 2000s, it has become much more difficult to find examples of working time reduction, while many agreements are still being made which increase flexibility. It seems that companies no longer feel the need to compensate workers for flexibility by reducing working time.

The **lacking sense of urgency** or necessity to reduce working hours on the side of employers and politicians is a major challenge faced by the advocates of reduced working time. This challenge can be addressed by convincing them of the benefits of shorter working weeks and showing the

advantages through experiments and trials. Pressure can also come from building up strong coalitions of supporters and putting the issue on the bargaining table at all levels.

Such strategies might be essential since reducing working time is not an abstract idea; however, it is currently unfolding in various countries. Almost everywhere, **part-time employment** is on the rise and workers are spending, on average, less time at work than they did a decade ago as a result. Just as a reduced working week, part-time employment promises the virtues of being at work (income, competence creation, social contact and integration in society), while avoiding some of the pitfalls of too much work (stress, burn-out, a difficult combination of work and private life).

At a country level, it also creates an impression that work is being re-distributed. Since the 2008 crisis, this applies for as many as 4.5 million jobs. The challenge is to organise this **redistribution** to ensure positive outcomes for all. The decline in working hours based on part-time employment does have some serious deficiencies, as discussed at length in this paper. It is not gender neutral, is frequently not a “free” choice, is being paid for completely by the employee and does not guarantee a stress-free working life. Moreover, it is worrying that, at present, part-time work is growing mainly among the lowest skilled, elementary occupations and is more often an employer-driven solution than a work-life balance option for workers (ETUI and ETUC, 2016). This means that the current model of working time reduction, biased towards low-paid work, risks exacerbating income and social inequalities. **The choice, it seems to us, therefore lies between choosing to organise the reduction of working time to guarantee its equity or, alternatively, taking a *laissez-faire* approach and letting things develop in a socially unequal and gender non-neutral way.**

It is not in the scope of this guide to develop several **prototypes**, or ideal types of effective working time reduction, since objectives are diverse. This overview merely shows that working time reduction can be an effective tool for many of these stated objectives. At the same time, it's an open question how working time reduction can be shaped to deliver on all of the mentioned objectives simultaneously.

Additionally, in reviewing various examples of experiments with reduced working time it becomes evident that such a policy is **not a magic bullet** for any of the stated objectives. Moreover, designing a working time reduction which is effective in one respect (e.g. creating employment) might be less effective in other areas (e.g. creating a sustainable economy or promoting gender equality). There seems to be no one-size-fits-all approach to working time reduction that would attain all objectives and perform well in all areas.

While being a partial solution, it can hardly stand alone and needs flanking policy measures first to ensure its effectiveness and fairness, and, second, to provide a further nudge in the right direction for individuals, companies, sectors, countries and whole societies. In this context, the role

of **culture** cannot be underestimated. Without the necessary cultural change regarding working hours, regarding gender norms and regarding sustainable living, working time reduction risks not producing any significant or desired effect.

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