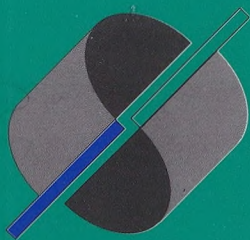




a time for **working**  
a time for **living**



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Documentation of the joint conference of  
the **European Trade Union Confederation (ETUC)**  
and the **European Trade Union Institute (ETUI)**  
(*December 1994*)

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# ***A time for working, a time for living***

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# Introduction

By Jean Lapeyre and Reiner Hoffman

The soaring rates of unemployment over the last few years, bringing the current number of jobless in Europe to over 16 million, and the tendency of firms to shed jobs in an effort to save on costs and redress their profits, have lent a new dimension to the discussion of working-time. The impetus is now coming not from the trade unions alone, for the European Commission, as well as certain individual companies, have begun to regard shorter working hours as a means of averting mass redundancies and alleviating the crisis of employment. Whereas, in the mid-eighties, employers continued to oppose the suggestion of working-time reductions in whatever form, today their usefulness in an employment policy context is no longer disputed and a number of innovative solutions have been devised and have encountered increasing support from employers.

Another fact that is no longer disputed is that economic growth alone will never be sufficient to bring about anything like a return to full employment. Indeed, the European Commission's *Green Paper on Social Policy* actually calls into question whether, in the light of the magnitude and depth of the structural crisis, a return to full employment in the near future is a realistic prospect. This document goes on to ask what kind of society we will have in the future and what will be the role of paid work and employment in that society: we need an ecologically-oriented offensive to achieve new growth; but, equally, there can be no circumventing the need for a drastic reduction in working-time — if we in Europe are to avoid the bitter advent of a split society.

The trade unions too have come to realize that a rigid working-time policy, geared exclusively to the introduction of the 35-hour week, is no longer appropriate in the current state of society. What is needed is a broad-based discussion of innovative working-time policies, involving the search for an approach which moves beyond a narrow understanding of working-time and seeks to encompass the daily concerns faced by men and women in their working lives. To this end the **European Trade Union Confederation (ETUC)** and the **European Trade Union Institute (ETUI)** organised a conference, entitled '*A time for Working, A time for Living*', held on 7 and 8 December 1994 and attended by more than 200 trade union participants from all over Europe.

We considered that the conference should focus primarily upon three questions: on the one hand, it was necessary to ask how a policy of radically reducing working-time can serve the goal of a return to full employment; on the other hand there was a need to devise original working-time policy models in order to oppose the employer strategies geared exclusively to deregulation and ever

greater flexibility; a third, and increasingly important, aspect was how account can be taken of the growing desire of men and women in today's society to gain control over their own time and to shape their working-time to fit in with their increasingly diverse lifestyles.

That an appropriate working-time policy can give rise to effects beneficial to employment is shown by the European Commission in its white paper on *Growth, competitiveness and employment* with reference, in particular, to the northern EU Member States. It is stated that a reduction in average working-time has served to raise the numbers of those in employment by eight per cent and that in the Netherlands a full half of the 30% increase in employment is attributable to such a reduction. However, the conclusions drawn by the European Commission from these affirmations are not, from a trade union angle, without ambivalence. It is clear from the recommendations concerning a reform of the labour market, in particular, that it is principally a question of measures geared to deregulation and greater flexibility, i.e. measures which are clearly at odds with workers' social welfare and protection needs.

At company level new systems of production and new approaches to management, accompanied by an increasing trend towards specific forms of flexibility, are giving rise to demands for new forms of work organisation and working-time. Generally speaking, the major concern of the employers is to reduce unit labour costs to a minimum in the interests of competitiveness. Even so, a number of examples have emerged in the last couple of years to indicate that innovative and socially acceptable working-time policies can in some cases be devised and implemented. The most controversial and conflict-ridden aspect here is to what extent the new arrangements should entail a loss of pay. Yet the trade unions have shown in several cases that they are prepared to accept certain limited cuts in their pay in conjunction with reductions in their working-time, provided this is linked with the preservation of jobs or the creation of new ones. If workers show in this way their concern to preserve and create jobs, and if they come to value increased free time more highly than short-term increases in their pay, this too is an expression of practical solidarity with the unemployed in our society. Yet the trade unions have a special responsibility towards the so-called "low-paid groups of workers". For these groups further pay losses cannot be envisaged or condoned.

The changes currently affecting society are accompanied by a growing demand for individual fulfilment and self determination, and by shifting perceptions of interests and changes in lifestyles. The traditional conception of working-time is completely inadequate to meet this extremely diversified expression of workers' interests. The demands for control over one's own time must be translated into original ideas in the working-time policy field. This requires that the relationship



between working-time and non-working-time be considered in a total perspective. We are not the first to point out that the quite unnatural separation between "work" and "life" is, in any case, pure fiction. Life does not begin when work is finished, for work is itself a part of life. In the final analysis, the question of working-time touches upon the whole question of how we live our lives. And yet, any assertion of this nature is likely to collide with the essential tenets governing the so-called "modernisation of the economy". If we support the argument developed in the European Commission's social policy green paper, according to which Europe is now entering a phase in its development in which it is in a better position than ever before to develop an active, open society and to combine a dynamic economy with social progress, then it is essential to conduct a broad-based discussion of "Time for Working" and "Time for Living". Such a discussion will necessarily lead to practical consequences for European policy and will represent a contribution to the achievement of the social dimension of European integration. The purpose of the conference was to show that the European trade unions are prepared to conduct this discussion and to support innovative working-time policy solutions.

The first part of this book contains the contributions to the discussion presented during the first part of the conference. Alongside representatives of the trade unions, the floor was also offered to academics and politicians, each of whom put forward their own ideas for original working-time policy solutions. In spite of the nuances intrinsic to any fruitful discussion, all conference participants agreed on one point: further reductions in working-time are both desirable and necessary. The conclusion reached by Michel Rocard, for example, is that the goal of a four-day week is both reasonable and realistic. A four-day week cannot, however, be restricted to work on four consecutive days. There is a need for flexible working-time models, in conjunction with a more human approach to work organisation. Such models should extend throughout working life and should contribute to alleviating unemployment, to improving working and living conditions and, finally, to reconciling family and occupational life and hence equal treatment between the sexes.

The second section of the book contains brief articles by scholars and academics which were commissioned by the ETUC in preparation for the Congress. Alongside the analysis of working-time developments in a selection of European countries, these contributions also deal with the new challenges to be met by a modern trade union policy, illustrated, for example, in the contribution by Ulrich Mückenberger. The contribution by the European Trade Union Institute entitled *A working-time policy for jobs and an improved quality of life* brings together and summarises various aspects of the working time debate, followed by conclusions and proposals for further discussion.

It is our hope that not only will these documents fuel further discussion but also that they will represent a practical contribution to innovative working time policy options. Finally, we should like to thank all those whose efforts contributed to the success of the conference, in particular the scholars and academics who so kindly agreed to submit articles in preparation for the conference. Special thanks go to François Ballestero (Assistant at the ETUC), Fabienne Gandweg (ETUC) and Elsa Sobotta (ETUI) for their outstanding support.

Brussels, March 1995

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# ***Job creation by means of working-time reductions***

**By Roland Issen**

The Organisation for Economic Development and Cooperation (OECD) estimates in a recent report that in 1995 the numbers of unemployed in Europe will reach the record figure of 22.6 million. The resulting rate of unemployment is 11.8%, way above the OECD average of 8.3%. Meanwhile, particularly in the USA, Canada and Australia, employment will increase. Nor does the OECD paint a rosy picture for Europeans in the future. Between now and the year 2005, new jobs will be created principally outside Europe, in the United States, for example, or the countries of the Pacific area.

New markets have come into being; former trade barriers have been removed; competition is increasingly global. On account of world-wide competition, companies are compelled to develop ever faster, cheaper and more client-friendly production methods. They strive to win new markets, to reduce labour standards and to erode working conditions by means of ever greater flexibility.

According to estimates by the Basel-based consultants Prognos-AG, the number of jobs in Germany as a whole will be the same in the year 2010 as in 1992. The reason for this is the tremendous gains in company productivity, with which economic growth is not keeping pace. Technological change will continue to lead to further productivity gains in the future.

A long-term study, conducted by the Basel firm together with the German government's Institute for Labour Market and Occupational Research in Nuremberg, restricted in this case to Western Germany, forecasts that the increase in the numbers of those in employment by the year 2010 will be no more than 400,000. Meanwhile, trends in the individual sectors will vary considerably. In the year 2010, far less people will be employed in agriculture (two per cent) and in industry (33.6%). The major employer will be the service sector which will provide 64.4% of all jobs.

The major losers on tomorrow's labour market will be the unskilled. Demands for vocational skills will increase at all levels. In this situation the German government's restrictions on, and cancellation of, provision for vocational and continuing training are quite simply counter productive.

More growth does not automatically produce more jobs. The economies of the western industrial societies, geared exclusively to growth and maximalisation

of profits, are producing ever more efficiently with ever less human labour. This is a process that will not be reversed. In other words, mass unemployment is here to stay, so long as we rely on market forces alone. Our industrial societies require social and ecological renewal to unleash the processes of innovation that will in turn strengthen technological competitiveness and lead to positive employment effects.

Yet even this process is successfully encouraged, this alone will not help the millions of those who are unemployed today. Since in the medium term there will be no return to full employment as a result of economic growth alone, we must think in terms of a socially just distribution of the available volume of work.

Work continues to mean many things to people in Western industrial societies. Work is important for personal and individual fulfilment in the occupational sphere. Employment is essential for guaranteeing a livelihood and for personal fulfilment outside the sphere of paid work. And so when we, as trade unionists, consider how to find ways out of the persistent crisis of employment, we must take account of the links and gateways between the world of work and the world beyond work.

According to figures from the European Commission, there has been a significant increase in labour flexibility geared to company interests in the area of the EU. Against the already described background of increasingly acute competition, the widespread introduction of new technologies, far-reaching changes in production organisation and persistent unemployment, flexibility designed to suit the employer's needs will be ruthlessly pursued. This means that work will be available "when needed, on time, on call", subject to minimal contracts and working hours or part-time arrangements.

Such forms of employment, if the employers have their way, generally allow employees scarcely any independent leeway in determining the timing, content and organisation of their work. Employment promotion and social security guarantees are also threatened by these forms of employment.

Qualified workers of both sexes wish to exercise their knowledge, abilities and skills in their working lives. They wish, however, not only to exercise their claim to meaningful work but also to reconcile work with leisure, jobs with families, not placing one above the other but according each its parallel status. This is what is meant by "working-time sovereignty".

The reality is something different. It is the employers who decide who works, when, where and how. If, with a view to a socially just distribution of available work, we wish to follow the road to new working-time arrangements, then we must move away from labour flexibility dictated by capital. Our demand is for

flexibility of work geared as closely as possible to the wishes and needs of workers.

We will not achieve this goal by means of individual strategies. We need solidarity and collective guarantees which are the prerequisite for enabling individuals to develop appropriate solutions to suit their own needs.

Action is required in the political, legislative and collective bargaining arenas:

- mass unemployment is a problem that must be effectively tackled;
- statutory EU-wide minimum standards relating to working-time and breaks and to social security provision must be adopted. These are necessary to set limits on forms of labour flexibility geared exclusively to the needs of capital, to the detriment, in particular, of women workers;
- the European Commission, as well as the national governments, must subsequently improve the social policy framework for reconciling occupational activity and family life; and
- the two sides of industry must devise binding measures for the equal treatment of men and women, in relation to pay, working-time, further training, opportunities for promotion and the possibility of reconciling career and family life, for example parental leave and childcare leave.

We must mobilise all progressive forces to give the world of work a more human face.

The purpose of this conference is to develop a combative European trade union strategy with regard to the "working-time problematic" in the broadest sense.

# ***Working-time policy in Europe***

**By Matéo Alaluf, Jean-Yves Boulin  
and Robert Plasman**

## ***Introduction***

### **An observation**

Looking at the pattern of change in working-times across Europe since the early Eighties, two trends can be discerned:

Firstly, taking working-time in relation to the aim set at the 1976 ETUC Congress: the reduction of normal working hours to the 35-hour week is happening in one country only (Germany), and even then only in a handful of industry segments, including the metallurgical industry. While there is no doubt that significant advances have been made in a number of other countries (37 hours in Denmark and in the British metalworking industry, 37½ hours in Norway, 38 hours — with the odd 36 hour week — in the Netherlands and various branches of Belgian industry, 39 hours in France, etc.), the 40-hour norm has not really disappeared (it will continue in Portugal in 1995 and has recently been reaffirmed by the European directive on working-time). More — the reduction in the general norm has in many cases been offset by an increase in actual hours worked through overtime (Britain, France, Spain for example) or again by the trend away from short part-time towards long part-time working (Sweden, Norway).

As regards the organization of working-time, too, the period since the early Eighties has seen a considerable increase in labour flexibility, producing wide variations in individual work tempos, total hours worked and work schedules. This covers a wide range of working practices: more and different types of shift work; differential employment statuses involving different time structures (part-time, short-term contracts and other forms of temporary work); flexible working hours and calculation of hours worked per year; work teams working different working hours within the same firm, etc.

While socio-cultural developments may have played a marginal part (such as the increase in long part-time work and more women in full-time employment in northern European countries) this dual trend has essentially been dictated by

economic considerations (making Europe's economies more competitive through higher profits for business and boosting the productive efficiency of capital). In most cases, it must be said, these transformations have tended to occur against a background of high and rising unemployment, particularly long-term unemployment.

Finally, not only have the work patterns changed, but so have the means by which they are ordered, encouraged by a trend towards decentralized collective bargaining (Denmark, Germany, Italy for example), and/or the enactment of statutory exemptions (France, Belgium) if not radical changes in the legal rules: hence a 1994 legislative change in Spain made short term contracts a normal form of employment relationship on the same footing as full-time, open-ended contracts.

These developments clearly show that the idea of uniform fixed working hours in an identical type of employment relationship for all is losing ground, that evenly spread working-time cannot hold out in the face of either the policies of labour flexibility operated by company managements, or the practices and aspirations of the different classes of worker. This being so, the trade unions could not stand idly by leaving the employers to initiate changes in working-time, whether collectively agreed or through arrangements with individual employees.

Moreover, companies' responses to what might be called the new aspirations are less than satisfactory — a source of disappointment, dissatisfaction and frustration, in as much as they are wholly personalizing, and therefore contribute at once to different manpower management practices and the fear of losing one's job. Thus at a time of unemployment, the deterioration of work relations — often seen in the isolation of workers in the workplace — and the destruction of social bonds is occurring.

## **A question**

Such was the conclusion drawn at the conference on working-time organized by the ETUC on 7 and 8 February 1994 in Luxembourg. With a view to discussing the implications of these developments for trade union action at European level, the ETUC commissioned a team of social science researchers to consider the social, economic and societal scope of the different aspects of these transformations. The approach taken was to use different national and issue-specific contributions<sup>1</sup> as an empirical basis for identifying those practices which lie along this force line between collective regulation of working-time and its adaptation to individual needs, to elicit its scope and limits, particularly in terms of social cohesion.

Set back in the wider context of developing selfhood and increasing aspirations for free time, the growing numbers of working women and an increasingly service-based employment market, coupled to persistently high mass unemployment, we felt that these changes in working-time could best be understood in terms of voluntary time. The two opposing sides in the debate on working-time are individual choice and collective choice, although there are many reasons for focusing both on the variety and range of the choices and, in the same line of thinking, their collective aspect, especially their implications in terms of the social organization of time. This suggests that the notion of "voluntary time" must be rethought from three angles: firstly, the societal dimension of the way in which the processes of individualization connect up with the collective organization of time; then, the different choices made by work teams; and finally, the means by which individual choices are regulated collectively.

***Working-time,  
non-working-time  
and society***

U. Mückenberger suggests that "electivity" and self-management (meaning here, the amount of hours, work rate and work schedule) could, from a trade union viewpoint, be prerequisites for economic efficiency, social cohesion and responsibility to society. Be that as it may, the Zanussi case (see below) suggests that self-management is not to be granted, and must at the very least be the product of an open debate in which the two sides of industry express and formalize the constraints and their aspirations.

This researcher's viewpoint is very akin to that of a trade unionist like B. Trentin, who also takes an overall approach to working-time issues, emphasizing that "the conditions must be created to link the struggle for control of workplace time inextricably with national action for the administration of society's time" (cf., Palidda).

The problem underlying this argument is: what link is to be forged between the organization of working-time as imposed/negotiated at the workplace, and the organization of society in a broad sense, i.e., both its temporal and spatial dimensions (the social organization of time on a defined geographical basis) and also its economic and social efficiency (unemployment, environment, sex equality, education etc.). This approach which, in Palidda's words, makes the issue of time — in work organization and in the different aspects of social organization — central to the future of contemporary societies is an unyieldingly



systemic one. The suggestion is that it is not possible to develop a company policy on working-time — be it a policy dictated by economic imperatives (flexibility) or an emancipatory conception of working-time (electivity) — without taking account of the externalities (Mückenberger), i.e., the effects which work-related decisions have on society as a whole.

The different contributions on the mutually exclusive (or complementary) aspects of policies based on a collective reduction of working-time and policies based on individual choice — bearing in mind that these encapsulate a basic contradiction between productive flexibility and “electivity” — suggest two key externalities:

- one is the link between working hours/organisation of working-time and unemployment;
- the other relates to the way in which collective time — seen here as “civic time” and the social organization of time — is connected with individual aspirations and autonomy.

### **Reduction of working-time, individual flexibility and unemployment**

In the early Eighties, work sharing through a collective reduction of working-time became an issue in the employment policies of a number of European Community countries, notably France, Belgium, the Netherlands, and somewhat later on, Germany. By contrast, the idea gained little ground in the Scandinavian countries, where the chief aim of shorter working hours was to improve living conditions and solve social problems like sex equality, family policy and education. These were the main reasons behind Denmark’s move to the 37-hour week between 1987 and 1990.

Regardless of the viewpoint, it can be said that these policies chiefly reflected trade union thinking which either won the day through force of merit (Germany), or was backed by the governments in power (France, Belgium, Netherlands), or a combination of the two plus a strong joint consensus between management and labour (Denmark, Norway). From the mid-Eighties, flexibility of the productive system (i.e., seen essentially in terms of production constraints to maximize productive efficiency) established itself in all European countries. Varied though this trend may have been in extent and means, it nevertheless led to a triple shift: the initiative passed to the employer, shorter hours gave way to different patterns of working, and implementation became decentralized.

This change of direction was not thrown into question by the economic downturn of the early Nineties, which pushed up unemployment virtually throughout Europe. Work sharing returned to the top of the economic, social and political agenda, but in a completely different sense to that of 1981/82. The primary basis

of work sharing agreements is labour costs, and their material effect is to cut the total wage bill through a reduction in real wages and/or other elements of pay. The reductions of working-time — generally unaccompanied by any compensation of pay — which tend to predominate in this type of agreement are the result of trade union counter-proposals to avoid/limit redundancies. Finally, it remains essentially a company-level arrangement, the most notable exception being the inclusion in the collective agreement for the German metallurgical industry of the scheme contained in the December 1993 Volkswagen agreement. The institutional recognition of this type of approach — as with Italy's solidarity contracts or article 39 of France's Five-Year Act<sup>2</sup> — in no way detracts from the decentralized nature of the approach, which remains governed by plant-level agreements.

The existence of these "defensive" agreements — which, being bi-directional, can be seen as an extended form of concealed partial unemployment — in no way closes the debate on the need for an all-round reduction of working-time. The proponents of a such a policy cite the employment impact assessments of the reduction of working-time carried out in Germany between 1984 and 1992 (Spitznagel/Kohler)<sup>3</sup> together with an ex-post evaluation of the impact of reducing the legal working week to 39 hours in France (Cette/Taddei)<sup>4</sup> and also on econometric simulations. Proposals to this effect are being advanced by the trade union movement, notably in Italy, France, Belgium etc., and are even gaining ground in those Nordic countries hitherto less than amenable to this approach (cf., the proposals of the Swedish metalworkers' union for an annual reduction of 100 hours with no reduction in equipment operating times and compensation of pay which preserves broad differentials, or again L.O. Denmark's proposals for shorter working hours without compensation of pay -but with a lighter tax burden — in return for job guarantees), but there is no escaping the fact that nothing concrete has yet come out of them.

By contrast, the present work-sharing approaches are extensively based on presumed or proven individual aspirations as regards working-time. An analysis of work sharing agreements concluded in France since mid-1992 (over a hundred agreements have been identified since that date) reveals that uncompensated, bi-directional collective measures to reduce working-time are a last-ditch option once all other external (early retirement, incentives to resign, regrading assistance) and internal adjustment arrangements have been exhausted. The latter are individual arrangements, usually in the form of encouragement to go part-time, phased early retirement, the taking of personal leave (parental leave, training leave, employment breaks, etc.).

While most of these arrangements rooted in individual aspirations are offered in a context of direct threats to jobs — thereby considerably restricting the freedom of choice of those opting for them — they can also be seen as part of

a policy of forward-looking management of the labour market. Such is the case in France's predominantly female-staffed banking and insurance industry where management encourages the move to part-time work by offering guaranteed conditions and financial incentives (subsidized PTW). Some firms take an even more offensive approach by socializing the change to part-time working and undertaking to offset reductions by new recruitment (EDF for example).

The same approach recurs in other countries, notably in the Netherlands where the government and trade unions support part-time working to develop work sharing (cf., Fagan et al.) or again in Denmark where the government published an Act in June 1993 introducing a temporary employment break for parents to look after their children's education (on 80% unemployment benefit), for training purposes (on full unemployment benefit) or for other reasons (career break on 80% unemployment benefit). Unlike Swedish or Norwegian parental leave, the Danish arrangement (which, on the early figures, has had a high take-up rate) is directly aimed at work sharing, because those on employment break must be replaced by an unemployed person. Similar principles underlie the three-week-month system worked by refuse collectors in Aarhus (Denmark); the fourth week they are laid off on unemployment benefit and their places are taken by an unemployed person.

Examples abound, but it seems clear that this type of approach based on the real aspirations of workers to control how long and when they work are unlikely to bring down unemployment, not least because of the substantial pay cuts these measures entail, which ultimately limits the numbers of those who opt for them, and their consequent impact in employment terms. For that reason, U. Mückenberger considers that new forms of regulation must be found which can reconcile companies' flexibility constraints with workers' aspirations and the solving of societal problems. Consequently, the vigorous campaign led by the FNV to open up part-time working in terms of industry branches, classes of worker (occupational and gender) and length of hours (shift towards long part-time working) is not unconnected with the aim of an all-round reduction of working-time.

## **Working-time, autonomy and social organization of time**

Despite the long-standing movement for shorter working hours, employed workers in developed societies have too little time to themselves. There are two sets of causes for this: one quantitative, the other qualitative.

### **A desire to work less**

There are three essential aspects to the quantitative dimension of the problem:

- the time released by a reduction in working time does not automatically

- become free time in as much as a substantial part is taken up with household chores which were previously left undone or done by others (this is particularly the case with men who are spending less time in paid work, but more time on household chores (cf., Gershuny) and the extension of involuntary time (especially commuting to and from work);
- the massive rise in the number of working women has not resulted in a fairer sharing of household chores, even though they are subject to the same developments in terms of involuntary time;
  - the employment policies pursued since the onset of the crisis (later labour force attachment, earlier departure) produced an unequal breakdown of the work effort. As a result, working life is being compressed onto the intermediate age categories and work-related time pressures are concentrated on a contracting age bracket (today, 25-55 years).

All these phenomena are exacerbated by the rising trend in actual hours worked mentioned earlier.

This has produced rising aspirations to work fewer hours, reported by many surveys. A survey conducted by the Parisian Federation of Metalworkers' Unions (CFDT) in early 1994 shows that 79% of workers wish to work fewer hours, primarily in order to have more free time (72% of respondents thought they did not have sufficient free time) and a better quality of everyday life. Even in Sweden and Norway, where workers seem content with their hours of work, the majority are still in favour of shorter working-time (cf., Anxo and Anxo/Locking). Likewise, Fagan et al. show that women part-time workers would like to work more hours, but without going completely full-time.

The aspirations which emerge from the contributions to this research confirm the Community-wide survey which revealed a proportionately higher percentage of full-time workers wishing to switch to part-time working-than vice-versa; and that, if initial situations and expressed desires were taken into account, actual working hours would be reduced from an average of 40 to 35 hours down to an average of 35 to 30 hours. This should be seen less as an antipathy to work than as a challenge to the place occupied by work in the structure of social time: hence, Danes rank work top of their preferred activities, while the reduction of working-time tops their demands with regard to work.

### **A desire to control the organization of time**

Over and above this quantitative aspect of the unequal allocation of the work effort, this segregation into an overworked work force and a forced non-working population, lies the problem of control over the organization of time at work and in non-working life — having time to do things. Two things prevent

individuals from organizing their time to suit them: the prescribed nature of working-time, and the social organization of time.

### **Prescribed time**

The recent trend towards diversified working-times, which could have been an opportunity to break with a rigid organization of the corporate world, has essentially been dictated by considerations of productive efficiency. Consequently, working-time and the way it is organized remains far more a prescribed time than voluntary time: the increase in staggered working hours, the extension of week-end working, night work and atypical working hours are still largely dictated by the employer. Part-time work itself — which is everywhere encouraged in the hope of reducing unemployment — remains essentially constrained. In this respect, financial incentives to employers to use part-time work (30% rebate on the employer's social security contributions in France) can only further reinforce the constraints attaching to this way of working.

But the enjoyment of free time is as — if not more — dependent on the sequencing of time segments taken up with work and other activities — where they come in the day, week, month, year or life-cycle; their distribution between the sexes — than how much there is of it. The use of time for family requirements, leisure pursuits, and in politics (the question of citizenship) depends to a great extent on how working-time is organized.

It is here that the concepts of "electivity" (Mückenberger), sovereignty over time (Palidda), voluntary time etc. come into their own. Having control or command of how time is organized means having greater freedom of individual choice, provided it is not a granted "electivity" (Zanussi) or a pretext (as is often the case with part-time working), in the sense of adjustments conceived and implemented independently of social relations in the workplace, the sociocultural environment or the sexual division of labour. That involves tackling the flexibility issue from the workers' viewpoint too, in which regard the affirmation of a right (to go part-time, to be absent, to special leave), or a time bank or time savings account are possibilities which may encourage greater individual autonomy.

Here, the situation differs widely across Europe; even so, there is a clear division between Northern Europe — where autonomy is based on acknowledged rights (cf., the right to absences in Sweden — parental leave, training leave, child care leave) — and Southern Europe, where it is more reliant on informal processes, agreements with immediate superiors, "faits accomplis" — in short on "wangling". There is no doubting the influence which these differences in the ability to organize one's own time has on preferred ways of reducing working-time: the massive support for the four-day week among Parisian metalworkers

(75% in favour) can probably be put down more to the desire to make the nominal working week a reality (a day extra away from work, i.e. a day when the bosses can't ask the men to work an extra hour or two as frequently happens in practice) than to reasoned thought about the social and societal consequences of this type of organization.

### **The social organization of time: the Italian approach to "civic time"**

Here, we begin to touch on the socio-cultural dimension of working-time which — notwithstanding that it is now much shorter — remains core time, the great architect of the organization of social time. For it is around working-time that all social life is organized; it is what crystallizes and distils behaviour and the social and cultural representations of time. working-time led to a Taylorization not just of work, but also of non-work, from which even leisure could not escape unscathed. The uses of non-working-time are, in fact, constrained by the way working hours are organized. This pointed up two things (cf., Palasthy):

- the low degree of alternation between the different types of activity;
- a high degree of simultaneity between individual actions.

These two features underlie both the widely-held feeling that there is too little time, and the groundswell of aspirations for more control over the way time is organized. Over-synchronized organization of time produces congestion in both time and space, and an incompatibility between systems of working hours which tends to weigh heavily on the controlled, free use of time.

This problem is extensively developed by Mückenberger, who suggests that the trade union movement should consider it more seriously as has been done in a number of experiments currently under way in Italy. The central idea which underpins this approach is that of a dialectical relationship between the way working-time is organized in the firm and the operation of urban services: administrative office hours, transport and communication timetables, working hours of the health and educational services, leisure services, etc. It should be added that the wide range of working hours of these various services is a concomitant of reduced working-time, especially in a service economy in which consumption of products is increasingly being overtaken by consumption of services — i.e., the direct use of the working-time of service providers. Using the notion of the town as "conscious of time" (Mückenberger), the emphasis is essentially placed on the need to reconcile the very different ways in which workers operate — sometimes as producers, and other times as consumers.

As yet, this issue seems to have been tackled in concrete ways only in Italy through the **Tempi della Citta** experiment (cf., Mückenberger and Palidda), the institutional basis of which lies in a Decentralization Act empowering

municipalities to organize the working hours of the different services. Political and cultural pressures have accelerated the trend, notably through the draft bill tabled by the Women's Committee of the PDS (Partito Democratica della Sinistra) in 1980 intended to integrate the demands for shorter working hours into a wider approach based on a discussion of the life-cycle distribution of time and the organization of 'civic time'. Their approach is similar to Fagan et al's view on the attenuation of time and employment patterns based on the male-dominated organization and role of work.

Mückenberger describes the experiments currently in progress in Modena, Milan and Genoa, and outlines their objectives:

- to survey the socially important time trends and arrangements which exist alongside one another in towns and cities;
- to determine the population's needs through time-budget analyses;
- to implement, through consultations between all the players concerned (employers, trade unions, users), measures to coordinate and bring time structures and flows into line with needs.

Without seeking to detract from the heuristic nature of this approach, it must be stressed that this programme is still very much in the experimental stage, and that what concrete action the trade unions can take in this area and on the more general question of 'electivity' remains limited: "trade unions are seemingly unable to assert their views on work organization on anything much more than minor tinkering compared to the governance of actual times and even more so compared to the governance of society's time and new job creation" (Palidda).

## ***Individual and collective choices***

Commentators with vivid imaginations have described a perfectly "clean" "new worker" engaged in "enriching" work in the form of "supervising complex equipment working in his place" ready to "devise an original solution to an unexpected problem", capable of "dealing with imponderables" through the application of his "ingenuity" away from a stressing environment. They ended up believing their own fairy stories. **Zanussi** is a case in point.

### **The Zanussi case**

Salvatore Palidda, citing the research report of Asher Colombo, refers to the Zanussi case. To what does he refer? Zanussi is a household electrical goods

manufacturer located in Sussegana near Venice. The management of the firm's refrigerator manufacture department — with an almost 100% female workforce (70 staff) working shifts (three × six hours a day) — developed a "forward-looking" idea of "human resources management" which they hoped would solve the alienation from work and high absenteeism rate among the workers. The management therefore proposed a trial agreement on self-managed working-time, by which the workers could arrange their working hours as they wished provided the department worked the requisite total of 108 hours a week.

The agreement was signed with the three Italian trade union confederations (CGIL, CISL, UIL) and endorsed by the National Equal Opportunities Commission on 3 June 1993. Given that the reasons for dissatisfaction were the unrewarding nature of the work and the low wages, it is hardly surprising to find that no workers sought to take up this opportunity to manage their own working-time and that the agreement lapsed for want of application. The personnel manager cites the comments of one worker: "you're asking us not only to carry on doing a bloody awful job, but on top of that to organize the work and the whole kit and caboodle ourselves".

The recent strike (October 1994) at the Volkswagen (VW) factory in Forest (Brussels) can be seen from a similar angle. In this firm, using modern equipment and modern forms of work organization, demands rapidly crystallized around what were judged intolerable work tempos and the need for an extra 10 minute break each day. The question of working-time thus came up as part of the issue of the intensity and organization of working hours.

## **The demands of work relations**

These examples clearly show that demands relating to working-time — whether originating with workers or firms — are not formed in the abstract. They cannot be isolated from three requirements, as Ulrich Mückenberger's report makes clear, namely: economic efficiency — which companies see in terms of flexibility; the interests of the workers — which he calls "electivity" intended to widen their opportunities for reconciling the different time segments of their life (family, training, citizenship, leisure,...); and finally, social requirements which relate equally to work and to transport, infrastructure and service provision.

But even then, account must be taken of the fact that wage relations are characterized less by reciprocity than by dependence. Regardless of what value judgment is made of the situation, it remains a fact that wealth, responsibilities, power, and countless other things besides are unequally distributed within the firm, and that mass unemployment further weakens the employment bond. Is it sufficient then to consider U. Mückenberger's three requirements as so many



crucial factors summoning up a variety of schemes, from which all that is lacking is an appropriate framework for communication in which convincing arguments will, by the force of reason alone, bring the parties to compromise solutions?

Studies have clearly shown, moreover, that since the onset of recession, arrangements in which trade unions accept a relaxation of the rules in exchange for the employer's acceptance of a reduction of working-time have had few concrete effects. With the balance of power in their favour, employers secure exceptions to the general rules which allows them to impose flexible labour practices without having to make corresponding concessions in terms of reduced working-time, especially in those countries with decentralized labour relations systems, whereas in centralized systems the unions do sometimes manage to obtain forms of compensation<sup>5</sup>.

How measures to reduce working-time are judged depends on how they are implemented, namely: shorter hours, the accompanying compensation of pay and the productivity gains they lead to. All these help to gauge not only the macroeconomic effects of reductions but also their social acceptability.

Hence, low compensation of pay will be insupportable for low-wage earners and fairly unacceptable to the majority of households. What use is more time if it means less money? Especially as, in terms of economic efficiency, the reduction will produce productivity gains provided the accompanying reorganizations are ambitious and entail longer equipment operating times. This will result in the development of atypical working patterns (early and late in the day, at weekends, nights) and demands for worker versatility.

To understand what have been called "the organizational, social and cultural obstacles to the reduction and reorganization of working-time" we must not overlook the established foundations of industrial sociology. Firstly, as Frederick W. Taylor clearly saw, work is a constraint and the worker is motivated by pay. That, moreover, is why all the national reports describing cases of reduction of working-time accompanied by lower wages are set in contexts where wage cuts are accepted only to avoid job losses. Then, as Elton Mayo showed as early as 1920, work relations always induce social behaviour. Consequently, the behaviour of work teams can never be reduced to the sum of the individual choices.

Consequently, the issue of working-time cannot be separated from that of organization, conditions and possible compensations, and can never be reduced to a question of individual choices. Is it conceivable that the management of a hospital, school or company can be limited only to the personal choices of workers? But at the same time, how can we ignore the fact that not everyone works the same hours and that even within individual companies, the range and variety of working hours turns this question into a truly intractable puzzle? The

uniform reduction of working-time seems no less unrealistic than methods based on simple individual choice.

## **Part-time work**

Colette Fagan, Janneke Plantenga and Jill Rubery report on two countries in which part-time work seems firmly established — Britain and the Netherlands — and where it is encouraged both as a means of labour force participation and work sharing, and as an equal opportunities component of policies for more family-friendly employment. But the difference between full-time and part-time work is more than just one of hours worked. For one thing, the part-time working week is tending to lengthen, approaching that of full-time work; while for another thing, part-time workers are predominantly women, so both the wages and working conditions are less than those for full-time work.

If the difference between full-time and part-time work is a qualitative one covering a difference in status, therefore, the authors query whether — predominantly female — part-time working reduces or reinforces inequalities in the sexual division of labour.

The rise in part-time work across Europe since 1980 makes it a fundamental issue. Hence, in 1991, 14% of all jobs in the European union were part time, albeit in very unequal proportions according to country. It accounts for 33% of total employment and 60% of women's employment in the Netherlands, and 22% of total employment and 43% of women's employment in the United Kingdom. The proportions are completely different in Spain and Italy, with 5 per cent and 6 per cent of total employment and 11% and 10% of women's employment, respectively. Part-time working, therefore, seems much more a Northern European phenomenon.

Additionally, the concentration of part-time work in predominantly female occupational fields — particularly the service sectors — and its under-representation in industry highlights the sectoral pattern of part-time work.

Taking the three criteria advanced by C. Fagan, J. Plantenga and J. Rubery, the contribution made by part-time work to occupational equality must be judged negative on all counts, in that part-time work is not distributed throughout all industry segments; part-time work is less well-paid with lower social protection; and finally, full-time work is predominantly male and part-time work predominantly female.

A more dynamic vision of developments may, however, add some relief to this gloomy picture. For one thing, the very high percentage of part-time working mothers reflects the fact that this is a favoured way for women to return to work

after a career interruption for childbirth and rearing their families. Additionally, the relative paucity of child care facilities in the United Kingdom and the Netherlands makes it very hard for mothers to hold down a full-time job. For another thing, part-time work is a favoured avenue for labour market entry by young women. In the Netherlands and Denmark, even a high proportion of men are taking part-time work as a first job.

But this mass influx of women into part-time work is also accompanied — apart from in the Netherlands — by entry into the full-time labour force. Also, many women who work part-time would like to work longer part-time hours so as to earn higher wages while continuing to balance work and family life. Consequently, the gap between full-time and part-time working hours is closing rapidly, and long part-time working is becoming an entry point to full-time work. Only the Netherlands — where the massive increase in women's labour force participation is relatively more recent — forms an exception to this narrowing gap between the pattern of men's and women's employment.

In Sweden and Norway, the massive influx of women into the labour force during the 70s produced an increase in part-time work. Dominique Anxo's report clearly shows that part-time work is an essential component of women's employment in Sweden, since in 1992 it accounted for 45% of the female labour force. But the increase in part-time work in Sweden did not occur during a period of unemployment and was not imposed by the enforced flexibility strategies of business. Consequently, part-time jobs have become steady jobs with flexible working hours of a length which facilitates the two-way movement between full-time work and part-time work. The closing gap between men's and women's working hours over the last three decades seems to confirm, in Anxo's words, "the historically transitional nature of female part-time work".

In Norway, the average actual hours worked by women has risen since 1987 while that of men has decreased, according to the report by Hakan Locking and Dominique Anxo. The stability of working-time in Norway in the second half of the 1980s can be explained by the relative increase in the number of women in full-time jobs.

### **The many ways of reducing working-time**

In Spain, as Eduardo Rojo Torrecilla's report shows, while the male participation rate has been reduced by the lower participation rates of young people under 20 years old remaining in full-time education and early retirements by older workers over 55, the aggregate participation rate has risen due to the very pronounced increase in the female participation rate, especially in women aged between 25 and 40. While this trend closely tracks that observed in other European countries, the unemployment rate remains one of the highest.

Increased labour force participation by Spanish women has not, however, led to an increase in part-time work of similar proportions to that recorded in the countries of Northern Europe. While in Spain, as elsewhere, the average full-time working day is tending to shorten as part-time working hours increase, Spain differs in the increased number of forms of short term contracts developed as ways of organizing irregular working day patterns.

The surveys conducted in Sweden and Norway after the parliamentary committee meetings held in each country give some idea as to the demands for working-time. In Sweden, while most people would like to work shorter hours, they would not wish to do so for less money. Both the Swedish and Norwegian surveys reveal a widely varied mix of preferences for how working-time should be reduced.. They range from an earlier retirement age, shorter working week, longer annual holidays, shorter working day, more statutory public holidays, the introduction of a career break and more parental leave. The varied possibilities for reorganizing working-time seem to be leading away from standard weekly working hours in favour of standard annual working hours as a better way of reconciling personal choices with fluctuations in company workload.

## **Players and structures**

Individual preferences can be understood only in the specific context which shapes them. While the issue of time is central to the debate on work, the substance of it differs according to country.

The development of the debate can be broken down into broad chronological steps. Hitherto, demands for shorter working hours were linked to improved working conditions. In the first instance, this took the form of a desire for frequent, short periods of free time — essentially expressed in the demand for a shorter working day and three x eight hours. Later, the demands focused on working fewer days per week and per year. The five-day week and annual holidays typify this period.

The recession put the fight against unemployment at the top of all agendas. The debate on working-time became inseparable from that for employment. While the varied demands of workers were highlighted, the presumed benefits of working-time arrangements for economic performance became the driving force for change.

The issue consequently boiled down to different ways of using people to make better use of invested capital. For companies, this meant smoothing out slack periods with periods of overload. The resulting practices of individualization not only increase the isolation of workers but also lead to the destruction of the social bonds which structure work activity.

Individuals define themselves by reference to their circumstances. Now, social relations in the workplace have a decisive influence on current choices, which tend towards improved equipment operating times and business hours, or adapting the size of the workforce to order books.

The salient feature of organizational arrangements today is the trend towards breaking the link between the working-time of workers and machinery operating times, such that the reduction of workers' working-time has not been accompanied by less, but rather more, capital intensity. Workers are thus used differently in ways which increasingly encroach on their traditional free time (night work, weekend work...), throwing into question the standard working day and working week in favour of a more flexible standard spread over the year.

As the idea of uniform fixed working hours in an identical type of employment relationship for all begins to lose ground, and working-time spread evenly throughout the week is thrown into question, a wide range of demands are emerging along with aspirations for a way of organizing working-time which takes more account of non-working life. Differently arranged shorter working-times may then become a quid pro quo for the reorganizations and modernization in progress.

## ***Collective regulation***

### **Working-time, economic growth and regulation**

Since the early 1960s, actual hours worked have declined continuously, but irregularly. The pattern of decline has been interrupted by economic cycles: when the economy is overheating, actual hours worked will rise due to increased overtime and the reduction of partial unemployment, and vice versa during a depression. Actual hours worked are not, therefore, a sound indicator of "normal" or "contractual" working-time. But the existence of different systems for regulating working-time means that we have no harmonized time series for contractual working hours. A comparison of the long-term trend, however, is interesting from the economic policy viewpoint: can contractual working-time, as collectively negotiated or individually contracted for, be determined purely exogenously, or is the trend heavily influenced, or even determined, by other variables, economic growth in particular?

The trend of actual hours worked can be considered as an indicator of the trend in contractual working hours, or of the average contractual working hours if the data include part-time work. working-time followed a continuous downward trend in Germany, France and the United Kingdom, while in Belgium, Sweden,

Italy, and Denmark, the RWT (reduction of working-time) process has slowed down considerably, especially from 1975.

Comparing the cyclical components and those of the series trends in working-time, employment and GDP enables us to classify countries according to the way in which they adjust workload to economic variations.

Short-term variations in working-time are indicative of the ways in which workload is adjusted to business cycles. In Germany, cyclical variations in employment are quite high, close to those in GDP. Only in 1975 does working-time seem to have acted as an adjustment variable. The same is true of Denmark and the United Kingdom: cyclical variations in employment are of the same magnitude as those in GDP, and working-time demonstrates only small cyclical changes. In Belgium, France, Italy and Sweden, cyclical variations in working-time are high and of the same magnitude as those in GDP, while the employment trend, by contrast, is unaffected by the business cycle<sup>6</sup>. working-time is used in these countries as an adjustment variable. In the Netherlands, the dimension of the trend is the same in all three variables, whereas in Japan, neither employment, nor working-time are significantly responsive to the business cycle.

Along with this country breakdown, we can also discern a different trend over time. During the first cyclical trough of 1975, working-time reacted very sharply, while during the recession of 1981-1982, working-time failed significantly to absorb the cyclical trough. This difference between the two cyclical troughs is particularly pronounced for Belgium and Italy, but is also to be seen in France, Denmark and the United Kingdom.

It can be assumed that these changes in the means of adjusting workload to the business cycle are the result of economic policy changes in the different countries — not least policies of labour market flexibility designed to facilitate quantitative manpower adjustments.

While short-term changes in working-time are a positive function of GDP variations, it is generally to be expected that some proportion of growth and productivity gains will be applied to reducing working-time. This was tested here by regressing the working-time trend on GDP trend. The results obtained (elasticities of working-time with respect to GDP) for both sub-periods clearly confirm 1975 as a historical break in the growth-dependent trend of working-time.

In Belgium, Sweden (the case of Sweden, where actual hours worked rose after 1982, will be discussed below), Italy and Denmark, elasticity in the second period is far lower (nearly half), while in Germany, France, the United Kingdom and the Netherlands, it is highest in the second period. This significant effect can be explained by the impact of part-time work in the latter three countries

particularly, where sensitivity to business conditions is more acute. For Germany, the reduction of working-time seems to be a social policy constant, notwithstanding the slower rate of growth after 1975. For the four countries in which elasticity to the GDP trend decreased markedly, an appreciable change of behaviour occurred — either because in periods of lower growth the trade-off between pay rises and reduced working-time tends in favour of pay rises, or because the negotiable part of growth has contracted with the diminished bargaining power of workers in times of rising unemployment. The potential impact of the increase in part-time work makes it difficult to draw this type of conclusion in the case of the other countries.

For the four European countries for which available data enabled it to be done (France, Belgium, United Kingdom, Italy), we calculated the “normal” trend of working-time, i.e., the trend which would have been followed had the long-term effect of growth on working-time been sustained. Three periods were identified. The first, generally coming to an end in the mid or late 1970s, is characterized by a steady reduction in working-time, compatible with GDP growth rates. The 1975 shock, which marks the beginning of the second period, produced an abrupt fall in working-time, but with different long-term repercussions according to country. In Italy and France, the 1975 shock had a long-term impact on the trend of working-time, with contractual working hours above normal working hours, for a period ending around 1980-82. In Belgium and the United Kingdom on the other hand, contractual working hours were below normal working hours during the same period: the 1975 shock led to reductions of working-time higher than might normally have been expected. The end-of-period analysis shows that for four countries — France, Belgium, Japan and Germany — contractual working hours were above normal working hours: given the growth rate, the means of fixing working-time (the history of working-time) and the relations between growth and working-time, the reduction of working-time was less than it could have been. This is particularly so in Japan, where the gap is very wide.

These developments show how closely working-time is tied to economic growth. The large-scale GDP shocks in 1975 and 1981 obviously had a short-term influence in most countries, but also longer-term effects, generally leading to a slower pace of reduction of working-time, apart from in Germany. The fairly general move away from centralized regulation of working-time to decentralized regulation geared towards enforced flexibility of work relations resulted slowed down the pace of reduction of contractual working hours.

### **The levels at which working-time is regulated**

The way in which working-time issues are addressed depends to a great extent on how collective labour relations are ordered.

Some countries have an extremely decentralized collective bargaining system but no arrangements for centralization, be it via statutory provisions or coverage by collective agreements. Such is the case in the United States and Canada, and to a lesser extent in Japan. The corollaries of extreme decentralization are few minimum standards and wide variations in working-times (Bosch — Dawkins — Michon, 1994). In other highly decentralized countries — but where trade unions are organizationally centralized, or where consultative bodies lay down generally-applicable standards — working-times are more uniform between sectors and firms. Sweden, Belgium and Germany are examples, as indeed is Norway. In some instances, finally, the State itself acts to centralize collective bargaining, as in France when the working week was cut to 39 hours. Such was also the case in Belgium temporarily — when the traditional system of collective labour relations failed to carry forward the process of reducing working-time. The State, and the public authorities in general, has a direct role when the organization or funding of certain ways of organizing working-time or working life fall within its immediate jurisdiction: statutory retirement schemes, career break, parental leave.

These methods of regulating working-time have changed in particularly significant ways, which will now be examined on the basis of a comparison between the Nordic countries (Sweden and Norway) and Spain.

The means of regulating working-time are very similar in Sweden and Norway. The reduction of working-time, while an important component of welfare policies, has not thus far been considered an effective instrument for righting labour market imbalances (Sweden's more recent unemployment situation has led certain players to qualify this attitude, without, however, throwing into question the general approach of working-time policies). Policies on working-time have been guided by two broad priorities in these two countries.

For one thing, new working-time arrangements have been used to promote sex equality by encouraging women's labour market entry, especially through such measures as parental leave. This is also available to men — although rarely used — and offers a high rate of compensation of pay (90% in Sweden). Bringing men's and women's working-times more closely into line was one of the essentials of the 1987 Norwegian inter-trade agreement. As in Sweden, moreover, the gap between the average working hours of men and women has closed appreciably since 1982, although women's labour force participation rates have continued to rise and are now nearly equal to those of men.

The search for negotiated flexibility is the second main plank of working-time policies in Sweden and Norway. Localized bargaining has always been important, and has become even more so during the past decade. The general framework of working-time is set statutorily in both countries, although more restrictively



in Norway. The 1987 Norwegian agreement, which introduced the standard 37½ hour working week, breaks with this tradition of statutorily-fixed working-time. This was an inter-trade agreement, the detailed arrangements of which were to be fixed by management and labour in each firm. Working-time in Sweden is still fixed by law, but since the late 50s, working-time legislation has left considerable leeway for adjusting daily and weekly working hours. One result of the more recent debates on the wide range of individual preferences as regards the organization and reduction of working-time has been proposals for establishing the standard legal working hours not on a weekly but rather on an annual basis, enabling detailed shorter working-time arrangements to be set at company level in line with individual preferences and the company's flexibility requirements.

At first sight, the means of regulating working-time in Spain may seem to have moved along very similar lines to those of both the countries examined above. Hours of work are set by law, although this is no more than a statutory confirmation of plant and industry agreements. Such was the case with the June 1983 Act which set the working week at 40 hours, or 1,826 hours on an annual basis. Subsequent reductions were then negotiated at industry- and plant-level. Unlike previous statutes — such as the June 1983 Act — the new November 1994 Act sets no new limit on working-time, even though company practice is well below the 40 hour week.

The new method of regulating working-time can be seen most clearly through an analysis of the new Act, which introduces a series of major changes to the operation of the labour market, notably by making any reorganization of working-time subject to the two considerations of distribution of available work and improved productive efficiency. Short-term contracts have become one of the distinguishing features of the Spanish labour market (in 1993, 3,873,300 such contracts were signed, against just 145,600 full-time open-ended contracts). The 1994 Labour Act now puts full-time open-ended contracts and short-term contracts on an equal footing: the latter no longer fall outside the statutory provisions, but become the norm. The provisions governing part-time work have also been amended, enabling part-time workers to determine the length of their part-time working hours, and to calculate their hours on an annualized basis. Taken together with the possibility of opting for full-time open-ended contracts or short-term contracts, these new provisions offer a wide range of possible ways of organizing working-time.

The key idea of the reform introduced by the Act is to impose flexibility of employment relations, and de-emphasise the statutory regulation of working conditions in favour of standards laid down by collective agreement, or more infrequently by individual contract between employee and employer. This reform

of employment relations would, however, essentially seem to disadvantage the weaker party in the employment relationship to the advantage of the firm. The fundamental element of the reform is to give the firm sole control over the terrain previously occupied by statutory or collectively-agreed rules (Gonzales Ortega and Baylos, 1994). Clearly, we are very far here from the Swedish or Norwegian models of negotiated flexibility.

This comparison between two seemingly very similar methods of regulation shows that statutory standards remain absolutely essential if collectively regulated individual choices or flexibly organized working-time are not to be just a screen for increasing the power of the employers. Trade union bargaining power, at both national- and plant-level, is also clearly decisive for new ways and practices of regulating working-time. Both Anxo (1994) and Anxo and Locking (1994) stress the importance of the social consensus and trade union involvement in the different aspects of economic and social life on the forms that negotiated flexibility takes, now and in the future. In this respect, the annualization of working-time may produce completely different results for workers. In Sweden, it might be supposed that the ability to annualize working hours rather than operate on a weekly basis might facilitate the plant-level adoption of working-time arrangements more tailored to individual desires to manage their working-time over a week, year, or even their entire working life, which also includes more flexible use of working hours by the firm. This is Mückenberger's flexibility/electivity equation. In the case of Spain's new Labour Act, the lack of a strict statutory framework coupled with relatively weak trade union organization as compared with the Nordic countries, suggests little likelihood that electivity will find a level playing field with flexibility.

### **How collective regulation affects the quality of working-time arrangements**

A comparison of the characteristics of part-time work in the United Kingdom and the Netherlands also points up the influence which regulatory arrangements have on this method of working. In both countries, part-time jobs are concentrated on the least well-paid and lowest-skilled rungs of the service and retail sectors. They are more rarely entitled to the same bonuses as full-time workers, or overtime payments. Their working hours are often at the least convenient times, intended to suit the needs of the company rather than those of the part-time workers. However, the quality of part-time work seems better in the Netherlands than in the United Kingdom on two counts (Fagan et al., 1994), one of which is directly connected with the way in which the Dutch labour market is regulated, especially as regards wage setting. Part-time work is better paid in the Netherlands than the United Kingdom. The second reason is that

the occupational segregation of part-time work appears less pronounced in the Netherlands, where there is a higher incidence of part-time work among those in highly skilled occupations.

### **Taxation, incomes policy and working-time**

The importance of taxation is raised by Anxo (1994) and Anxo and Locking (1994). While many tax provisions were clearly not expressly intended to act on individual preferences for working-time arrangements, they seem to have influenced labour supply, and consequently working-time, in Sweden and Norway. The reduction of graduated tax in Sweden was partly responsible for the end-of-period rise in actual hours worked. In Norway, by contrast, separate taxation of married couples combined with higher marginal rates resulted in work sharing and a redistribution of home/work responsibilities within households: women worked more hours, while men worked fewer. Income policy was also partly responsible for the slowdown in the reduction of working-time as workers sought to make up lost income by working longer hours. The same behavioural pattern also recurred in Belgium, where four years of wage freeze (1982-1986) — even though followed by a period of relatively sustained economic growth between 1987 and 1990 — kept working-time virtually unchanged, if the effect of the increase in part-time work is discounted.

A number of Italian trade unions (CGIL, CISL) have suggested various ways of adjusting employers' social security contributions to encourage shorter working hours, either by increasing the cost of hours worked above a certain limit, decreasing the cost of hours worked below that threshold, or a combination of the two (Palidda, 1994). Provided it avoids the trap criticized elsewhere — namely, making certain discriminatory type of job like very short-term part-time work cheaper (Meulders et al., 1994) — this proposal could stimulate the reduction of working hours and boost compensatory recruitment.

## **Conclusions**

Superficially looked at, the trade union position could be seen as a demand for a uniform reduction in working-time — a backward-looking, undifferentiated, collective measure. By contrast, the employers' position comes across as flexible and accommodating — favouring individualization through part-time work and differential working-time arrangements linked to a forward-looking vision of society. This masks the dual aim of the policies implemented: profitability through cost-cutting, and throwing trade union representation into question by blocking negotiations.

This truncated representation of reality not only disregards the diversity of the situations we have attempted to highlight and the actual practices of the two sides of industry, but paradoxically locks trade unions into practices of individualization just as employers are finding that their workforces are relevant to organization. It is wrong to consider individual specificity is all-important to work relations; rather individuals act in specific circumstances within a set of structures which are not confined just to work relations.

The point for the unions, therefore, is not to allow themselves to be locked into the narrow productive rationale of firms as defined by the employers, and to avoid solutions detrimental to classes of workers.

The question should rather be put in terms of the need to take into account not only the wide range of situations and forms of work organization and reorganization, but also recent changes in the wage-earning class — chief among them the increased labour force participation of women, rising educational standards and an increasingly service-based working population. It is by taking these situations into account that new arrangements can be reached on reducing working-time in which new forms of daily, weekly and annual arrangements are combined with arrangements involving retirements, training, parental leave and paces of work.

The margin of negotiation widens as the range of opportunities expands. Severing the working hours of workers from equipment operating times and shop hours vastly increases the range of possibilities. Nor is there any reason why different European countries should have to adopt the same standards regarding working-time or the same organizational arrangements. Competitiveness may be gauged by cost, but it also perfectly well accommodates different types of working hours and organizational arrangements.

Consequently, the possibilities for widening the range of personal choices — which are not only individual but also collective — also expand, simultaneously increasing the ways in which the shorter working hours can form part of a policy to remedy unemployment.

Two points are, however, fundamental to this debate. Firstly, that of new rights for workers in response to the new demands made on them by the reorganization and modernization of business. More specifically, lower wages are scarcely conducive to a more family-friendly working life, still less add to the enjoyment of free time. Also, workers work more willingly for firms who listen to their needs. Then, there is employment status: casualized working conditions badly undermine workers' living conditions. Consequently, situations tend to become deadlocked in many respects. This virtual absence of casualization is precisely why flexible arrangements have increased to the extent which they have in Sweden, for example.

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## Footnotes

1. The present consolidated report draws on the following contributions:  
Manxo, D.: Politiques et évolution du travail en Suède.  
Manxo, D., Locking, H.: Politiques et évolution du temps de travail en Norvège,  
Fagan, C., Platenga, J., Rubery, J.: Does part-time work reduce or reinforce sex inequality? Lessons from the Netherlands and the UK.  
Machholm, T.: Rapport d'étude préparatoire concernant la durée et l'organisation du temps de travail au Danemark après la réduction de la durée du travail (working document).  
Mückenberger, U.: Aménagement du temps de travail dans le contexte d'une politique syndicale modernisée.  
Pallida, S.: le temps de travail en Italie  
Rojo Torrecilla, E.: Flexibilidad en la ordenacion del tiempo del trabajo en Espana. Incidencia de la reforma laboral de 1994.
2. Working hours must be reduced by at least 15%, accompanied by pay cuts and the recruitment of at least 10% more employees. This staffing level must be

maintained for at least three years. In return, the employer's social security contributions will be cut by 40% in the first year, 30% in the second year, etc.

3. These IAB researchers consider the real effect on the employment of all measures to reduce working time (including the increase in part-time work) at a million people. Discounting PTW and taking only full-time workers into consideration, the job creation effect of measures to cut working time can be put at 650,000 persons (cf., Lehdorff).
4. These authors estimate that the shorter working week introduced in 1982 resulted after one year and three years in the creation of 85,000 and 145,000 additional jobs, respectively, with a corresponding reduction of between 45,000 and 60,000 in the unemployment totals.
5. See, for example, the comparative study of 13 industrialized countries by G. Bosch and F. Michon, *Réduction et flexibilisation du temps de travail*, P. Mícron et J. Seorestin (Eds.), *L'emploi, l'entreprise et la société*. Economica. Paris, 1990. pp. 217-228.
6. In Belgium between 1982-86 — and in Italy — unemployment was most responsive during the recession.

# ***Working-time policy in the US***

**By Linda Bell**

## ***Flexibility as a topic today***

In 1887, Samuel Gompers, the “father” of the American labour movement said that “so long as there is one man who seeks employment and cannot find it, the hours of work are too long.” Gompers was talking about work-sharing in the U.S. but the movement really never caught on. European trade union associations and employers’ associations — not American workers and employers — are the champions of reducing working-time as a method for saving jobs.

Today, it is fair to say that Americans are overworked. They work 10% — 15% more hours annually than workers in European OECD countries even though shorter working-time has been a major goal of American labour since the turn of the century, and the U.S. once led the developed world in reduction in hours worked. It was one of the earliest countries to establish the 40-hour week, and it increased vacation time after World War Two. In the 1950s and early 1960s Americans worked far fewer hours than Europeans. Yet by 1990, U.S. workers worked more. They now work about five per cent more hours per week and about eight per cent more weeks per year. Women work more in the U.S. than in Europe; overtime is higher; and part-time work is higher. And despite grumbling to the contrary from some well-publicised trade union squabbles, Americans seem to prefer to work more.

Even though Americans work the second largest number of hours of any workers in OECD countries — Japan is the leader in annual hours worked — and even though this phenomenon is relatively new, with U.S. work hours surpassing European work hours only in the early 1980s, there is little tendency towards work-sharing. The changes that have taken place in working-time in the U.S. have more to do with the hiring of temporary and part-time workers than the shortening of the average working week for full-time workers. What is so striking about the use of so-called “contingent” workers in the U.S. is not so much their growth in numbers, but the appearance of these kinds of workers in sectors traditionally not receptive to alternatives to full-time work — for example, at U.S. car assembly plants.

Why has work-sharing as a concept not caught on in the U.S.? And what alternatives frame the debate there about flexible working-time?

There are many reasons for the lack of interest in work-sharing in the U.S. today, and they have to do with both workers and firms. I'd like to touch on four of the more important namely:

- macro-economic employment growth and wage trends in the U.S.;
- government legislation that either ignores or discourages reducing hours as a method of spreading employment;
- extreme decentralisation in the way hours and wages are set in the U.S., combined with low and declining union density and a high degree of union diversity; and
- U.S. workers' preferences for work.

All four reasons are very much inter-related. Let me elaborate on each in turn.

### **Macro-economic factors**

Consider first the effect of U.S. macro-economic development over the last 20 years. During the 1980s, the American economy produced the longest peacetime expansion of the post-World War Two era. During this expansion, employment increased by about 20 million and unemployment reached its lowest level in 20 years. At 5.6%, the civilian unemployment rate today is at its lowest since the 1960s and early 1970s. As a practical matter, in the tight labour markets that characterise the U.S. today, there is no need for work-sharing as a means of spreading employment.

In the U.S. today, especially in U.S. factories, workers are demanding shorter hours not to save jobs but to save their backs and their minds. Union members in 1994 have walked out on strike in opposition to mandatory overtime rules that have them working as much as 60 to 70-hour weeks in certain cases. In September and October the Bureau of Labor Statistics (BLS) reported that factory workers put in an average of four hours 42 minutes overtime per week — the highest recorded for 34 years. While some of this reflects tight labour markets and growth, some of the excessive demand for working hours today reflects conscientious long-term efforts at streamlining work and reducing the number of full-time employees.

Back in the early 1980s, when excess demand for labour was not an issue, work-sharing didn't catch on for another reason. Where real wages are stagnant or falling — they had declined by 18% for production workers since 1973 — any action that has the result of further reducing wages is going to be viewed sceptically by workers. Until real wages begin to grow, we are unlikely to hear workers in the U.S lobbying for work-sharing, even in a recession.



## **Government legislation**

What is the role of the government in the process of promoting workplace flexibility? In the U.S. the government plays pretty much no role, although one can argue that the absence of legislation promotes layoffs and discourages hours reductions.

Although I need not elaborate here on the myriad restrictions and regulations in European labour markets on working-time and dismissal, in the U.S., similar employment laws protecting adult workers are relatively non-existent. In simple terms, flexibility of working-time in the U.S. may be less of a burning issue than in Europe because of the lack of strong rules on working-time. Existing U.S. laws do not, for example, specify the number of legal hours, the hours in the day when work can occur, or the amount of vacation time that must be given to workers. Existing laws only require one thing with regard to working-time — namely that “time-and-a-half” be paid to qualifying workers who do more than 40 hours a week.

Indeed, one might argue convincingly that lax dismissal laws and the specifics of U.S. unemployment insurance practically discourage cutting hours in response to economic shocks. And although short-time compensation programmes are in place in 17 states today, workers in the U.S. typically do not receive unemployment benefits for short-time work. While in theory, the short-term compensation programmes in those 17 states should function like the system in many European countries, in practice few employers have participated in these plans because of too much paperwork and the risk of increased unemployment insurance taxes. The effect of this is to make short-time work at lower rates of pay an unattractive option for employees and employers alike.

Before 1988, advance notice of plant-closures and layoffs was required in only three states. The laws have been somewhat strengthened; but closures and layoffs are still an easy way to adjust to economic shocks in the U.S. The absence of significant legislation in this area especially promotes the use of layoffs.

## **Decentralisation**

How does decentralisation in the way hours and wages are set combined with low union density and high levels of union diversity contribute to the lack of collective effort towards cutting working-time? First, the U.S. system produces a myriad of outcomes with respect to working-time and in this sense, viewed collectively, the U.S. workplace is extremely flexible on hours. Although the 40-hour working week is still the norm for full-time workers in the U.S., non-standard schedules are gaining in importance. Non-standard hours take the form

of shift work, night work, and weekend work. About 25% of U.S. workers work on Saturday, and about 12% on Sunday. Forty-seven per cent of all part-time workers and about 16% of full-time workers are shift-workers. Part-time and short-time work is increasing in importance in the U.S. A study of 500 firms undertaken for the U.S. Bureau of National Affairs by Katherine Abraham found that 76% of non-manufacturing firms and 56% of manufacturing firms used short-term contracts. While unionised firms are less likely to use "short-time" or "contingent" work, they are increasingly more likely to contract out (non-union) work.

In the U.S. today, over 25 million workers are employed in temporary and/or involuntary and voluntary part-time arrangements. The use of part-time workers increased in all industries during the 1970s and 1980s, although the fastest growth of such workers has been in trade and services. These workers — involuntary part-time, temporary, or self-employed — are referred to often as the "contingent workforce." Only two categories of contingent workers — temporary workers and involuntary part-time workers, making up two per cent and 5.4% of total employment respectively — have exhibited strong growth since 1979. The existence of these types of workers in non-traditional sectors — car manufacture and steel for example — has helped to attract a considerable amount of attention.

Although some of the increase in part-time work is related to the increased participation of women in the U.S. labour market, not all of the increase is accounted for in this way. Although roughly 65% of all part-time workers are female, a majority of the involuntary part-time workers is between the ages of 25-54, male, and uneducated. Part-time and temporary workers have been attractive alternatives to permanent workers for firms because they cost less. Specifically, employers may favour part-time and temporary workers for three reasons. First, it fits in with the concept of a "lean and mean" workforce — in part, a result of downsizing and the move to just-in-time manufacture. Second, part-time and temporary workers are cheaper because they are often lower paid and they often do not receive benefits. Today, roughly 69% of part timers are excluded from pension benefits and 54% of part timers from health care coverage. Employing part timers and temporary workers has been used as a tool for reducing the average fixed costs of labour. Where labour unions are strong, they have discouraged the use of part-time and temporary workers and the use of flexitime. In the decentralised system of the U.S. though, employers are freer to hire without regard to the unions' or workers' preferences.

Low union density combined with decentralised bargaining undoubtedly contributed to the concessionary climate that characterised collective bargaining in the 1980s. Concessions are a substitute for cuts in hours. In non-unionised settings, wage and benefit concessions have long been held as alternatives to

layoffs and shorter hours for employees at all levels. In unionised settings, wage and benefit concessions, virtually non-existent in labour contracts in the 1970s, proliferated in such contracts in the 1980s.

In 1986, the year in which concession activity peaked in the U.S., 72.8% of negotiated collective bargaining agreements involved a wage freeze or reduction in the first year of the contract, and in roughly 40% of cases wages were frozen in each year of the multiple-year agreement. Union wage concessions in the 1980s were an alternative to layoffs and reductions in hours. Similarly, alternative compensation schemes such as lump-sum, bonus, and profit-sharing plans enhanced managerial flexibility since labour costs were more closely linked to company performance. It is fair to say that massive union concessions in the 1980s reduced the necessity for layoffs and hours reductions in many cases. My own work and the work of others has demonstrated a strong link between union concessions and decentralised bargaining in the form of low union coverage within an industry.

## **Preferences**

Perhaps the single most important reason why work sharing is not a "hot" topic in U.S. labour markets today is that U.S. workers on average don't seem much inclined towards shorter working hours. Economic theory teaches that shorter hours at a constant wage will entail a loss in well-being for the worker if the wage rate exceeds the marginal rate of substitution between consumption goods and leisure. In these terms, leisure in relation to consumption seems to have relatively less value to the typical American than it does to the typical European.

Consider the results of a 1989 survey of workers' attitudes in various countries in support of this claim. In this survey, workers from the U.S., Germany, the UK, Italy, Norway, the Netherlands, and Austria were asked to respond to a variety of questions about their work and leisure choices. In one question, workers were asked to consider and rate the following options: working more hours for more pay; working the same hours for the same pay; or working fewer hours for less pay. In response, nearly one-third of U.S. workers said that they would work more hours for more pay if offered the choice. U.S. workers were disproportionately inclined to opt for more work for more pay than workers in any other surveyed nation.

As another example of how Americans view work, consider their response in the same survey to the question: how hard do you work? Survey respondents were given three possible responses to this question: "only as hard as I have to"; "hard, but not so that it interferes with the rest of my life"; and "hard even if it interferes with the rest of my life". Once again at the extreme of hard work,

over 60% of U.S. workers responded that they work hard even if it interferes with the rest of their life and only seven per cent said that they work only as hard as they have to. At the other extreme were German workers, where only one-third of surveyed workers responded that they work hard even if it interferes, and nearly one-fifth responded that they work only as hard as they have to.

Finally, I offer the following short list of responses to different qualitative questions as corroborative evidence that American workers, at least in their responses, seem to prefer long or hard work. First, in response to a question asking if people work just for the money, 18% of Americans as compared to 33% of Germans say they work just for the money. Second, asked if they would work without pay in their job, 67% of Americans said yes as compared to 59% of Germans. Third, asked if leisure was important to them, 40% of Americans said yes as compared with 74% of Germans.

All told, the impression from this international survey is that American workers are more "into" work than are European workers. The puzzle is in some sense why longer hours have failed to quell American workaholism.

How can we explain the fact that U.S. workers work such long hours and seem to prefer long work relative to European workers? With Richard Freeman, a labour economist from Harvard University, we explore two alternative explanations for the gap in working hours and preferences in the two countries.

The first explanation — call it standard labour supply analysis — relies on testing the following factors: first, average and marginal tax rates for a typical European production worker may be as much as 30% higher than tax rates for a typical U.S. production worker. This difference implies that the rewards for working extra hours are smaller in European nations than in the U.S., even at the same rate of pay. Second, social income — welfare transfers, health care, unemployment insurance, subsidised college and university education, and apprenticeship programmes — are more generous on average in Europe than in the U.S., which should increase the demand for leisure through an income effect. Turning to changes over time, real earnings have not grown in the U.S. over much of the period since 1970 and have fallen for a large percentage of the population, which might necessitate working longer hours to maintain a given living standard. In the 1980s, significant tax reforms substantially reduced the progressive effect of U.S. federal taxes, possibly encouraging preferences for additional work among large segments of middle-income American workers.

Despite the theoretical appeal of standard labour supply theory, as best we can tell, differences across countries in actual hours of work or preferences for work are not explained by differences in either mean hourly earnings or personal income. There is therefore no support for the view that standard labour supply factors can explain these differences.

As an alternative explanation Richard Freeman and I considered the possibility that incentives for long hours may differ across countries. In the highly decentralised U.S. labour market that produces relatively high wage inequality, the rewards for greater effort are large and the penalties for slacking substantial. By contrast, in centralised systems that produce less wage inequality and that impose institutional law making dismissal difficult, the rewards and penalties are presumably less extreme. If wage inequality allows for a system of rewards that encourages greater effort, the hours and preference gap between the U.S. and European countries might reflect different payoffs to effort which are not related to differences in mean earnings but instead are related to earnings variance among workers. Note that this model of labour supply is entirely consistent with the basic economics of incentives. It suggests that the "right" substitution variable in explaining hours is not the wage but the difference in lifetime earnings from working or not working more hours, where lifetime earnings reflects advancement, the loss of income from loss of job, and other things. Looking across countries, our results suggest that hours worked are indeed the longest in countries with a high degree of inequality.

***Flexibility as a  
topic for tomorrow***

**What are the likely trends in hours worked in the U.S.?**

With regard to flexibility of hours, clearly there are forces at work in the U.S. encouraging more flexible patterns in working hours. First, U.S. factories and businesses are aware of the advantages of part-time and temporary workers, and, barring changes in laws such as the ill-famed adoption of universal health care, the use of these types of workers is likely to grow. Second, just-in-time manufacturing techniques require more flexibility in the intensity of labour input and this is the direction that U.S. factories are moving. Third, although the growth rate of women in the workforce has halted, the relative position of women in the labour market hierarchy is advancing. Women are more likely proponents of flexible working hours.

With regard to the length of our working-time, we in the U.S. are likely to continue to work long hours. Either because we like to work; because the quality of our leisure time is so low; because our wages have been stagnant; because we lack a collective voice; or because the quality of our jobs is so low, we Americans seem to like to work long hours.

# ***Working-time policy in Japan***

**By Hartmut Seifert**

## ***Introduction***

Time is marked differently in Japan than it is in Europe. Japanese workers spend a greater part of the year in factories and offices than workers in the countries of the European Union (EU). By 1993, Japanese workers were putting in an average of 1,913 hours per year. This means they were working 500 hours a year more than workers in the Netherlands, the country with the shortest average working hours in the EU. The difference is substantial — equivalent to a quarter of a year's work. Even compared with Spaniards, whose working hours are the longest in the EU, the Japanese still put in an extra 100 hours a year.

Though these figures may not be completely accurate, owing to differences in statistical methods and other inconsistencies, the gap between the European Union and Japan remains striking. Workers in Japan have significantly less time left over for family life, leisure activities, hobbies or political activity than workers in the countries of the EU. If the time required for commuting to and from work — in some cases extremely long — had also been taken into account, then the differences in non-work-related time between Europe and Japan would have been even greater.

Four years earlier, the differences in working-time between Japan and the countries of the EU were even more striking. In 1989 average annual working-time in Japan was 2,088 hours. Then, in the space of only four years, this figure fell by 175 hours, or 8.4%, equivalent to four weeks' work. Nowhere in Europe have workers, over the same period, achieved an increase in free time anywhere approaching this. At 2.1% a year, the pace of the reduction of working-time in Japan was more than double the rate in the Federal Republic of Germany, the European pacesetter in recent years, where the reduction of working-time has been progressing at just one per cent per year.

In working-time policy, Japan has been making up for lost time in the last few years, though it is a development that has been little noticed in Europe. To what extent this tendency to "Europeanise" working-time is likely to continue will be discussed at the end of this paper. First of all, it is necessary to ask what has caused the rapid changes in working-time policy in Japan, and to what extent

the individual components of working-time differ between Japan and the countries of the European Union.

## **The components of working-time**

A comparison of the length of working-time in Japan with the EU countries reveals the following common features and differences in the development and structure of the most important components of working-time.

### **The agreed working week**

At the end of 1992, the average working week in Japan was 40 hours. Thus the working week had come much closer to that in Europe. In comparison with England, the Japanese working week is shorter, though compared with Belgium, Germany and Denmark, where the working week is between 37 and 38 hours, it is still rather longer. Calculated on an annual basis, the difference between agreed working-time in Japan and in the most advanced countries of the EU is between 100 and 150 hours.

The focus of collective bargaining policy on working-time in Japan in the last few years has been the introduction of the five-day, 40-hour week. At present this arrangement applies to 94% of the workforce, whereas in 1989 the figure was only 83%. The introduction of the 40-hour week was confirmed by the *Labour Standards Law (LSL)* passed in June 1993, which stipulated that 40 hours should constitute the upper working-time limit by April 1994<sup>1</sup>. Even so, in small businesses and in certain specific sectors, working-time can still be as much as 44 hours a week. At the same time, the *LSL* extended the possibilities for flexible working-time. According to its provisions, weekly working-time can now be distributed unevenly, with a maximum averaging-out period of one year.

### **Overtime**

Overtime is the second component to which the differences in the length of working-time between Japan and individual EU countries can be attributed. In 1993, Japanese workers performed an average of 133 hours of overtime, whereas in the Federal Republic of Germany (West) the figure was only 57 hours and in East Germany only 49 hours. A few years earlier the differences had been even

more pronounced. Since 1989 the average number of overtime hours had fallen from 190 per year, i.e. a drop of 30%. The car industry, in particular, has seen a drastic fall in the high incidence of overtime which previously characterised this sector. For example, at the end of 1992, the **Toyota Motor Corporation** embarked on an attempt to halt all overtime in many sectors of its operations in response to the slump in demand<sup>2</sup>.

Traditionally, overtime represents the possibility of adjusting the volume of labour to fluctuating production and orders, principally to take account of upturns and downturns in the economy, but also in accordance with seasonal factors. By means of adjustments in working-time, the principle of lifetime employment, central to Japanese industrial relations, can still be upheld. In some sectors of the economy, such as the car industry for example, the volume of overtime represented around one sixth of total annual labour during upswings in the economy (1989 and 1990)<sup>3</sup>. When the economy goes into a downswing, Japanese firms can often reduce overtime as a means of adjusting labour costs to current capacity requirements, before turning to the much more expensive adjustments in the workforce which, in addition, are harmful to their image and would have far-reaching consequences for the system of company employment.

However, the practice of overtime also signifies higher labour costs owing to the overtime bonuses payable which, in Japan, are at least 25%. Even so, these bonuses apply only to the basic income, and not to the pay supplements which, depending on occupational status, economic situation and type of company, can make up as much as half of a worker's total income. As such, the payment of overtime bonuses is calculated in accordance with a relatively low reference basis.

### **Agreed annual leave**

Finally, a significant portion of the difference in length of working-time is attributable to annual leave. In this case the differences between Japan and the EU countries lie less in the amount of collectively agreed or statutory leave allowance than in the differing habits regarding the extent to which the leave entitlement is actually taken up. Japanese workers have an average annual leave entitlement of 20 days. This is not much less than in most countries of the EU, though in comparison with Germany it is 10 days, or 80 working hours, a year less. The more striking factor, however, is the difference in the extent to which leave is actually taken. In 1993 Japanese workers used up, on average, only 56% of their annual leave entitlement<sup>4</sup>. In other words, almost half of the annual leave allowance was not taken. This means that Japanese workers work, on average, some 80 unpaid hours per year, easily equivalent to four per cent of the total volume of labour.



This behaviour, which is quite unusual to a European way of thinking, requires explanation. The Japanese labour ministry gives two reasons for it<sup>5</sup>. On the one hand, conditions in the workplace are such that leave is rather difficult to take. It is not made easy for the individual worker to leave his/her job for a period of time, either to leave the post unattended or to hand over the tasks to another worker. Such a situation reflects not only the attitude of responsibility towards other workers and towards the company which has been inculcated into the Japanese workforce, but also the significant absence of a well-organised and flexible labour reserve.

The second argument put forward is that employees tend to keep back a part of their leave for emergencies. In other words, they wish to have the opportunity, should a family member fall ill, to take a few days off to deal with the situation.

### **Part-time work**

The considerable differences in the length of working-time are attributable, to a certain extent, to the differing incidence of part-time work. At 12.6% in 1991, the part-time rate in Japan lies somewhere in the middle of the European range. Part-time work is much more widespread in The Netherlands (34.3%), Denmark (23.1%), England (22.2%) and Germany (15.5%). These high proportions exert pressure on the average annual working hours of all workers. Only in Greece, Spain and Portugal is part-time work less widespread, a situation reflected in correspondingly longer average working-times.

## ***Assessment of trends***

The longer annual working-time in Japan is frequently regarded as a competitive advantage compared with the shorter European working-times. Such a view is, however, superficial. There is indeed considerable evidence that longer working hours are not necessarily an expression of an efficient economy. From the cost/benefit angle shorter working-times could certainly be more advantageous. In the first place, shorter working hours enable, in most occupations, more labour-intensive activity. This is confirmed not only by various operational analyses of part-time work<sup>6</sup>, but also by the most recent experiences with working-time reduction at Volkswagen AG and in other sectors<sup>7</sup>. The trade-off between shorter working-time and higher hourly productivity is particularly noticeable in white-collar activities. In this area, work organisation, procedures and paces are less determined by technology than is the case in the field of production, and particularly assembly-line production.

Secondly, shorter individual working-times enable a more flexible organisation of working-time. New working-time arrangements, such as the introduction of three-shift systems, become possible. The Japanese car industry mainly uses a two-shift system, with the shifts not necessarily following on one from the other but separated by several hours, leaving room for overtime and also for maintenance of plant and equipment<sup>8</sup>. By contrast, several European car manufacturers have been able, as a result of shorter individual working hours, to extend plant utilisation time in the framework of three-shift systems.

Finally, shorter working-times mean, as a general rule, lower income. This is immediately evident if the income is paid on an hourly basis, and also in the case of part-time work. The same principle applies, however, to salaries paid on a monthly basis. Without the working-time reductions in Germany in recent years, income over the same period would have risen more quickly. Shorter working-times are thus introduced as a substitute for pay increases which would otherwise have been possible. From the cost angle, after all, it makes no difference whether the employees settle for more money or more free time.

## **Outlook**

The question arises finally as to how working-time in Japan will continue to evolve. Will the tendency towards a "Europeanisation" of working-time continue as a long-term trend? In 1988, the Japanese trade union confederation, **RENGO**, set its sights on a reduction of annual working-time to 1,800 hours by 1993. Much of the road has already been travelled; individual sectors of the economy, such as finance and insurance companies, had already stepped below the 1,800 hours mark in 1991. The average for the economy is, however, still 113 hours or six per cent away from the target. If reductions in working-time proceed at the same pace as in recent years, then the 1,800 hour threshold will be crossed during 1996. However, how the trend will develop is still an open question. The arguments in favour of compulsory working-time reductions are balanced against the counter arguments.

The climate appears favourable for further working-time reductions because Japanese workers, in comparison with those of other countries, are much less satisfied with the distribution of working-time and free time<sup>9</sup>. Complaints are heard that holidays are too short and that there is too little time left over after work for family and leisure activities. In addition, the time taken for commuting between home and work is felt to be too long. There is, accordingly, a definite wish for shorter working hours and thus for increased possibilities to enjoy the time spent out of work.

Secondly, the slack state of the labour market means there is greater leeway for further working-time reductions. Until the outbreak of the last recession, the rate of unemployment was around two per cent, and there was a permanent surplus of demand. The ratio of vacancies to applicants was greater than one, i.e. a sign of labour scarcity. This indicator has dramatically changed and had by July 1994 fallen to a value of just over 0.6<sup>10</sup>. In the phase of pronounced demand surplus, greater steps in working-time reduction would only have exacerbated the scarcity of the labour market. By the same token, the major working-time reductions in the last few years have contributed to the fact that the unemployment rate has risen only moderately to three per cent. When the state of the economy leads to a surplus labour supply, working-time reductions offer scope for safeguarding the employment situation. Firms are then less likely to come up against bottlenecks on the labour market, which could hinder further economic growth.

Thirdly, further working-time reductions allow a new organisation of company time structures. Two-shift systems can be transformed into three-shift systems and plant utilisation time extended. When a large volume of overtime was worked on the basis of an eight-hour day, it was not always possible to introduce round-the-clock production.

Fourthly, the increasing desire of women to join the labour market militates in favour of further working-time reductions. The pattern of roles within the family is not very different in Japan to most of the EU countries. Women, whether employed outside the home or not, do the bulk of the housework and also most of the child care. Employed women in Japan thus spend on average two hours 44 minutes per day on household chores and shopping, while employed men spend only 10 minutes on these activities<sup>11</sup>. Among non-employed women the figure is more than four hours. The longer working-times at home have to be offset for women by shorter hours in the workplace. Thus, while for women the average working day is six hours 12 minutes, for men it is eight hours 17 minutes, i.e. over two hours more. With the excessively long Japanese working-times it is scarcely possible any longer to work full-time as well as deal with the housework.

However, a number of obstacles stand in the way of these apparent incentives to further working-time reductions, so that perhaps the achievement of the 1,800-hour limit will be only gradual. For Japanese workers do not complain only about their excessively long working hours but also, at the same time, that they have too little purchasing power, in spite of their high pay, and inadequate housing space. The preference for shorter working hours thus competes with the preference for more income. And as long as economic growth is slow, there is still little scope to achieve both goals simultaneously. There won't be improved opportunities to cut hours and push for more pay until the Japanese economy gets back on its feet and the scope for distribution is thus expanded.

## Footnotes

1. Cf. *Japan Labour Bulletin*, Vol. 32 — 8/1993, p. 4.
2. Cf. *Japan Labour Bulletin*, Vol. 32 — 8/1993, p. 2 ff.
3. Cf. Ministry of Labour, *Year Book of Labour Statistics 1991*, Tokyo 1992.
4. Cf. Japan Institute of Labour, *White Paper ...* op.cit. p. 58.
5. Cf. *ibid.*
6. Cf. McKinsey, *Teilen und Gewinner — Das Potential der flexiblen Arbeitszeitverkürzung*, Munich 1994.
7. Cf. Rosdücher, J., Seifert, H., *Die Einführung der 4-Tage-Woche in der Volkswagen AG. Modell für eine beschäftigungssichernde Arbeitszeitpolitik ?* Schriftenreihe der Senatsverwaltung für Arbeit und Frauen, No 4, Berlin 1994.
8. Cf. Lehndorff, S., Bosch, G., *Autos bauen zu jeder Zeit ? Arbeits- und Betriebszeiten in der europäischen und in der japanischen Automobilindustrie*, Berlin 1993, p. 219.
9. Cf. *Japan Institute of Labour*, *White Paper ...*, op.cit. p. 50.
10. Cf. *Japan Labour Bulletin*, Vol. 33-12/1994.
11. Cf. *Japan Labour Bulletin*, Vol. 33-10/1994, p. 3.

# **Trade union strategies in Europe**

**Panel discussion  
7 December 1994**

**By Robert Plasman**

Several representatives of European trade unions met for this round table meeting: **Chris Harding** (GMPU, UK); **Ieke Van den Burg** (FNV, The Netherlands), **Carmelo Prestileo** (UIL, Italy), **Gilbert de Swert** (CSC, Belgium), **Anders Backström** (LO, Sweden).

The round table discussions and the questions it raised among the conference participants were organised around two central themes. On the one hand, the debate focused on establishing trends in trade union strategy; on the other it aimed to determine what form of regulation this trade union strategy might take, particularly from the point of view of arbitration between collective choices and individual choices and from the point of view of the role played by the public authorities.

The reduction of working hours is a long-term trend, which is all the more noticeable when working-time is viewed not just on a weekly or annual basis, but in terms of the period comprising employees' full working life. However, this development has not been regular, and fluctuations in growth have emerged as one of the factors explaining variations in the speed with which working hours have been reduced. In addition to short-term factors — less growth, lower productivity gains and therefore fewer negotiable reductions of working hours — the downturn in growth following the first oil crisis had long-term repercussions on the development of working hours. At the same rate of growth, the reduction of working hours is currently slower than during the period between 1960-1975. Without prejudging the complex causes of this downturn, particularly from the point of view of trade union negotiating power or employees' interests in this type of benefit, it is interesting to note the bases of the strategy followed by some European trade union organisations and in particular to examine the extent to which these strategies have been modified and diversified.

## **Working hours, employment and well-being**

While the general theme of reducing working hours remains a priority for the majority of round table participants, the ways in which it has been implemented have become highly diversified.

In the **Netherlands**, more than half the growth in employment during the 1980s, which was in the order of 30%, was due to the reduction of working hours, more especially the considerable increase in part-time work: one third of employees work on a part-time basis, and 40% of them work for less than 15 hours a week. The strategy of the **FNV** consisted of promoting part-time work as part of its global strategy aimed at reducing working hours so as to redeploy staff and promote work-sharing. According to surveys carried out by the FNV on employees' ideal working hours, women wanted to work around 25 hours and men 32 hours a week. According to the FNV, employees' wishes with regard to working hours could be summed up as follows:

- part-time workers want to increase their weekly working hours up to 25, whilst most full-time workers would like to reduce their weekly working hours to 32;
- choices vary throughout employees' working lives;
- there was a major difference between men and women, and the gap between them must be reduced.

Taking into account individual choices, the FNV's strategy is intended to attain two objectives: firstly, to enable employees to choose how many hours they work for, with their respective companies being obliged to accept these choices; and secondly, to ensure strict equality of treatment regardless of the number of hours worked.

The national agreement signed in summer 1993 constitutes a major element as far as the distribution of part-time work is concerned. The recommendations contained in this national agreement are as follows:

- part-time work must be available at all levels and in each sector;
- employers should be obliged to respect the requests of employees wanting to change their working hours unless this genuinely clashes with the interests of the company. Accordingly, the burden of proof lies with the company; and
- part-time work must not be allowed to give rise to unequal treatment.

So the FNV's strategy consists of both improving the situation faced by part-time workers, particularly by increasing their working hours and ensuring that they receive equal treatment, and enabling those who work full-time to reduce their working hours, so that the gap between the full-time worker and the part-time worker is reduced and, also according to the FNV, so that the distribution of work between men and women in the home environment also changes.

This whole strategy, however, is part of an effort aimed at redeploying staff so as to stimulate work-sharing, particularly within the family unit. The strategy is also intended to reduce the gaps between part-time and full-time work, whilst at the same time retaining a different approach for the two sexes.

According to **Chris Harding**, representing the **GPMU**, UK, the development of part-time work and temporary work poses a direct threat to full-time jobs and jobs of unlimited duration. Above all, working hours must be reduced by offering more workers early retirement and by extending the length of annual leave, which should be increased from five to six weeks. These ways of reducing working hours, particularly the latter method, should result in the achievement of fuller employment within two years and could be implemented progressively. The desperate recourse to part-time work — indeed, very often extremely short hours (two hours a day) and underpaid work — could be avoided by introducing shift systems so as to ensure that plant equipment is in use for longer. **Chris Harding** cited practices within the graphical industries — which at the same time guaranteed shorter, more highly differentiated individual working hours.

Referring to the difficulties of drawing up and implementing active labour market policies, **Carmelo Prestileo** stressed the importance of solidarity contracts as elements in a strategy aimed at reducing both working hours and unemployment levels. These solidarity contracts, which are company agreements, are concluded with a view to avoiding mass redundancies or increasing the size of companies' staffs. When the object of the agreement is to avoid redundancies, these "defensive" contracts provide for compensation to be paid for the loss of wages following the reduction of working hours, the level of this compensation being set at 75% in December 1993, before being downwardly revised by the Berlusconi government. When the solidarity contract provides for an increase in the number of employees in so-called "offensive" contracts for each new employee a financial reward results. According to **Carmelo Prestileo**, solidarity contracts have enabled 60,000 jobs to be saved. Furthermore, they have once again focused attention on the debate about reducing working hours and improving the organisation of working-time. However, statutory working hours have remained at 40 hours a week since 1923. Setting working hours at a level below 40 hours would enable new arrangements to be introduced for working hours, as well as creating new jobs.

In 1993, the Belgian Confédération des Syndicats Chrétiens (**Confederation of Christian Trade Unions**) carried out a massive survey among its members on the reduction of working hours and more particularly on the collective dimension of such a reduction. According to **Gilbert de Swert**, the two main conclusions were as follows: Firstly, a majority of its members were in favour of reducing working hours, but no single method of reducing working hours won majority

support; indeed, the differences in preference are quite marked. I shall return to these different preferences below when the problem of matching collective choices to individual choices will be addressed. The second finding was that there is a certain scepticism associated with the reduction of working hours. This stems, on the one hand, from the question of financing this reduction and, on the other, from its effectiveness in terms of creating new jobs.

This is why the strategy of the **CSC** is based on financing the reduction of working hours by reducing social security contributions. This would benefit the employer and would be subject to the net creation of jobs. In turn, these reductions in social security contributions would have to be covered by the introduction of a tax similar to the Contribution Sociale Généralisée (CSG), a kind of supplementary social security contribution. De Swert claimed that this formula, combining finance and efficiency in terms of employment must apply equally to individual or collective reductions to working hours. According to him, it is not possible to formulate a single claim, as was the case for the eight-hour day or the five-day week. During the negotiations which took place in Belgium in 1994, several new formulae emerged. In the construction sector, it is now possible to work a four-day week, the fifth being given over to training. In the public sector, the change from a five-day to a four-day week, with a partially compensated loss of wages, was made possible by the managers of the civil service, although no negotiations to this effect had been conducted with the relevant trade union organisations.

The situation in the Nordic countries, and Sweden in particular, differs markedly from that in other European countries. As emphasised by **Anders Backström** of the **L.O.**, the unemployment rate there has remained relatively low, even though the trend has crept upwards recently and recently gathered pace. This is one characteristic element of the situation there, the second undoubtedly being the low degree of inequality between men and women in the labour market. In Sweden, the number of men and women in work is roughly equal. Around 50% of women work part time, but part-time and full-time workers are treated almost totally equally. Furthermore, in recent years average working hours have increased as the average number of hours worked part time has increased. The trend among Swedish women is to request longer hours in their part-time work. This development is reflected in an increase in the average working hours of women of three hours a week.

To **Backström**, the idea of using the reduction of working hours as an instrument to bring down unemployment seems slightly repugnant. He believes that the increase in Swedish unemployment can be attributed to the changed economic policy followed in recent years. The solution is therefore not to share a volume of work, which has contracted due to economic policy, but to recreate the



conditions for adequate growth. In fact, in the Nordic countries, the call to reduce working hours has basically remained linked to calls for higher standards of living and better working conditions, whereas in other European countries it has decisively influenced the increase in employment since the mid-1970s.

Nevertheless, the round table participants insisted that the reduction of working hours could by no means be presented as the sole — or even the main — element of their strategy for fighting unemployment. However, the comments made by the LO representative served to refocus the debate on the link between economic growth and working hours and on the current understanding of the term ‘full employment’. As Georges Debunne emphasised in his speech, ‘naturally, if work-sharing represents the only solution that can be found, this would entail solidarity solely among workers, between those who have work and those who do not. What I believe is that our notion of full employment includes, in my opinion, an economic and monetary struggle which is completely different from the one with which we are already familiar. In fact, the trade unions should be able to lead this important fight, with work-sharing possibly being merely a side issue’.

This was also the thread of the argument presented by **Dominique Taddei**, who reiterated that almost all the academic work carried out in our countries shows that it is practically impossible to hope for a return to full employment within five years based solely on growth. Accordingly, other instruments, including the reduction of working hours were essential, although it would of course be wrong to add together two instruments — say, growth on the one hand and the reduction of working hours on the other — for these factors would either clash or prove to be incompatible. Consequently, serious thought should be given to what type of division of national revenue would enable both lasting — and therefore balanced — growth and the reduction of working hours to be financed under acceptable economic, social and political conditions.

### ***Collective regulation of personal choice***

What we have witnessed over the last 20 years is a split in working hours, whether between full-time and part-time work, between the unemployed and those who have jobs or at the level of personal choice. One question which is important to debate is how to succeed in controlling or regulating these choices which, what is more, are not necessarily made voluntarily, but may be imposed, especially by socio-economic conditions such as the development of child-care systems and the organisation of living and working-time in the cities.

The strategy of the **FNV** in the **Netherlands** stands out from the usual debate

on part-time work in the sense that it focuses on reducing the gap between part-time and full-time working hours, on securing equal treatment and rights, and on decreasing elements of gender-based segregation which typify part-time work. However, it is essentially a work-sharing strategy, and the elements of segregation, even if they are less important than in other European countries where part-time work is important, remain its key feature.

Several round table speakers highlighted the diversification of personal choices with regard to working hours. Wherever surveys were carried out (Sweden, France, Belgium, Netherlands, etc.) they revealed a wide diversity of preferences with regard to the organisation of working hours and therefore also in terms of how they should be reduced. **Gilbert de Swert** stressed this diversification of choices, saying that firstly there were the managers and the employees, then there were differences between men and women, not to mention other, less well-known differences, say, between single-income and double-income families. Households with only a single income are not so favourably disposed towards a reduction of working hours, preferring higher wages. There are also age differences. Young people are not particularly in favour of reducing working hours, since they want to earn more to ensure a comfortable standard of living, whereas older workers would perhaps prefer to take early retirement, especially those people who began working very young, at 15 or 16 years old. Others prefer to work fewer hours so that they can devote time to another activity, whereas other people say they do not want their working hours reduced because this would necessarily entail greater flexibility in working hours, a situation which would have negative repercussions on their social and family life. It would therefore appear to be impossible to formulate a single claim, as was done for the eight-hour day or the five-day week. When **Georges Debunne** proposed introducing the possibility of semi-retirement from the age of 55, he was also acknowledging the diversity of choices.

How can this problem of arbitration between personal choices or individual impositions and collective choices be resolved? What role can the trade unions play in this regulation of personal choices, and what kind of role does the standard number of working hours play?

In an attempt to respond to this question, **Gilbert de Swert** presented a formula which would enable a reduction of personal, individual or collective working-time to be organised. The reduction of working hours would be financed by decreasing the employer's social security contribution, which would be replaced by tax-related financing, along the lines of what has happened in France, with the CSG, the supplementary social security contribution. However, this decrease in the taxes paid by employers is granted only if they use it to create jobs. So, depending on the sectors of industry or companies involved it is possible to opt

for different methods of reducing working hours, although the net creation of jobs is the condition sine qua non of reducing employer taxes and therefore covering wage losses. The extension of solidarity contracts, as provided for at the end of 1993 in Italy, is in the end effect a fairly similar formula.

The diversification of choice also presents itself in another way, for the wishes of workers with regard to the number of working hours may be different. According to the FNV, women would opt for a working week of around 25 hours, and men for 32 hours. This would mean an increase in the average working hours for women and a decrease in working hours for men. Bearing this in mind, the Dutch trade unions have introduced a clause into their collective agreements whereby each employee is allowed to choose how many hours they work, or at least is given the right to choose between part-time and full-time work, with their employer bearing the burden of proving that this is impossible for the company to accept ("the employer is obliged to respect the requests of an employee wishing to alter his or her working hours, unless this genuinely clashes with the interests of the company").

The diversification of personal choice is an issue that has been on the agenda in Sweden for several years now, and Sweden has developed a policy of reducing working hours based much more on the length of active working life than on the number of hours worked per week. Parental leave, in particular, has this in mind, but — as was the case with part-time work — this method of reducing working hours applies mainly to women and again raises the question of gender segregation in the employment context.

Regardless of whether choices have diversified in terms of the application of various methods to reduce overall working hours or in terms of different numbers of hours being worked, the view expressed by the various round table participants was that it had to be based on a common standard which must, in some cases, be downwardly revised — say, in Italy where the statutory standard has remained at 40 hours ever since 1923. The existence of this standard serves both as a shield and as a reference for the various methods of organising work on the basis of this maximum number of hours. If such a maximum were set on an annual basis, it would also allow for all the fluctuations in working hours to take place on an annual basis: extension of holidays, parental leave and educational leave, etc.

# ***Working-time policy at sectoral level***

***Panel discussion  
7 December 1994***

**By Thomas Gesterkamp**

Introducing the discussion, **ETUC Assistant General Secretary Jean Lapeyre** said that, after the examination of working-time policies from the standpoint of an international comparison, it was now time to consider the same matter from the sectoral angle. It was not a question of offering isolated examples but rather of attempting to identify common features at the various levels, there being no magic formula which would embrace them all.

**Reinhard Kiel**, of the German trade union, **IG Metall**, began by asking whether the 28.8-hour week at **Volkswagen (VW)** could provide a model for the German engineering industry as a whole. In order to avert mass redundancies, the VW works council had supported a company-level agreement providing for a cut in working hours accompanied by only partial loss of pay. In Kiel's view, the VW example offered "striking proof" that reducing working-time was a good way of creating and preserving jobs. At VW, the working week had been reduced by 7.2 hours and the result was that 30,000 people had been able to keep their jobs.

Similarly, during the recent recession, IG Metall had concluded a sector-wide collective agreement which departed from a principle the union had always observed, namely that reductions in working-time were acceptable only when introduced without loss of pay. In return for a guarantee that no one would be made redundant during a one-and-a-half year period, the union had agreed on a formula which entailed a partial loss of pay.

Kiel made it clear that he did not regard models such as the VW solution as the "royal road in working-time policy" for he was aware that pay losses were not always a feasible option for lower-paid categories of workers. In any case, such cuts always meant a loss in purchasing power, making economic recovery all the more difficult. This emerged clearly in reports from the VW locations in Germany; whether in Wolfsburg, Braunschweig or Emden, shopkeepers were complaining of a slump in consumption as a result of the pay losses experienced by the VW workforce.

**Xander den Uyl** of **Abva Kabo**, a public service trade union in the Netherlands, stressed the significance of part-time work, especially in the health sector where 90% of all workers were now working fewer hours. Part-time employment had increased significantly in the Netherlands, particularly in the 1980s. However, within the public services there were also sectors with a relatively low incidence of part-time work, such as in the national civil service and local authorities. Den Uyl explained that his union was attempting to raise the number of those employed part-time on a voluntary basis and pressure was being exerted even in those areas where part-time work had not previously been much on offer. It was important that part-time and full-time workers should enjoy equal treatment; there were naturally still problems in this respect, for example as regards the pension system. In 1993 the first ever agreement on rights for part-time workers had been reached in the public sector, but the option of part-time work ought to be a right enjoyed by every worker. Currently the Dutch government was attempting to compel its employees to work part-time, but Abva Kabo insisted that part-time work should be on an exclusively voluntary basis. Every worker, said Den Uyl, should be able to choose whether to work part-time or full-time and the trade union would not condone pressure being placed on workers to go part-time. The proportion of women among those working reduced hours was already high enough; in future more men should be encouraged to consider part-time work.

**Marc Vandermosten**, secretary of the **CNE**, a Belgian trade union representing workers in the private services sector (distributive trades, banking and insurance), pointed out significant differences between the public and the private sectors. While the state sector was faced with major financial problems, in his own sector it was much more a question of how to distribute productivity gains. Part-time work, said Vandermosten, was a response from employers to the demand for working-time reductions without loss of pay. For three years, the CNE had been calling for a four-day, 32-hour week without loss of pay. But the Belgian government had frozen all pay until 1996. For this reason, Vandermosten explained, the trade unions could no longer conduct free collective bargaining at sectoral level. He pointed out that the management in the banking and distributive trades continued to demand more flexibility in working-time, for example, employers demanded Saturday opening and generally longer working hours, but naturally without offering anything in return.

**Edouardo Guarino**, chairman of the collective bargaining committee of the European industry committee for the chemicals, glass and pharmaceuticals industries (**EFCGU**), commented that he did not believe that the organisations belonging to his federation had yet developed a uniform framework within which to tackle working-time issues. Guarino mentioned four figures — 16; 24; 24; 32;

and 36 — these being, in his view, the weekly working hours on the basis of which discussion could take place. He explained that in the sector he represented, production processes frequently required round-the-clock working, for example, in the petroleum products industry, where working-time models could be devised only on an individual basis. However, even in individual companies or sub-sectors it was possible to conclude binding collective agreements. In so doing, the trade unions would have to leave some of their old certainties behind them and branch out into new territory. Guarino called for more flexibility, saying that reductions in working-time would of necessity be accompanied by pay reductions; further reductions without loss of pay were no longer feasible.

**Henk Ligtenberg** of **FNV Voedingsbond**, a trade union representing agricultural and food workers in the Netherlands, said there had been a steady drop in employment in the traditional farming sector. Work in agriculture was seasonal. At certain times, farms employed large numbers of workers who were subsequently laid off when no longer required. In the Dutch food industry, said Ligtenberg, the working week was now only 36 hours, but in the agricultural sector this limit could hardly be respected. Firms were increasingly specialising in single products, e.g. they produced only roses. In many cases it was a question of jobs which could only be performed at a certain time of day. In the mushroom plantations, for example, some 10,000 people were currently employed, almost all of them on a part-time basis. Work generally began at 7 am but “once the mushrooms have been picked, that is it for the day, whether the clock says one or two”. The agricultural sector provided earnings for large numbers of workers in the short-term; however, the disadvantage for the workers was that they were only called to work when required. Accordingly, the sector was characterised, in the words of Ligtenberg, by “poor contracts”, so there was “plenty of work for the trade unions”.

**Reinhard Kiel** stressed the conflict-ridden nature of working-time issues. In Germany, tremendous public campaigns (under the slogan “you are destroying German industry”) had taken place to oppose IG Metall when, at the beginning of the 1980s, it had demanded the 35-hour week. In 1984 it had taken a six-week strike, with the whole of the German automobile industry being brought to a standstill, to bring about the first stage of reduction in working-time. Nowadays, arguments were taking place every day, in public and in the workplace, about the so-called “flexible organisation of working-time” because “in fact, everyone takes it to mean something different”. Disputes over working-time were taking place constantly and they tended to be much fiercer than those concerning pay and performance. It could not be denied that reductions in working-time created employment; in the German engineering industry alone, 250,000 jobs had been created in this way. Obviously, said Kiel, this had not eradicated

unemployment but it was a "contribution made thanks to an active trade union policy". IG Metall had indeed always held fast to the rule that working-time reductions should entail no loss of pay. This rule had not been broken, though a price had been paid. In 1988, for example, workers had won a two per cent pay increase, as well as a one-hour cut in the working week. In this way they had foregone part of the pay increases to which they could have otherwise laid claim.

**Marc Vandermosten** called for "tough measures" to share work among all. In the banking sector, his union wanted to "freeze" the productivity gains of the next few years in order to achieve the goal of the 32-hour four-day week. In the distributive trades, half of the total workforce was already working part-time. Where pay was low, it was inconceivable to expect a part timer to accept a further drop in pay. The example of the Netherlands already made it clear; it was a question of granting appropriate status and creating binding regulations both for part-time and for full-time work. In Belgium, there was relatively little part-time work and even in the banking sector it was less common than in other countries of Europe. Belgian workers put in a lot of unpaid overtime, said Vandermosten: "People work under so much stress and are so worried they might lose their jobs that they just work more and more without complaining".

**Edouardo Guarino** took the view that reductions in working-time were not a viable means of solving employment problems. They could represent no more than a marginal contribution, he argued. Since the struggle waged by IG Metall, the issue had not been raised in a comparable way in any European country. Nowadays the most that was generally demanded was a reduction of between one and one-and-a-half hours, as had happened in the petroleum and the rubber industries. With the round-the-clock production systems in the chemical industry, the long-term aim was a 32-hour week, for, in this way, a fifth shift could be introduced and employment problems solved simultaneously. But in the foreseeable future such a major step was unthinkable. Guarino called for tax incentives to firms as a means of fostering the process.

**Henk Ligtenberg** said that in the agricultural and food sector, a change in strategy could be observed on the part of employers. Firms were no longer prepared to reduce working hours without loss of pay. Instead they offered contracts of 30 or 32 hours a week, but with a corresponding cut in pay. However, in small firms with few employees this did not lead to more jobs, and in small businesses, the influence of the trade unions was very limited.

**Xander den Uyl** stressed the losses in purchasing power in the Netherlands which were the result of working-time reductions. He quoted a survey in which workers said they would be happy to work a 36-hour week but without any loss of purchasing power. Working-time reductions had to be financed out of

productivity gains in the economy. Reduced working-times should not entail stepping up the pace of work. There were no patented models for working-time reduction. Many workers wanted to work only four days a week, while others would prefer to retire earlier.

Aspects raised during the plenary session included the following:

- The question of working-time cannot be considered in isolation from the age of individual workers — the interests of younger workers are, for example, different from those of their older colleagues.
- In trying to “sell” working-time reductions accompanied by pay cuts to their members, must the unions not take account of the fact that this would further discredit them as organisations?
- An interesting example is provided by the so-called “solidarity contracts” which have been introduced in Italy. In the last year the requisite legislation has come into force. This introduces incentives to both employers and workers to reduce working-time; the pay remains the same, as a compensatory allowance is paid by the state. These contracts, which allow a redistribution of work and jobs, are meeting with considerable interest.
- **Marc Vandermosten** pointed out that those who were already earning little could not be asked to forego further pay increases. In a survey conducted by the CNE, only seven per cent had chosen “time”, and 93% money. The figures correlated directly with pay (these data were provided by part-time workers in the retail trading sector). In the insurance companies (also covered by the CNE survey), on the other hand, workers were prepared to forego up to five per cent of their pay in return for a 32-hour, four-day week.
- **Edouardo Guarino** said that the major struggles which had brought the working week below 40 hours were a thing of the past. Today there was no longer one single model, or one single strategy in Europe. Yet there was one key factor: union members were no longer committed to solidarity for its own sake; frequently their interests were limited and particular. Hard work was therefore required to convince them, with the risk that in the process the trade unions would lose members. Certainly they would have to be prepared for change and experiment.



# ***Working-time reduction: trade union strategies in Europe***

**By Dieter Schulte**

Trade unions and the development of work: these are two sides of the same coin. We represent people who work to earn a living — and that is the majority of people. And so our central task, now as in the past, is to do our utmost to give all those who are able and willing to work a chance to do so. Work will no doubt always remain central to human lives, not only because people have to earn their living, but also because work provides them with a focus for their lives.

It is true that new ways of working are being sought, and also that attitudes to work are changing. Other areas of life are taking on increasing importance for many people. And it is precisely for this reason that more and more women are going out to work. It is not just that they need to earn more money; it is also that they too wish to take part in this important area of the life of society, that they want to play their part and have their say. Work is also for most people — and this is by no means a revolutionary scientific finding — the only means of securing a livelihood for themselves and their families. But we will probably need to reassess just what we mean by work. The rigid separation between gainful employment and other forms of working activity cannot be maintained in its present form.

Aside from the question of the need to earn a living, we also have to ask how much work people need in order to give meaning and shape to their lives. This question cannot be answered in any general way. Many different answers will be given. But one thing is true in all events: the unemployed need work. In Europe over 10% of the working population are unemployed. These are the official figures. This means that there are over 18 million people unable to find jobs. If the families of these unemployed people are included, and if the ever-increasing numbers of the non-registered unemployed are brought into the count, then the number of those affected by unemployment increases threefold.

Being unemployed means being denied the opportunity to earn one's living through one's own work. It means having to rely on the ever more meagre public assistance for one's welfare. It means not being able to offer one's children a secure home or educational prospects. It means being doomed to remain on the fringes of a society in which the majority is getting steadily richer.

These are things that we must never forget when discussing the possibility —

or otherwise — of finding new jobs for all these people. Everyone who wants to work and who needs to earn a living should have the opportunity to do so. But we must also set the record straight, as far as both we ourselves and others are concerned, as to what we actually mean by full employment under the changed economic and ecological circumstances of the future. It is up to us, the trade unions, to demonstrate what realistically can be achieved.

If we turn now to view the situation from the angle of the European economy, we observe that it is emerging only slowly and tentatively from the bitter recession which set in at the end of the 1980s. Of course, the completion of the internal market has had a revitalising effect — but somehow I do not quite like the term “completion”. It makes it sound as if something had been brought to an end. I would prefer to speak of the beginning of a new political era. It must be characterised by a sense of community, partnership and a fair balancing of interests. In my view, we have seen all too little of these characteristics up to now.

We need a co-operative strategy for economic recovery, to encourage both public and private investment. We certainly do need growth, in order to prevent the destruction of yet more jobs. But — and what I am saying is not new — growth can no longer be regarded as the sole or even major means of redressing unemployment. It is one necessary means to this end, but it is far from being a sufficient means.

The old platitude according to which “more growth means more labour” no longer holds good because technological developments and productivity gains soak up the job-creating effects. I repeat this because there still exists — among some governments, I fear, even to an increased extent — a policy option which concentrates principally on promoting the economy and offering all sorts of incentives to businesses, and pays much less attention to considering how the glaringly apparent structural changes can be channelled so as to take account of workers, and avoid causing a split in society. This is a threat which represents an incomparably greater danger for Europe. And I am reiterating this point for all who still listen to claims that “if your boss is doing well, you will be all right.” It is with arguments like this that dangerously short-sighted politicians try to catch votes in elections, by stirring up people’s anxiety about the great changes which are, inevitably, going to take place.

The European Commission has set itself the goal of halving the rate of unemployment in the remaining six years of this century. This means that some 15 million new jobs must be created. Though I am quite prepared to listen, I cannot honestly believe that this is going to happen if things continue to be done as they have been done in the past. I have already said that a co-operative strategy is necessary, but what we have so far been seeing instead is vague declarations of intent, general recommendations, a lot of paper and even more talk.

An important element of trade union strategies against unemployment must be to use all the means at our disposal to do something about the lack of action by, or obstinacy of, many national governments. We cannot allow national selfishness to prevent the building of a common social Europe. The future shaping of Europe must take place on a basis of co-operation and partnership. And this must include co-operation and partnership with the trade unions. It is **possible** to speak with us, and it is **necessary** to speak with us, for without us there will be no social future in Europe. We have already shown a readiness to do our part in reducing unemployment and thus giving all the opportunity to work.

We cannot disregard the fact that unemployment has been growing steadily in Europe since the beginning of the 1970s. This trend set in even as major economic growth was taking place. In the last few years, the situation has been compounded by the fact that the European economy is engaged in a battle for competition with the other major areas of the world economy and also with the new labour market and economic area represented by the countries of central and eastern Europe. Growth rates are thus hardly going to rise sky-high. And yet, an annual growth rate of two per cent would merely enable existing numbers of jobs to be preserved. Such a scenario cannot satisfy us. And if we assume a greater rate of growth, namely three per cent, the resulting effect on unemployment levels would still be far from sufficient. But any belief in a yet higher rate of growth over the next few years, or any attempt to incorporate such a growth rate into political strategies, would be overstepping the bounds of a politically realistic outlook.

And so, at the same time as we think about how to create more employment opportunities, we must also consider other measures which would bring us closer to the goal of full employment. And here recourse to old tried and tested measures is no bad thing: with our campaigns for the reduction of working-time we trade unions have everywhere contributed to the preservation and creation of jobs. This is now hardly disputed, except during the collective bargaining round.

When I recently referred in an interview to the possibility of the 25-30 hour week by the year 2010, the response was a mixture of congratulation and condemnation. The condemnation came from those who claim that this option hardly fits neatly into the current political landscape and makes no contribution to solving current problems. People can believe that if they wish, but when I consider the technological developments and productivity gains which have taken place over the last ten years and project them just a little way into the future, then this option becomes a virtual necessity. That the process will be beset by considerable problems, controversies and consequences is something I have already mentioned. But what change, what process of social and economic

transformation, is not surrounded by controversy? And could we really call ourselves trade unionists if we felt inclined to shy away from such controversy?

Working-time reductions are economically feasible. In economic terms it makes scarcely any difference whether improved productivity is translated into more pay or into more free time. It is obvious that working-time cannot be reduced beyond a certain limit, for there is a limit to how much pay people will be able or prepared to forego. This is likely to be a more viable option for workers in the upper third of income scales — though I naturally deplore the fact that the existing distribution of personal income is so uneven. But here too we have already begun to discuss possible solutions. One question we have asked is whether reductions in working-time can always be introduced without loss of pay. Those on higher incomes could undoubtedly manage to reduce their working hours and do without a portion of their pay. We have accepted solutions of this kind in some cases, though not without difficulties for the people affected.

As to the ways in which working-time can be reduced, there already exists a whole range of models, which I certainly do not exhaust with my reference to the 25-30 hour model. On the contrary, we must give consideration to all possible forms of working-time reduction. Whether it is a question of working fewer hours each day or of working one day less in the week is going to depend on the possibilities available in the individual workplace **and** on the wishes of employees. In some — predominantly academic — quarters there is talk of introducing a so-called sabbatical. Time could be saved up to enable a long stretch of time to be spent doing something completely different from one's job. And why not? There are certainly many other possible models which could be used to meet specific demands and wishes. Flexibility, about which we have heard so much talk, is what is needed here, but there must be give and take on **both** sides, on the part of employers as well as workers.

And there are yet other ways of redistributing work and working-time. Instead of sending elderly and experienced workers into unemployment before retirement, steps should be taken to enable them to make a gradual transition from working life to retirement. Models already exist, but employers all too frequently lack the will to implement them. Yet such models represent for an ever-growing group of people a secure prospect for the last 10 to 15 years of their working life. However, all such models must be based — and here I am a conservative — on the requirement of secure employment contracts for the workers concerned: secure as regards income, and hence expenditure; and secure as regards timing and prospects in working life. I naturally do not contend that in the future working men and women will be able to, and will remain, in one job in the same field of activity throughout their working life. Already today this is becoming increasingly rare. But the changes, the continuing training, the

acquisition of new qualifications or skills should not entail the total risk of unemployment. The necessary qualifications, the need for developing new skills within a process that is subject to such rapid change, must also be a part of our concern to redistribute work. Qualifications and skills of all kinds are essential for the preservation of economic well-being in Europe; indeed it is they that will represent the driving force of our economy, of its development along the lines we wish to promote. Why therefore is the time spent gaining new skills and qualifications not recognised as necessary and valuable working-time? More than this — why is the training required to develop new skills not a compulsory component of work, since we all know that it is necessary? There are those who may regard such suggestions as valid perhaps for the far distant future. But they must be discussed now so that we do not sever the link between present and future. And it is surprising how many of these ideas have already found their way into practice. In many cases they have passed rather unnoticed, and sometimes been kept deliberately silent because they do not happen to suit everyone. Sufficient examples will be presented and discussed here at this conference.

I should like now to turn to the extremely topical debate taking place throughout Europe on the question of part-time work. It is certainly appropriate to express reservations about regarding part-time work as a component of a strategy for the reduction of working-time. And indeed, it is, in origin, more of an individual means of redistributing personal time, as well as an opportunity used by employers to restructure certain areas of labour and reduce costs. In most cases decisions about the nature and shape of part-time jobs have been taken unilaterally by employers. And, in all honesty, I am quite unable to condone most such jobs. It is no coincidence that we find part-time work — with a few exceptions — principally among low-paid groups. Jobs involving part-time work are therefore frequently associated with low skills. That there is a glaring link with the fact that the majority of part-time workers are women simply makes the whole thing that much worse.

The whole discussion of part-time work is warped. And it will remain so, as long as it continues to be asserted that work demanding higher levels of skill cannot so easily be shared. There are many who continue to consider that part-time work stands for low skills and badly-paid jobs. And it is certainly true that, in the current climate, part-time workers stand little chance of promotion. There are reasons for this. The social security provision for part-time workers and their vocational training opportunities are worse than those of full-time workers. And anyone who, after a certain period as a part-timer, wishes to return to full-time work will almost certainly receive no for an answer. Yet what do we find in the current proposal for a European directive issued under the German presidency

of the European Union? The social security provision for part-time workers is not even broached.

Here there is scope for immediate action. Political initiative is required. But anyone who believes that the regulation of part-time work can take place in a manner contrary to the wishes of employees and to the approaches favoured by the trade unions is mistaken. The current proposals for a directive on part-time work do not represent a suitable contribution to the reduction of unemployment, because they preserve or even aggravate social injustice and insecurity. Such regulations amount to the use of force against those who have no other choice.

As trade unions we are in favour of part-time work provided that:

- it is covered by social security provision;
- it entails no career or occupational disadvantages;
- it is voluntary; and
- the workers in question have the opportunity to return to a full-time employment contract.

Assuming — and only assuming — these conditions are met, we even call for more part-time jobs in the private sector of the economy and in the public services. And against this background we demand that employers effect a basic re-definition of the part-time employment relationship: not jobs for workers with fewer skills and qualifications, and in particular for women; but jobs of equal value and skilled jobs for both women and men.

We have the difficult task of discussing this subject precisely with those who are often called upon to give up some of their work or to share it. These people must be brought into the discussion on the future of work. It is also important that the idea should gain acceptance that the reduction of work — entailing, in many cases, a reduction in income — is a measure designed, in a spirit of solidarity, to share the increasingly scarce supply of work more fairly among all. We must ensure that our own answers are not completely different to those worked out by large groups of the population.

Working-time reduction is by no means just a subject for us in the trade unions. Alongside the employers, with whom we have to negotiate new forms of work, working-time and working-time models, is the whole of society; it is the population at large, who must deal with this subject. It may be that we have in the past not laid sufficient emphasis upon this point. Perhaps we were too quick to come up with positive justifications for reductions in working-time, too quick to refer to the numerous social advantages and to take them as given. Much of this can be put into figures and shown to fit remarkably well with other, predominantly social, policy demands, to which we have also laid claim. There

is, for example, the demand that men could become more involved in family tasks, if their working-time were shorter; or the possibility of using time in order to gain necessary qualifications ; and even the lofty idea that people who have to work less will naturally come to care more about the community or will become committed to political concerns. I think we should now be honest enough to admit that, in the past, too few of these accompanying phenomena have been introduced in conjunction with the reduction of working-time.

# ***A Social Contract for employment***

**By Dominique Taddei**

It is high time to draw some practical conclusions from what everyone is asserting in Europe — that measures to fight unemployment must be made a top priority of economic and social policy.

This must not of course be brought about to the detriment of other objectives which cannot be ignored, such as steps to fight inflation, measures to balance foreign trade or to maintain stability of monetary parities, and so on.

But experience has shown only too harshly in the past 10 years that a drop in unemployment does not follow automatically when these other objectives are achieved.

It is not of course a question of reversing the priorities of economic policy but of articulating them differently: the intermediate objectives of employment policy, which until now have been considered to be sufficient, and the major monetary and financial balances must now become obligations. The specific instruments of a bold strategy for creating jobs in Europe must thus be sought elsewhere. The European Commission in Brussels has set about tackling this problem with its White Paper.

But that document would seem too timid as regards the options it contains. Above all, it neglects the essential role which the reduction of working-time should play. The present report therefore focuses on the issue while taking care to ensure that it remains compatible with the other objectives and instruments on which a consensus has already been reached.

The present report is divided into two parts. Part one is a preamble in which an attempt is made to explain the reasons. And in Part two, the system proposed is set out, and an attempt is made to explain how it could operate.

## ***Part one***

### **Explanatory memorandum: why reduce working-time?**

The need to define and implement a strategy for reducing working-time at European level is the point where two problems which cannot be ignored converge: the problem raised on the one hand by the Commission's recent White



Paper (mentioned above) as soon as its relevance and limits are examined more closely; and on the other hand the age-old move to reduce working-time and the lessons to be drawn for the future.

## **The relevance and limits of the White Paper**

The White Paper is first and foremost politically significant, irrespective of its content. Faced with the main difficulty in the economic and social field, which is also the main difficulty of the European Union — that of creating jobs — will the three principal bodies of the Union manage to agree? This would seem possible, since the Commission has made the proposal, the Council has granted its support in principle and the European Parliament seems to agree, at least up to a certain point (Coates Report). But a genuine consensus has still to be reached on the content of this strategy for “growth, employment and competitiveness”. Yet, whereas the point of departure chosen by the Commission would seem absolutely necessary, one cannot simply pass over the fact that the instruments and strategy proposed are inadequate.

### **A necessary point of departure**

This could be expressed in two proposals, which it is imperative to confirm:

- 15 million jobs<sup>2</sup> will have to be created in the European Union in the next 5 years (i.e. between now and the year 2000);
- such a bold objective can only be achieved through the complementary action of several lines of strategy.

### **Creating 15 million jobs in five years**

The first merit of the White Paper is the fact that it quotes a figure. Of course, those who like to be clever, the pseudo-experts are worried. Is this not rather unwise? Is one not liable to cause disappointment? Would it not have been wiser to content oneself with “qualitative” analyses? The fact is, however, that the mass unemployment which we are experiencing is first and foremost a matter of figures (who would worry if there were only a couple of hundred thousand unemployed in Europe?), which enumerate the misery and the suffering of the persons concerned and their families. And, above all, the fact is that not to quote figures would be to confine oneself to banalities — everyone is obviously against unemployment and in favour of job creation — and to refuse to measure the magnitude of the task on hand.

Aiming to create 15 million jobs is no doubt the minimum of what would seem to be socially desirable: it would only reduce current unemployment by half by the year 2000 (approx. eight per cent of the working population allowing for

the foreseeable extension of the latter), and it would doubtless take longer (until about 2005?) before one could talk about full employment. It must be realised, however, that this aim is actually at the same time the maximum economically conceivable; creating three million jobs a year for five years should beat a record on two scores — a record of intensity and, even more difficult, a record of length of time. The latter, however, presupposes that a sound system of financing be set up — and this is problematical (see below).

### **The essential complementary nature of several lines of strategy**

This economic boldness cannot be really credible if it claims to be based on one single supposedly miraculous formula. The first virtue to be placed at the service of an ambition of such magnitude is to dispense with the petty quarrelling between factions and show some modesty.

This involves several obligations: a solution must not be dropped merely because it is “inadequate”, since all solutions are inadequate! The various complementary means envisaged must of course be coherent, particularly as regards financing; otherwise the jobs to be created as additional employment would have to be subtracted again! This is what the Commission endeavours to achieve in its White Paper by proposing three major lines of action which complement one another:

- efforts to stimulate growth;
- measures to reduce labour costs; and
- action to develop services for households.

Before commenting on the wisdom of this triple action, we would conclude this first point by stating that, taken as a whole, the point of departure is excellent and that the question is more how one should continue.

### **The inadequacy of the instruments and strategy**

We shall focus our criticism on two issues: first of all, the fact that the three lines of strategy proposed cannot possibly suffice; and then the fact that the reduction of working-time has been “forgotten” tends to detract from the credibility of the plan as a whole.

#### **The three lines of strategy proposed cannot possibly suffice<sup>3</sup>**

Whereas the aim is to create 15 million jobs, the three lines of strategy proposed can, at an optimistic estimate, only create 10 million jobs to judge by the macroeconomic studies available. More specifically, one needs to be particularly optimistic to expect more than six million jobs from sustained growth over a five-year period; more than 2.5 million jobs in decentralised civic services (we are not talking about “odd jobs” or other “cosmetic” measures), more than 1.5

million jobs resulting from a reduction of labour costs. To enhance these (already optimistic) figures by 50% would seem all the more unlikely when one considers that:

**The instruments planned are hardly equal to the ambitions stated**

A large number of instruments suitable for encouraging job creation obviously fall within the province of the national and regional authorities and the close co-operation of those bodies with their counterparts at the European level. Even so, the hesitation and slow progress of the European Council of Ministers in the implementation of the instruments falling specifically within the competence of the Community is bound to be a cause of concern. This applies in particular to major civil engineering projects and their financing through a major European loan. And as far as stimulating growth is concerned, the tentative nature of industrial policy measures is not equal to the task of achieving the objectives set.

Similarly, the introduction of the CO<sub>2</sub> tax has not been scheduled, whereas it is presented as an adequate means of offsetting the decreases in social contributions on low wages. And finally, no system seems to have been planned for financing the decentralised civic services, which are actually presented as the new major source of jobs. These various factors make the fact that the reduction of working-time is treated so lightly all the more prejudicial.

**The reduction of working-time — a line of strategy that has been neglected**

Breaking with the positive attitude adopted for the past twenty years or more<sup>4</sup>, the Commission uses essentially negative terms in this context, dismissing the idea of a "general reduction of working-time", while stating that it is in favour of forms of reorganisation — as yet undefined.

The wording is indeed ambiguous; if it is intended to mean that uniform reduction on which a unilateral political decision is taken (a fortiori at the level of the Union of the 15) not the most appropriate means, this is only too obvious. But if it is intended to mean that a variety of means which are more or less decentralised would not constitute a complementary contribution but would be essential to the proclaimed objective of 15 million jobs, this is quite wrong, as we shall endeavour to demonstrate in the following pages.

However since no proposals whatever are made for "non general reduction of working-time", one can unfortunately only conclude that implicitly the second interpretation applies (no serious new study seems to have been conducted).

In these circumstances it is difficult to see how the overall strategy could be carried to a successful conclusion. And yet the lessons to be learnt from history in this context are enlightening.

## **The age-old reduction of working-time**

### **The lessons to be learnt from history<sup>5</sup>**

We shall discuss three lessons in this section which should not give rise to too much controversy.

Firstly, the reduction of working-time is an age-old, universal trend. The trend has developed in fits and starts, punctuated with violent and at times bloody clashes. It began with the Industrial Revolution and has practically never stopped (from one 25-year generation to the next), to judge by what is acknowledged to be the most reliable indicator — the average time worked calculated over the whole year. This applies in all of the countries of Europe, but also in America (working-time in the US is well below 35 hours a week owing in particular to the large volume of part-time employment) and in Japan, where the figure recently dropped to below 2,000 hours per annum.

Regarded by some as the expression of class warfare, the reduction of working-time can also be explained in terms dear to liberal economists: as living standards improve it is only logical that wage earners should not opt exclusively for improvement in purchasing power but should devote some of their efforts to obtaining more free time so as to improve their living conditions both at work and in their free time, if only in order to be able to make use of the durable goods they have gradually been able to acquire as the result of their work.<sup>6</sup>

Quite apart from any consideration of “work-sharing” and efforts to fight unemployment there is thus every reason to believe that this age-old trend is not yet over; besides, opinion polls conducted in all countries show that the majority of working people still aspire to shorter working hours.

Secondly, the reduction of working-time has, in the last analysis, always been financed through productivity gains. working-time has been reduced by half in a little over a century, a factor which has not prevented a high increase in purchasing power (the largest increase in history).

This apparent miracle has not, of course, been financed through a drop in profits — on the contrary, profits have increased at approximately the same rate as wages — but through productivity gains.

This age-old development, which, in retrospect, can be described as “balanced growth” (even though it has been accompanied by transitory periods of serious imbalance: crises, depressions or, conversely, acceleration of inflation, etc.) has had two features: on the one hand, hourly wages (exclusive of inflation) have progressed less rapidly, which means that part of the improvement in productivity has been paid in reduction of working-time rather than in monetary terms<sup>7</sup>.

Thirdly, a new form of reduction has been imposed in each era. Behind the quantitative aspects set out above, there is a qualitative dimension corresponding with societal issues, which are necessarily evolutionary.

There was first of all the fight against the hours that children had to work; then the schedules of night shifts for women; then the battle for the eight-hour working day; then Sunday holidays; and finally the five-day working week and the weekend. Annual holidays with pay came later, and more recently leave for specific purposes such as parental leave, educational leave, sabbatical leave, and so on. Nor must the shortening of working life "at both ends" be forgotten — the raising of the school-leaving age and the lowering of retirement age — not to mention the constant progress in part-time employment.

Today there are countless conceivable ways of reducing working-time, an explosion which does not make it easy to define a new societal principle uniting aspirations and demands.

And finally, it probably would not have been possible to create a sufficient number of jobs without the continual reduction of working-time which has been brought about in a variety of ways. There is every reason to believe that this will continue to apply in our day.

We must thus forge ahead while at the same time bearing in mind the lessons of the past and the new status of our societies. As we shall see, it is perfectly feasible, provided that we progress beyond the static conception of work-sharing and of its (non-) compensation to the dynamic approach of sharing productivity gains, that is to say, of the manner in which they are to be allocated.

## **Part two**

### **The system: how is working-time to be reduced?**

#### **Social contract and diversified methods**

The debate traditionally brings the advocates of centralised measures into conflict with those of decentralised measures.

Centralised measures often lose a great deal of their employment efficiency owing to the diversity of realities, and thus to the fact that they are applied unevenly. We would point out once again at this juncture that it is not the reduction of the agreed working-time (whether statutory or agreed) which creates employment but the reduction of the average hours effectively worked.

Decentralised measures, on the other hand, rarely spread spontaneously, particularly in periods of mass unemployment, and their effectiveness is often incidental.

This contradiction is all the greater in a more vast and more diversified area as is obviously the case in the European Union of the 15 (or more). In particular, the role played by legislation and collective agreements, which differs from one country to another and, as regards agreements, from centralised to intermediate and decentralised levels, is a contributory factor in this context. Whatever the national tradition, in the last analysis, the contradiction comes from the fact that a macroeconomic advantage is expected from a combination of microeconomic approaches on the part of industrialists and employees.

This is why the issue at stake at the present time is that of finding a new mode of articulating centralised and decentralised bodies. What is proposed in the present document is the adoption of a social contract for employment which lays down a general frame of reference within which very varied methods of application can be employed depending on the circumstances in the individual countries and the situation of the undertakings concerned.

“Depending on the circumstances in the individual countries” of course immediately refers to the subsidiarity principle, which cannot be ignored in this context. To try to begin by unifying the procedure at the European level would be to impose an absolutely insurmountable precondition. Whereas it is quite likely on the other hand that the general will to adopt and apply a genuine Social Contract for Employment would lead a number of countries to modify their procedures towards more global negotiation (a greater number of subjects dealt with) for a period of several years.

The methods used for reducing working-time which are effective from the employment point of view must also take account of realities in companies.

### **A Social Contract for employment**

We have already pointed out that an ambitious strategy for creating jobs (in the order of 15 million in five years) requires a combination of complementary actions in which the reduction of working-time would be given its due place in addition to the other lines of strategy set out in the White Paper. More specifically, all of the available studies have shown that it is only when sustainable growth (sustainable because balanced) and the reduction of working-time concur that the declared objectives can be achieved<sup>8</sup>.

In both cases, however, the necessary financing conditions are very strict. But the question that is forgotten only too often is which conditions allow sustainable

growth and are compatible with those which allow a reduction in working-time. As will be seen, this is not altogether impossible, but it presupposes such stringent application that only explicit definition of a genuine Social Contract for Employment can make it plausible.

### **The conditions for financing growth and the reduction of working-time**

Let us recall first of all the conditions specific to each of the two processes, after which the extent to which they are compatible can be assessed.

#### **Financing sustainable growth**

Whatever the economic merits of foreign orders and/or reducing stocks (in 1994 in particular), the two principal factors forming the driving force behind long-term growth are obviously investment and consumption. What is more, all authors — of widely differing origins — agree that sustainable balanced growth presupposes that these two essential elements of global demand develop in parallel at the same pace. Whatever the complications involved in the credit system or in state intervention in the fiscal field or elsewhere, investment and consumption are based essentially on complementary financing systems: it would not be simplifying excessively to say that it is total profits which finance investment and it is the payroll which finances consumption.

To put it more precisely, this amounts to saying that sustainable, and thus balanced, growth presupposes a proportionate increase in the volume of profits and in the payroll or, expressed in different terms, it presupposes stability in the distribution of national income between profits and wages<sup>9</sup>.

The corollary of this simple macroeconomic rule, which avoids the risks of inflation caused by demand, is a microeconomic rule through which the dangers of inflation caused by costs can be avoided: it amounts to saying that the hourly wage must progress at exactly the pace of hourly productivity gains.

It must be noted that this financing of balanced growth is not automatically guaranteed by market forces and that, in particular, the volume of unemployment tends to reduce the wage share excessively in many European countries. One must thus begin by finding the conditions of a social compromise — especially since growth cannot generate an adequate number of jobs unless working-time is reduced.

#### **Financing the reduction of working-time**

There would obviously be a much broader consensus on the reduction of working-time if it weren't for the question of financing. But this question comes up against impossibilities on three scores, which thwart most efforts:

- undertakings cannot be made to pay, even if full compensation has been the age-old claim of trade union organisations and left-wing parties. It is not a question of principle but of efficiency: if undertakings were made to pay,

- there would be a rise in production costs, which they would pass on in the form of higher prices; and these higher prices could, through the resulting loss of market share, cause the elimination of some of the jobs anticipated from the reduction of working-time;
- wage earners cannot be made to pay, even if non-compensation is the usual formula with which employers and right-wing parties agree to discuss the issue. Besides the fact that wage earners' spending power has been suffering for more than ten years in most European countries, it has now been realised that wage progression is essential if consumption, growth and thus employment are to be sustainably financed; and
- public funds cannot be made to pay by granting subsidies and tax exemption, although this would obviously facilitate the possibility of agreements between the social partners. The fact is that at the present time there is unfortunately no margin whatever in public finances — either in the form of increased deficits in view of the level of interest rates or in the form of economising on other budget items — after years of budgetary restraint, or in the form of new tax, since where a possibility of this nature exists (taxes levied on capital, savings, value-added tax) other expenditure (in particular on direct measures to fight exclusion) would probably override the financing of the reduction of working-time.

The only remaining possibility is thus to take experience of long standing as a basis and introduce a dynamic system of financing in which productivity gains are allocated primarily to job creation through the reduction of working-time. But it then becomes immediately clear that when added to the previous requirement (concerning the financing of growth) this new requirement presupposes the implicit approval of the parties involved through what we propose to call a Social Contract for Employment.

### **The terms of the Social Contract for employment<sup>0</sup>**

The contract consists of reconciling the two imperatives of financing growth and reducing working-time through a series of obligations committing all of the parties involved:

- employers, for their part, must agree not to take advantage of a favourable rapport de forces on the employment market<sup>11</sup> and to increase the purchasing power of one hour's work at the same rate as the increase in productivity gains. They will be assured in return of a steady increase in the demand for consumer goods and indirectly in the demand for capital goods through both the orders placed by subcontracting industries and the equally steady increase in profits;
- employees and their trade unions, for their part, must accept simply the stabilisation of their monthly or weekly purchasing power, the hourly gains



thereby giving rise to a proportionate reduction in working-time averaging approximately one hour per week per annum (see below). Those who already have a job would thus basically be paid in terms of improvement of their living conditions. It is also the only guarantee they would have that the calls for prolonging wage restraint in order to promote employment will serve this latter cause; and

- the public authorities should, within the framework of this Social Contract for Employment, undertake to transform the unemployment benefits saved as a result of this policy of growth and reduction of working-time into measures for reducing social contributions whenever the social partners or individual employees agree to work schedules which are shorter than the working-time laid down by legislation or agreement (see below for various systems). This is the most practical way to give life to the often rather empty slogan of transforming passive expenditure on employment into active expenditure.

The ways and means of implementing a social contract of this nature now need to be discussed; they will vary according to the actual situation of the undertakings concerned.

## **Diversified modes of implementation**

The situation of undertakings obviously varies ad infinitum: large, medium-sized or small undertakings in industry or the services sector, sheltered from, or exposed to, international competition, capitalistic or labour-oriented, under constraint of profitability or market outlets, operating on a competitive or a monopolistic market, and so on. For the subject under discussion, however, there is one common-sense criterion which must take absolute precedence: does the undertaking in question practise an average effective work schedule longer than, equal to, or shorter than the working-time laid down by legislation or collective agreement?

It can be shown<sup>12</sup> in particular that only some firms are affected by a decrease in the agreed (particularly in the statutory) working-time. In order to achieve a more significant reduction in the average hours actually worked, and thus to create more jobs, additional constraints or incentives are necessary. It should be noted again in this context that it is less a matter of confronting methods than of articulating them:

### **Effective working-time which is longer than the agreed working-time**

The fight against excessive overtime is of course the question at issue here. Overtime was invented as a means of coping with unexpected increases in activity.

It must continue to exist as such, although new forms of flexibility related to the economic cycle (adjustment, annualisation, etc.) have been introduced in many countries. But as a permanent feature of working-time, on the other hand, overtime is unacceptable, since it circumvents statutory or agreed working-time, reduces employment volume and is generally associated with low wages, for which it constitutes compensation, so to speak.

There are three types of measures which can be employed to try to eradicate permanent overtime; these measures can be complementary:

- more stringent application of the statutes in effect. This presupposes that the trade union organisations and/or the labour inspectorates in the various countries be given more extensive means of supervision;
- conversion of all or part of the corresponding overtime bonus into compensatory time off<sup>3</sup>; and
- a supplementary employers' contribution which increases progressively as use of overtime persists. This system, which is more effective than the system of imposing a statutory ceiling of annual working-time, since it makes a clearer distinction between transitory and permanent schedules, can be applied progressively: for example, it can be doubled after three months and doubled again after six months; this would actually amount to a system of penalties, which would soon have a deterrent effect on employers, while remaining neutral for employees<sup>4</sup>.

A period of five years would seem a reasonable length of time to allow for the total elimination of overtime so that the workers concerned do not suffer any significant drop in purchasing power<sup>5</sup>. The anticipated volume of jobs created will obviously vary widely from one country to another, but it should correspond to at least one third or half<sup>6</sup> of the full-time equivalent of the overtime registered.

As a rough calculation (which should be worked out more accurately), between 500,000 and one million jobs could be created in this way in five years in the Europe of the 15.

### **Effective working-time which is equal to the reference working-time**

This is obviously where the reduction of the reference working-time, whether statutory or agreed, centralised or decentralised, is still the most effective, on two conditions: first, it must be financed by productivity gains (see above), a system which has the disadvantage of restricting the pace, as we shall see later; and secondly, it must allow for adequate planning so as to avoid disrupting the internal organisation of undertakings and, in particular, so that plant utilisation time is not reduced. How can these two conditions be met?

Firstly, appropriating productivity gains primarily to financing the reduction of working-time represents an average<sup>17</sup> potential of two per cent a year, which corresponds to the 10-year trend of technological advancement (exclusive of the economic cycle). And there are two additional factors here, which are compatible with the three financing obligations mentioned above: the first is that other productivity gains ensuing from the reduction of working-time (in particular the shortening of breaks and the decrease in absenteeism) can also be taken into account and, although they vary from one case to another, can amount to 0.5% or more per weekly hour less. And the second is that the savings which the unemployment funds thus achieve should be refunded to the persons concerned so as to help to complete the financial circle.

A (very) cautious evaluation based on these three factors shows that it is possible to finance a one-hour reduction each year (i.e.2.5) on average<sup>18</sup>.

Secondly, it is not necessarily essential to proceed in this manner in one-year stages in order for the measure to allow of planning and thus be effective. On the contrary, the most convincing experiments indicate that it would be better to agree on a reduction of two hours to be implemented within two years. (A much longer term — of five years, for example — would either postpone implementation for too long or could not be financed in the initial period.)

An arrangement of this nature (whether statutory or agreed) could, moreover, be renewed further so that the reference working-time of 35 or 36 hours could progressively be given general application. By reducing working-time in this way throughout the European Union of the 15 one could expect to create at least two million new jobs within a period of two to five years.

The pace can of course be slower or faster, depending on the number of firms and of employees who have already opted for an effective working-time which is shorter than this reference working-time.

### **Effective working-time which is shorter than the reference working-time**

This situation can occur both when the collective work schedule is reduced at the level of the undertaking or part of the undertaking, and when employees choose a work schedule individually.

In the first case, the most frequent and promising circumstance is that of measures to reorganise/reduce working-time which consist of simultaneously increasing plant utilisation time or extending the hours when many different commercial and other services are open or available to the clientèle. In this case, the economies of capital achieved helps to finance the measures. The public

authorities can then reduce contributions even further, since the operation amounts to an investment at practically zero cost. For these two reasons it has been possible to demonstrate that full wage compensation is then compatible with the stability of unit production costs (Catinat, Cette and Taddei — 1986).

International comparisons, with the United States<sup>19</sup> in particular, show that it is the changeover to two shifts (or even to three half-shifts) which is the most significant at the general level. This means that it is not necessary to extend night work or work on Sundays. On the other hand, however, longer schedules — in the daytime or alternating work on Saturdays — are necessary; all of the surveys show, however, that employees are much less reluctant.

This extension of short-time shift work would only concern a small minority of undertakings at the one time, mainly those which have the best prospects of expanding outlets and in which the cost of capital is relatively high compared to the cost of labour. The global effects can nevertheless be very significant owing to the positive effects which ensue in the rest of the economy. It has thus been demonstrated<sup>20</sup> that if one in every 60 undertakings (or one in 20 for the manufacturing industry alone) introduced a set-up where working-time is organised in three half-shifts of 36 hours (which amounts to a plant utilisation time of  $36 \times 3 \div 2 = 54$  hours a week), one could hope to create up to two million new jobs in the EU of the 15 without aggravating inflation or interfering with public or external calculations.

The second case concerns mainly the development of a shorter work schedule for which employees opt, as well as innovative arrangements such as progressive retirement or the extension of parental leave.

Part-time work has traditionally always been viewed negatively by employees and in particular by trade unions. The fact is that it has generally led to a ghetto of female workers who are exposed to insecurity and confined to low-skilled jobs. But international comparisons (the Netherlands and the United Kingdom on the one hand and Mediterranean countries on the other) and opinion polls have shown that there is tremendous potential in this field. This contradiction can be resolved through measures to transform the nature of part-time work by means of what we suggest could be called a “**charter of short-time employment by choice**”<sup>21</sup>, the essence of which is to re-integrate these employees in collectives.

A charter of this nature should comprise the following minimum provisions:

- the same employment status or contract except for the work schedule, irrespective of the working-time chosen;
- the same pay, including bonuses for years of service and promotion opportunities;

- the same social protection;
- the right to change one's work schedule: qualitatively — for example, from the morning to the afternoon, from the beginning of the week to the end of the week — and quantitatively — from 32 to 20 hours a week or from 18 to 27.

The most important point is, of course, the right to go back to full-time work, even if only because symbolically this makes a part-time worker a worker like everyone else. Employers who have offset the employees' previous choice of short time by recruiting other workers should be obliged to comply with the new request unless it is economically impossible.<sup>22</sup> However, in order to avoid arbitrary decisions, the application of this clause should be governed by two further provisions. A joint structure could manage the new structures amicably, organise a waiting list where necessary and propose other solutions. In the event of dispute the onus of proof would be on the employer to ensure:

- there is no deterioration in the working conditions of full-time workers as the result of the creation of substitute jobs; and
- the refund of employees' social contributions by the unemployment insurance funds; this would ensure that the persons concerned are partially compensated for their shorter working-time.

Taken as a whole, everything goes to show that the average working-time which employees choose to work would be shorter<sup>23</sup> than current working-time and that a large number of vacancies could be created, the proportions being, of course, very difficult to assess. Some sociologists (G. Aznar) do not hesitate to talk about 1.5 million jobs in France alone. In view of the revolution in thinking and legal practice involved in a change of this nature from imposed working-time to the chosen work schedule (and in view of the fact that a proportion of short-time workers would logically return to full time), we prefer to count on lower figures — the equivalent of around 200,000 full-time jobs each year for the EU of the 15, i.e. one million in five years.

Progressive retirement (cf. in particular the note by D. Anxo on the case of Sweden) and the extension of parental leave are intrinsically of great personal and family interest in various countries. These systems thus merit further development in Europe, particularly since they are individual forms of reduction of working-time with a very favourable impact on employment.

Since we cannot yet quote figures for the impact at the level of the 15 countries of the EU, we will not take it into account in our general assessment. But it should be possible to remedy this state of affairs through various national contributions.

## **Conclusions Part 2**

We have proposed a strategy for reducing working-time which articulates the

various instruments available as coherently as possible, linking them not only with one another but also with the need to finance balanced, and thus sustainable, growth<sup>24</sup>. This could constitute a Social Contract for Employment, the modalities obviously varying from one country to another.

We have thus ventured to quote figures for all of these proposals. Without figures we would merely be making vague proposals with which the magnitude of the issues at stake could not be grasped. Although these figures should be re-evaluated, we estimate that at least six million jobs could be created in this manner in five years in the EU of the 15. The basic objective of 15 million put forward in the White Paper would thus be absolutely relevant.

## ***General conclusions***

The present report has endeavoured to show that although in its White Paper the Commission established the need to create 15 million jobs in the European Union between now and the year 2000, the solutions it proposes are inadequate, particularly in as much as they neglect the reduction of working-time. We have endeavoured to remedy this inadequacy by proposing a **Social Contract for Employment** based essentially on the articulation of growth and the reduction of working-time. Although this strategy seemed desirable, its logic should first be checked by means of macroeconomic simulations conducted with the Commission models available; this could also provide an opportunity to test several alternatives.

However, although the present report and the reduction of working-time which it proposes are geared resolutely to creating jobs, it must be borne in mind that they comprise another issue at stake in society — the achievement of shorter working-time to which the labour world has always aspired. As we have seen, the dominant form of these aspirations has been changing every one or two generations ever since the Industrial Revolution.

Thus, it is the working week expressed in hours (40 to 35 hours) which has crystalised these aspirations over the past few decades. The current situation in this field is complex since, as we have shown, the most effective strategy for employment has been to combine a wide variety of systems. If the labour world considers that new mobilisation efforts require a unifying principle (slogan), could that slogan not be the four-day week? Provided that it is not confused with a three-day weekend, (on the contrary, there would be more frequent work on Saturdays), is it not the greatest common denominator of the various systems proposed above? With some of these systems it no doubt would not be possible

to work only four days each week in the initial period; but it could sometimes be feasible one or two weeks per month. The argument for this proposal could be that owing to the constant increase in commuting time, more and more employees are beginning to think in terms of working days rather than working hours; the progressive general application of the four-day week could thus become an aspiration common to the great majority of employees in the European Union and an integral part of the European social model to be updated.

## Footnotes

1. This text is the preliminary version of a report which was drawn up for the European Socialist Party Group. It was the subject of a talk given at the meeting organised in Dusseldorf by the European Trade Union Confederation.
2. Throughout the following text job creation is intended as net job creation, i.e. the difference between the total number of jobs created and the number of jobs eliminated.
3. Development of this decisive paragraph would require the simultaneous or successive elaboration of three further reports — on the preconditions for sustainable growth, on the financing and impact of the reduction of the cost of unskilled labour and on the methods and financing of an appreciable increase in employment in decentralised civic services.
4. Cf. C. Savoini in "Le temps de travail" (working-time) — collective work coordinated by Boulou, Cette and Taddei, ed. Syros, Paris (1993).
5. We take the liberty of referring the reader to G. Cette and D. Taddei: *Temps de travail, modes d'emplois: vers la semaine de 4 jours* (working-time, modes of employment: towards the 4-day week) La Découverte publishers, Paris 1994 — Part 1 in particular.
6. For producing something themselves (gardening, D.I.Y. jobs) or for leisure activities (video, caravan, etc.).
7. Monographic studies have likewise shown that, whatever the wage compensation initially established, in retrospect it seems to have been partial, paid at a rate close to that of the productivity gains achieved.
8. These are the only two lines of strategy which could each lead to the creation of at least five million jobs, presuming that circumstances are reasonably favourable.
9. In order to be absolutely valid, this rule is based on several additional hypotheses, most of which are currently fulfilled: the hypothesis that the initial situation is already balanced (this is currently the case in conditions which greatly benefit profits); the hypothesis that the propensity to save is more or less stable (which is the case); the hypothesis that capital efficiency remains constant; it is currently in evident decline, but this is due largely to the fact that the past economic slowdown was not used to the full.

10. The word "contract" is used here in the broadest "moral" sense, so to speak. We would point out that any binding legal forms that might ensue may differ from one country to another.
11. This obviously runs counter to the proposals for greater flexibility of the employment market when that flexibility is construed as an element which necessarily weakens the rights of trade unions and/or job seekers.
12. I.S. Cueva (1995) and Grefi (1995) show that undertakings optimise a particular working-time in the long term depending A) on productivity, which decreases more or less as work schedules are lengthened; and B) on the structure of labour costs, which remain more or less constant depending on working-time.
13. Unlike a system of varying overtime bonus rates, which aims to buy the workers' consent
14. This system should also be applied to the bonuses paid for difficult work schedules, and in particular for night work, since their consequences for workers' health cannot be reduced with money but only through longer rest periods.
15. The drop in overtime could be compensated each year by a more rapid rise in the basic wage.
16. Depending on whether one takes the high (1990, for example) or the low (1993, for example) of the economic cycle as a reference.
17. It should be borne in mind that each country is free to apply the Social Contract for Employment at whatever level it wishes — general application, sectoral application or application at the company level.
18. The reference working-time for an increasing number of occupations (higher-graded staff, engineers, research workers, etc.) is no longer really weekly time; in these cases one need only count six days' sabbatical leave per annum to obtain a reduction of the same order. The other employees could be granted the same possibility if they wished.
19. Cf. D. Anxo and D. Taddei in Anxo, Bosch, Bosworth, Cette, Stirner and Taddei: "Travail posté et durée d'utilisation des équipements" (Shift work and plant utilisation time) (1995), Preface by E.M. Malinvaux.
20. Catinat, Donni and Taddei (1990). This simulation was commissioned by the Commission of the European Communities and carried out with the help of its HERMES models.
21. The Dutch trade unions have already achieved substantial progress in this direction.
22. This clause has been included in several collective agreements in the Netherlands.
23. Cf. in particular the surveys conducted by the Commission — published in *European Economy*.
24. The French Socialist Party already virtually unanimously adopted an approach of this nature at a national convention in 1993.



# ***Individual working hours instead of standard working-time***

By Dr. Sibylle Raasch

## ***The need to modernise working-time legislation***

Traditional standard working-time (i.e. full-time work, entailing the same number of working hours, morning and afternoon, on each weekday) is in fact a thing of the past. At present no more than 20% of women and 27% of men employed in the old Federal States (former West Germany) still work "normal working hours"<sup>1</sup> based on such criteria.

The pressure for change comes from opposing directions, as described below.

### **Changing company demands**

Employers are exerting increasing pressure for an extension of operating hours and/or a more flexible organisation of working-time so that they can adjust to changing operational requirements.<sup>2</sup> This follows the development of increasingly capital-intensive production methods, which yield maximum results when production can be organised around the clock. The new approaches to production favour "just in time" techniques which enable production to be closely geared to fluctuating demand. Another significant factor is the current shift from manufacturing industries to service industries, in which, in the nature of things, "output" must respond more closely to demand. An offshoot of this situation is the development of labour on call.

### **Diversification of living situations, and changes in workers' values**

For all to work the same hours entails an assumption that all workers live their lives according to basically similar patterns; but today this is no longer the case. Social mobility, the changing roles of the sexes, and the dissolution of family life in its traditional forms have led to an ever broader range of differing preferences in working-time on the part of employees, depending on their

individual situation and personal inclinations.<sup>3</sup> Changing social values have prompted a demand among more highly qualified young workers for a greater amount of free time to be devoted to personal pursuits.<sup>4</sup> A large majority would like to be free to alter their working hours in accordance with personal preference on the basis of an individual working-time system. A significant proportion would, in addition, also like to reduce their working hours or would take a job only if they could work according to a reduced-hours schedule. The extent to which workers are prepared, where necessary, to forego pay in return for a reduction in their working-time depends above all on their level of income, but also on external pressures (on the one hand debt, and, on the other, restrictions imposed by family situation or health).<sup>5</sup>

This pressure towards an increasing erosion of normal working-time exists quite apart from the problems currently afflicting the labour market. These problems cause the main emphasis to be placed on the demand for more working-time reductions.<sup>6</sup> But discussion of working-time issues is thus foreshortened and limited to the question of productivity gains and their effects on employment. The result is that the much more wide-ranging and long-term task of shaping the future of society in the light of modern trends and demands such as the self-determination of the individual and equal rights for both sexes is all too easily allowed to slip out of sight.

### ***A new regulation of working-time***

The varying time-related demands imposed in practice by employers, and the diversification of employees' lifestyles, completely rule out a revision of working-time law which would simply substitute a new set of standard working-time regulations for the old set. But the alternative proposed by employers, namely complete deregulation, means not only total flexibility of working-time in the interests of the company, but also new risks for both employees and companies.

Deregulation would mean that time-based competition between large and small firms, between modern and more traditional businesses, and between domestic and foreign companies would become increasingly rife. Western industrialised countries could hardly call for working-time restrictions in the Third World, even attempting, in the interest of their own economy, to enforce them by means of trade restrictions, whilst simultaneously abandoning their own standards of protection.

There is a paramount social need for regulation to protect employees from working-time exploitation by companies, to achieve a balance of interests among workers in differing positions of strength and weakness, and to guarantee the provision of "social time" for the fulfilment of non-commercial social tasks in the spheres of domestic activity, culture and politics.

## ***Overlapping interests***

The interests at stake in relation to working-time are diverse, and yet not necessarily completely divergent, even when it is a question of the interests of the company on the one hand, and of the employees on the other. In relation to the need for flexible working-time arrangements, compromises can be found. Where it is a question of catering for regular and foreseeable fluctuations in production, trade-offs may be agreed entailing subsequent leave arrangements or training opportunities for employees. Compensation for unforeseeable demands for flexibility in the interest of the firm can take the form of greater freedom for workers to choose their own working hours at less busy periods. Incentives for workers to work less popular working schedules can also be given in the form of bonuses for irregular hours or additional time off in lieu. Moreover, benefit in the form of greater job security accrues to employees when "their firm" is successful on the market, while productivity gains for companies may result from shorter working-time or from the additional motivation shown by employees who are offered the opportunity to work the hours that are right for them.

On this common basis, a new regulation of working-time can be developed, with normative standards being laid down in three areas:

- a general reduction of working-time, in order to create greater room for manoeuvre in society and within the company — and not only to preserve existing jobs and create new ones;
- definition of time spans and minimum standards for the new forms of individualised working-time arrangement; and
- procedures to achieve a working consensus within the company.

## ***Achieving a working consensus***

We have pointed out that the new working-time legislation should no longer

prescribe fixed standard working-time; rather it should contain appropriate provision for stipulating how working-time is in future to be defined at company level. Within the company, discussion on a new way of organising working-time between individual employees or categories of employees on the one hand, and the employees and management on the other, must be conducted in a structured manner based on procedures enshrined in the law.

Such provision should include the elements outlined below:

### **The company working-time committee**

In this body workers should come to agreements as to how their various working-time preferences can be reconciled with the needs of the company

### **Company rota**

This will be the formal outcome of the above process of reconciling the various demands. It will include individual working-time contracts and working-time accounts. If significant long-term "time credits" are allowed to accumulate, these must be financially guaranteed by the firm against bankruptcy or job loss.

### **Principles to be observed in the settlement of disputes**

A correct perception of the situation and general spirit of accommodation will not always be enough to resolve conflicts on working-time between opposing interests. A system based on giving automatic precedence to certain considerations over others (e.g. company needs over child care or further training or hobbies) would immediately give the lie to the official company policy of offering employees individual working-time options. Accordingly, where individual conflicts arise, precedence should be given only to "immoveable" over "moveable" need. Only where this criterion proves of no avail should criteria such as the social value of a request for time or general considerations of "fairness" be used to decide which time preferences should be given precedence over which<sup>8</sup>.

### **Ban on discrimination**

No one should be discriminated against, or be given special treatment on account of his/her working-time preferences.<sup>9</sup>

## **Problems of individual working-time arrangements**

Working-time legislation containing provision for the regulation of individual working-time arrangements will solve many of the problems described above. Such legislation can open up new scope for variation and at the same time provide a background of security and protection for all involved. However, it also entails a number of new problems, such as those described below.

### **Endless discussion leading nowhere**

Provisional powers of settlement may be used where dictated by urgency or need. For other cases, general principles could be laid down by the working-time committees, to be observed as long as no new arrangement had been agreed.

### **Employees in a weak position**

The bargaining position of traditionally weak groups must be reinforced by a ban on discrimination (on grounds of sex, origin, handicap). Under the old working-time system problems also arose because some workers were in a stronger position than others when it came to pushing through their demands and a dialogue with those whose working hours deviated from the standard (predominantly women) was never initiated. Anyone who could not or did not wish to work standard hours was simply out of a job or had to put up with worse conditions and less protection (e.g. part-time work). In future, the workers' representatives at company level will have the new task of moderating the dialogue on the new system of individualised working hours, rather than representing the interests of individual workers, and, in so doing, of seeking to achieve a balancing of interests among different employees.

### **Financing of working-time reductions and special leave**

This problem too has already arisen in connection with standard working-time. Unemployment and the fact that those who were not able to fit in with the prevailing system of work organisation were offered only part-time jobs means that the workers in question were compelled to foot the bill for the inflexibility of the old system of working-time in the form of lost income. If, in future, working-time is shortened for all, or if paid parental or child-care leave is to

become a genuine option, it will not mean the imposition of new financial burdens but a redistribution of old burdens which were previously concealed within the private sphere. Shorter and more flexible working-time patterns open up new financial room for manoeuvre. Working at times which accord with workers' preferences raises productivity, and greater flexibility in organising other aspects of their lives reduces living expenses. Experimentation must be allowed to show to what extent these benefits can offset the losses on the income side.<sup>10</sup> However, collective financing should be available for certain forms of working-time reduction that are vital to society's interests. One possibility might be the financing of parental and care leave along the lines of the Swedish parental leave model.<sup>11</sup> Other formulas to be considered are part-time unemployment benefit or part-time study grants. The demand for a basic guaranteed income takes on particular significance against the background of the working-time debate.<sup>12</sup>

### **Small businesses**

Because of their tighter financial and staffing constraints, small businesses are in a less favourable situation than large firms when it comes to offering working-time freedom to their workers. In actual fact, however, smaller firms frequently offer their employees opportunities for organising their time which exceed those available in many larger firms. They are in a position to react in a less bureaucratic way and from a position "closer to home" to whatever changes in demand may arise. Where, however, it is a matter of staffing and financial resources, particularly in relation to return-to-work guarantees after periods of leave, one possible response might be pooling solutions and funds. Indeed, the small businesses sector has already successfully experimented with such solutions in connection with extended parental leave.<sup>13</sup>

### **Isolation and the dissolution of solidarity**

Working according to new individual working-time schedules makes communication within the workplace more difficult. This could exacerbate the social isolation of workers and make it even more difficult than in the past for them to learn and experience solidarity. The company time schedules must therefore allow for a certain amount of time for communication.

Meanwhile, it is certainly the case that individualised working-time patterns are likely to improve communication in the private sphere of life.

Finally, it should be pointed out that personal isolation and the dissolution of solidarity in society grow in an even more threatening manner when one section

of the population works more and more while another section does not work at all. Accordingly, it is certainly not the case that these problems can be avoided by sticking fast to normal working-time.

## Summary

Changing demands in the workplace require not deregulation but new forms of regulation. Company demands for flexibility and employees' demands for individual working hours are not irreconcilable opposites. The reduction of working-time must not be allowed to founder on the rock of financial constraint. Labour law should in future concentrate less on content and more on procedures and standards. The newly emerging problems turn out, in many cases, to be familiar problems in disguise. And in no case are possible solutions completely absent.

## Footnotes

1. Cf. H. Matthies/U.Mückenberger/Cl. Offe/E. Peter/S. Raasch: *Arbeit 2000, 1994*, pp. 135 ff. passim.
2. Cf. Matthies et al. op.cit. pp. 155 ff. In spite of this need for flexibility, it should be pointed out that employers tend, in practice, to display considerable conservatism in connection with working-time issues and a high level of anxiety about loss of control and additional costs.
3. Cf. Matthies, op.cit, pp. 158 ff. passim.
4. Cf. K.H. Hörning/A. Gerhardt/M. Michailow : *Zeitpioniere*, 1990
5. Cf. A. Riedel : "Ein VW-Modell, das die Talfahrt meistern soll", in *Frankfurter Rundschau*, 31 October 1994, p. 19.
6. Cf. H. Seifert : "Arbeitszeit neu diskutiert", in *WSI Mitteilungen 11/1993*, pp. 746 ff.
7. In the course of the research project which led to the publication of *Arbeit 2000*, a number of round tables were conducted among variously constituted groups of participants (employers, employees, other social groups such as environmentalists, churches, etc.). It turned out that the major difference between the interests of the two sides was that while the employers expressed a preference for voluntary agreements, the employee side insisted, as a means of redressing the imbalance in social power, on the need for legislatively binding regulation of new working-time arrangements based on compromise.
8. Cf. Matthies et al., op. cit. pp. 292 ff. and 342 ff.
9. Cf. Matthies et al., op. cit. pp. 344 ff.
10. Cf. on individual experiences the so-called "time pioneers", Hörning et al., op. cit. pp. 115 ff.

11. Cf. Matthies et al., op. cit. pp. 297 ff.; on the Swedish model, G. Pettersson (ed.): *Zeitpuzzle*, 1990
12. On the uncoupling of employment and income cf. J. Hoffmann/R. Hoffmann/U. Mückenberger/D. Lange (ed.): *Jenseits der Beschlußlage*, 2nd ed. 1993, p.211 ff.
13. M. Ludewig/M. Malljen/S. Lehmann/A. Chmielewski: *Modellvorhaben zur Erprobung einer Verbundlösung zur Absicherung der Rückkehr von Frauen in das Handwerk*, 1993.



# ***The political prospects for a new working-time policy***

***Panel discussion  
8 December 1994***

**By Robert Taylor**

**Robert Taylor**, employment editor of the **Financial Times**, who chaired the discussion stressed two important elements had been missing from the conference that needed at least to be mentioned in the final session. He said that there had been a lack of an overview of the global economy with its pressures for competitiveness and its impact on the development of improved social standards in the labour market. It was necessary he said to find ways of reconciling the problems of competitiveness and unemployment as well as the need for the creation of a mutual balance of interest to encourage efficiency in the enterprise and strengthen social solidarity in the workplace, Mr Taylor said these aspirations were not in conflict with one another but complementary if employers and worker representatives were to give a priority to the issue of cutting working-time.

Mr Taylor also suggested there was already a wide variety of different national trade union and industrial responses towards the working-time question among different European Union member states, for instance, between Germany, Sweden and the UK. He asked whether it was really possible to develop a credible European Union-wide social policy over working-time.

There were three possible ways forward. Firstly, a social dialogue could be encouraged at EU level between the social partners. This would establish a minimum framework agreement leaving it to capital and labour to reach voluntary cooperation.

Secondly, he said there could be further legal regulation in the form of EU directives on working-time which could lay specific and enforceable standards through the legal route.

And finally, the whole question might be left to developments at company level through experimentation which would reflect the diverse cultural traditions and different labour markets inside the EU. This might — he suggested — provide more room for flexibility in the range of policy options to cut working-time such

as the encouragement of annualised hours, the introduction of different forms of shift work and the development of more part-time employment.

The crucial point, said Mr Taylor, was whether the working-time question could be resolved through the creation of an à la carte menu of options or the establishment of a core of uniform minimum standards that should be applied across all the EU member states.

**Michel Rocard**, the former Socialist prime minister of France and now a member of the **European Parliament**, began his contribution to the discussion by emphasising the urgency of the unemployment issue and the need to find ways of resolving it. He pointed out that unemployment in France fell by just under 200,000 during his three years as prime minister but added this was achieved on a "hand to mouth" basis.

Mr Rocard pointed out that a three per cent annual growth could create 200-300,000 jobs a year in France alone. But he went on to warn of the social consequences of high unemployment. "I would like to launch an SOS, a call for help", he said.

"I made the mistake of being too cautious when I was in government", he admitted. "We cannot carry on like this any more. There can be no happy consensus".

Mr Rocard said that the trade unions would have to battle hard in the struggle by re-emphasising "the desire for collective solidarity against the tendency to individualism".

But he added they, "should not fight unemployment with one weapon alone". "Of course, we need growth, even if it does not change the overall employment situation, to bolster government budgets", he said.

He added there are "three direct forms of job creation". It could be achieved through "training and education, strengthening labour market institutions and changes in the taxation system".

Mr Rocard said small and medium-sized enterprises could be encouraged to develop and stimulate more job opportunities and there could be a growth in employment in inter-personal services.

Finally, a reduction in working-time might help to cut unemployment. However, he admitted from his own experience as prime minister, "nothing could be done on this because of fears and taboos over the issue".

Mr Rocard pointed out that "persistent mass unemployment took off in the 1970s", so it was "strange it should have happened at a time when the length of working week was actually falling".

“Despite scepticism we have to work in terms of decades, not react to ups and downs. There is a need for a long term reduction in working-time that could take up to twenty years”, he said.

Mr Rocard told the conference that there was a “need for the establishment of contractual rules as well as negotiations on working-time at both European and plant level”.

“Laws will be adopted more quickly if they come through negotiations that see need for them”, he went on. He said he believed negotiation and legislation should complement one another in pursuing a reduction in working-time. “There must be a positive interaction between them”, he added.

Mr Rocard argued that the tax system ought to be linked to the working-time issue. He pointed out that French employers pay local taxes as well as social security contributions of between one and eleven per cent added to their payrolls. “Taxation is not employment neutral”, he pointed out. He thought employers could not be expected to become involved in the working-time debate until the tax problem had been dealt with.

Mr Rocard thought it would be “very useful if the ETUC marked out the field for debate” over the tax question. He called for “a more even balance on the level of taxation imposed on capital and labour”. He called, in particular, for a ceiling to be placed on tax allowances for capital equipment to provide an incentive for employing new people as an investment.

“If we cannot keep salary costs per unit of production constant, employers will not go down the shorter working-time route”, he pointed out.

Mr Rocard also said he favoured spreading free time for workers over the year and he called for a “social right to take sabbatical leave”. “Everybody is afraid and nobody dares”, he said. “Employers are let off lightly while the state is frightened of loss making through high budget deficits. Nobody thinks to budget over five years”.

He recommended a number of ways of helping to reduce unemployment. There could be phased retirement. “It does not cost anything”, he claimed, but it would be necessary “to create the legal framework and desire for this”.

“A gradual negotiation of structural overtime could bring compensation”, he claimed. Mr Rocard also said governments should draw on their “public reserves when putting some unemployed into jobs”.

He added there could be more training negotiated in each industrial sector backed up by legislation. A general framework should be agreed between the two sides of industry.

Mr Rocard called for a "guarantee of career progression" and "the introduction of trade union rights for atypical labour". He added that workers should have "the right to more work if they want it", but there was also a need to stimulate the desire for change. "We will not get a sufficient reduction in working-time if the workers themselves do not demand it", he said. "We need to mobilise the workers".

He also pointed out that "the inventors of democracy in Athens saw no social or ethical value in work". Mr Rocard quoted the French political thinker, Paul Lafargue, who believed there was a "right to laziness".

Mr Rocard concluded that the trade unions needed to encourage the potential for workers in a better use of leisure time through encouraging sports and cultural activities and discouraging "passive consumption".

**Nils Trampe**, human resources director of UNICE, the European employers' body emphasised that his organisation agreed with the Delors White Paper and that the lack of competitiveness, low growth, and limited employment creation had to be dealt with to provide the basis for social development. He added that employers recognised the link between a good family life and working life. "Happy employees are good for business", he said.

But Mr Trampe also pointed out there had already been a reduction in working-time in the European Union. In Japan, the average hours worked per year were 2,100 ; in the US, 1,940 and in the EU from 1,500 to 1,650 hours. "We work fewer hours than they do but we still have a higher unemployment problem", he pointed out. "A general reduction in working hours is not a solution for competitiveness, though it might reconcile family and working life".

Instead of cutting working-time, the focus should be on introducing more flexible hours of work, explained Mr Trampe. But he did not believe this could be imposed by a political approach at European Union level. "I don't hold high hopes for the politicians to ensure reductions in working-time", he said. Instead he favoured negotiations between management and workers at company level.

Emphasising that European plant capacity was only utilised for 50 to 70 hours a week compared with 85 hours in the US, he said that there should not be a fixed period of working-time all over the EU in all industrial sectors. The recent voluntary cut in working-time at Volkswagen (VW), the German company, could not be seen as a model for other enterprises because the VW workers were the best paid in the EU and it was easier for them to accept a pay reduction than others.

Mr Trampe also pointed to the diversity of back-up facilities for workers, like child care, as well as the climatic and cultural differences between northern and

southern Europe. Nor could it be expected that companies would accept career breaks for their employees if this was not in their business interests.

**Jerome Vignon**, from the European Commission's **Forward Studies Unit**, said he did not believe the "international constraints" facing European companies were impediments to social bargaining with cuts in working-time. "We have a comparative advantage in Europe with a structured, organised social movement", he said, reminding his audience that the original demands for an eight-hour working day made in May 1890 by the trade unions emphasised the effects this would have on employment and happy family life. He also pointed to a number of social changes going on that will have an impact on working-time. - like the rising female participation rate and the increase in life expectancy.

Mr Vignon called for a number of trade-offs as part of a social pact to be made at European Union level over working time. These would involve a balance between employer flexibility and family life; flexibility and productivity gains; flexibility and job security.

**Mia de Vits**, General Secretary of the FGTB, urged the European trade unions to launch a campaign against what she saw as the obsession with competitiveness and the driving down of wage costs. "Competitive businesses cannot work in a society on the edge of a social explosion", she said. "We have to recognise our collective duty at European level to fix the framework in which the two sides allow growth, not simply to focus on competition but on the needs of the workers".

She also stressed that working-time reductions would have to apply to women as well as men and not necessarily go hand in hand with wage equalisation.

**Gabriele Olini**, from the Italian **CISL**, began his contribution by urging the need for more economic growth and condemning the monetarist approach that he said was "out of date". He quoted a recent opinion poll that revealed 47% of workers in Western Europe wanted to work less and have more free time at their disposal. "They should have their work schedules adopted to their own personal wishes", he suggested.

Mr Olini added that while there was "no perfect solution" to the working-time question, "a common objective" was needed. Mr Olini believed progress to less working-time would have to be "gradual" with specific government financial support to ease the transition to working fewer hours. He added there were many ways of pursuing the aim, such as the introduction of a four day week, longer holidays and release of the worker for training. Mr Olini argued that the European Trade Union Confederation should take on the full responsibility as a negotiating partner to co-ordinate an offensive on shorter working-time.

**Robert Taylor** asked the panel of speakers whether they had any rallying slogan that would help to mobilise workers behind the cause of reduced working-time. He made the point that unless workers themselves demanded such a change it was difficult to see how much progress could be made.

**Michel Rocard** said he believed the issue was "urgent", and he called for the introduction of a four day working week, not necessarily on consecutive days, as a sensible policy option. He added that the existing European trade union policy objective of a thirty five hour working week was "too sweeping". Jerome Vignon favoured European Union president Jacques Delor's call for a working lifetime of 40,000 hours by 2010.

**Nils Trampe** said that European employers in UNICE did not believe there should be any reduction in working time. He added that it was Utopian to believe people would accept a cut in their incomes with a cut in the amount of time they worked. Mr Trampe, however, thought progress could be made on making existing working hours more flexible.

**Mia de Vits** called for a counter-attack by the European trade unions bringing the jobless and employed workers together. She said a four-day working week could be effective in helping to create new jobs and also develop a free time project for workers.

# ***Prospects for a European working-time policy***

**By Emilio Gabaglio**

The work done over the last two days has shown just how many actions are being implemented at national, sectorial and company level to make the reduction and reorganisation of working-time a forceful instrument for preserving and creating jobs, and one that is associated with improved living and working conditions for women and men.

Let us begin right away by eliminating one doubt or potential misunderstanding. There is no conflict — let alone contradiction — between our struggle to help initiate an economic recovery, regain durable growth and generate qualified jobs of a higher quality with the help of a sound initial and vocational training policy, on the one hand, and our struggle for the reduction and reorganisation of working time, on the other.

On the contrary, both these elements are complementary, indispensably so. For not only do they dovetail with each other, but they also work in synergy with each other, especially with a view to safeguarding the financing of wage compensation. Neither element can adequately respond to the employment challenge on its own, whereas a combination of both can ensure success.

There is no miracle cure to set Europe working again. What we need is a full set of tools to repair the job-creating machine and find our way back to full employment. This utopian vision is a vital creative, driving force if we are to reject the current argument that we should be content with an unemployment rate of six per cent, i.e. with approximately 10 million people constantly unemployed in the European Union.

And while there is no miracle cure, there can be no single objective or simplistic slogan. This applies to both the trade unions and to employers, far too many of whom view flexibility as a panacea which they associate with pressure on wages and lower social security charges. In fact, they want to have their cake and eat it.

Maybe we have been too defensive in the face of the employers' demand for flexibility without seizing upon all its positive aspects for workers to ensure that the flexibility worked both ways. However, this period of defensiveness is definitely coming to an end. Indeed, the discussions which took place during

this conference reflected the wide range of trade union activities in this respect — which are characterised by surprising imagination and inventiveness.

We must all show some imagination. It is not easy to reorganise working practices, change rhythms or adjust working-time when introducing shifts. It has to be recognised that this could give rise to some concern among workers. Let us give up the Taylorist model and embrace the idea of the historical development of production methods and services as well as of society and a mix where variety is fully accepted and the rights associated with it respected.

This does not mean that work has no meaning any more, but rather that its meaning has unquestionably changed. This was the message stated by one of our friends in the European Parliament, Pierre Carniti, in the form of a challenge in his recently published and highly thought-provoking booklet in Italian, the title of which can be translated as "*Work is finished*".

So what are the main elements of our strategy concerning a new concept of time in which working-time and leisure will be balanced as harmoniously as possible and which should create jobs?

The first requirement is that jobs be created, so we must balance the equation, the four elements of which are working time, the organization of work, productivity and wages. A first step is to dissociate the working-time of individuals and the working-time of machines or departments. This step will affect employment in the way we need while at the same time creating the conditions required for a significant reduction of working-time (and the introduction of a four-day working week, parental or sabbatical leave, depending on the company and category of work involved). The common, co-ordinated object of this reduction and reorganization of working-time must be drawn up in a national and European framework. However, its implementation will require that the diversity of current situations be taken into account in negotiations on this subject.

The problem of wage compensation is a very real one. The reduction of working-time must not automatically and systematically translate into wage decreases. Consequently, full or partial compensation, whether immediate or deferred, will be an integral part of any negotiations on the distribution of productivity gains caused by the reorganisation of working-time and practices. Indeed, such gains will be more than sufficient to finance the reduction of working time.

A second requirement will be to ensure that there is no interruption in the working lives of workers, to prevent processes involving social exclusion and discrimination. This is where we can develop a positive policy on flexibility. The problem of working-time must be raised in relation to working life as a whole. Flexibility will come with the capacity to manage the changing requirements



which develop throughout working life, ensuring that individuals remain continuously in work. This link must not be broken by unemployment, a need for continuing vocational training, for family reasons or by a temporary break or sudden retirement. Requirements will therefore vary at different stages of individuals' working lives, and we will have to resort to part-time work on a voluntary and reversible basis, as well as to periods of professional insertion and reinsertion, the integration of vocational training in working-time throughout working life, parental leave, gradual retirement, etc. These are the tools we need to ensure a policy on working-time which promotes employment and better living conditions.

A third requirement involves the fundamental role of negotiations to ensure that this development takes place. It is by means of negotiations that the goals set at European level in the area of job creation will be fulfilled at both sectorial and company level. It is these levels that will have the greatest say on how to reduce and re-organise working time, manage the redistribution of productivity gains and how to reduce overtime.

We must define the elements of what some people call 'a new social contract' to ensure the success of the economic and social recovery of Europe. This does not mean to say that the national and European public authorities no longer have a part to play. Indeed, they must see to fiscal measures and take steps aimed at stimulating and supporting actions in this area.

The framework of negotiation must be linked to a framework of regulations. At European level, this is especially true when it comes to establishing goals and requirements which take into account the various national social environments in which the new policies are to be implemented. This is why we want the directive on atypical work, and in particular on part-time work.

To provide guarantees of equal treatment for such employees in the areas of labour law and social protection, so that part-time employment can become a positive and reversible choice. It is all the more regrettable that the directive, which has unfortunately already been drained of all its substance, was blocked in the Council on 6 December. However, the right to continuing vocational training throughout working life should also be covered by EU framework legislation, because unfortunately UNICE is not prepared to negotiate this right. Legislation on parental leave is also indispensable to reconcile professional and family life.

In the end it will be up to the directive on working hours to provide a European legislative framework which genuinely supports our intended strategy, in particular by reducing the maximum legal working week, which is currently 48 hours. A four-hour reduction of this legal working week to 44 hours would already have a considerable impact at European level, as would an obligation

to compensate overtime with time off in lieu or the introduction of graduated taxation on overtime. This would discourage the accumulation of overtime and also help to create jobs when these additional hours became structural.

I said earlier that there was no miracle cure. However, this does not mean there can be no unifying element in our action. This unifying element is "chosen time", which would enable workers of both sexes to manage their time better and provide companies with the flexibility they require. Society will have to accept the reduction in working time.

We too subscribe to the belief that there will be a cultural revolution in our lifestyles as well as in our methods of negotiation, and that the trade unions will be called upon to show a certain degree of courage as well as the ability to manage individual requirements better within a framework of collective solidarity.

However, if this is to be accepted by society, then it must become one of society's aims. The ETUC and its national and sectorial organisations must promote this project and be the craftsmen of its implementation. The 'chosen time' strategy is an option in favour of employment, so it is this strategy that we must pursue.

# ***Working-time policy in Sweden***

By **Dominique Anxo**

## ***Introduction***

In common with many industrial countries, both statutory and actual working hours have decreased appreciably in Sweden over the past three decades. One salient feature of working-time policy in Sweden during this period was to have laid the foundations for the development of greater flexibility in individual working-time over the life cycle while preserving the necessary conditions of business competitiveness. Such a policy could not succeed without a broad consensus and active co-operation between the two sides of industry. This move towards a negotiated flexibility as part of an economic policy which rejects unemployment and job insecurity has been one of the focal points of working-time policy in Sweden. While working-time may have been a key component of welfare policies in Sweden, the public authorities and the two sides of industry have consistently refused to consider an across-the-board reduction of working-time as an effective means of combatting labour market imbalances. All the evidence suggests that the pronounced rise in unemployment in the early 1990s will not throw this policy approach into question.

Not only is working-time policy a major component of family policy — with some of the most highly developed and flexible parental leave entitlements in Europe — it is also a core priority area of the drive to achieve sex equality. The ability to “pick and choose” individual working hours has contributed to the marked rise in the female labour force participation rate and has facilitated women’s labour market entry.

## ***The statutory and contractual framework***

The extreme flexibility of existing law on the arrangement and length of working-time owes much to the singular nature of labour relations in Sweden, characterized by a high unionization rate<sup>1</sup> and the existence of powerful

professional organizations enjoying a high degree of autonomy from the public authorities.

Despite a statutory 40-hour working week, regulated maximum annual overtime (200 hours a year), and a general prohibition on night work, a considerable number of exceptions and adaptations make allowance for the diversity and specific constraints of the different production activities. Working-time legislation is particularly flexible and has, since the late Fifties, also left the two sides of industry free to negotiate and draw up industry-wide agreements on daily and weekly working hours.

Hence, negotiated working hours may vary according to the workers covered. To illustrate: the rules contained in the collective agreement for the metallurgical industry replace the statutory provisions and provide for a standard 40-hour week calculated on an annual basis. Within the industry, however, company management and labour also have the power to decide on how working hours shall be organized and redistributed in the individual firm, making the collective agreement an even more flexible instrument.

Generally speaking, collective agreements for blue-collar workers prescribe shorter working hours for shift work and certain particularly arduous types of work<sup>2</sup>.

For white-collar workers in the private sector, collective agreements generally follow the statutory provisions, although some industry agreements — banking and insurance, for example — have negotiated hours less than the standard 40-hour week (about 38 hours).

Certain categories of civil service employees<sup>3</sup> also work shorter hours; clerical staff also work to a system of seasonally-adjusted working hours, with a contractual workweek of 40 hours and 50 minutes from September to April and 37½ hours from May to August.

One consequence of the consensus nature of labour relations is that working-time policy in Sweden is marked by a pronounced trend towards decentralizing decision-making down to industry — or even plant level.

### ***Trend of working-time***

As noted earlier, both statutory and actual working hours have decreased appreciably in Sweden over the past three decades (Cf. Figure 1). Actual weekly working hours have fallen from an average 41 hours in the early Sixties to around 37 hours today.

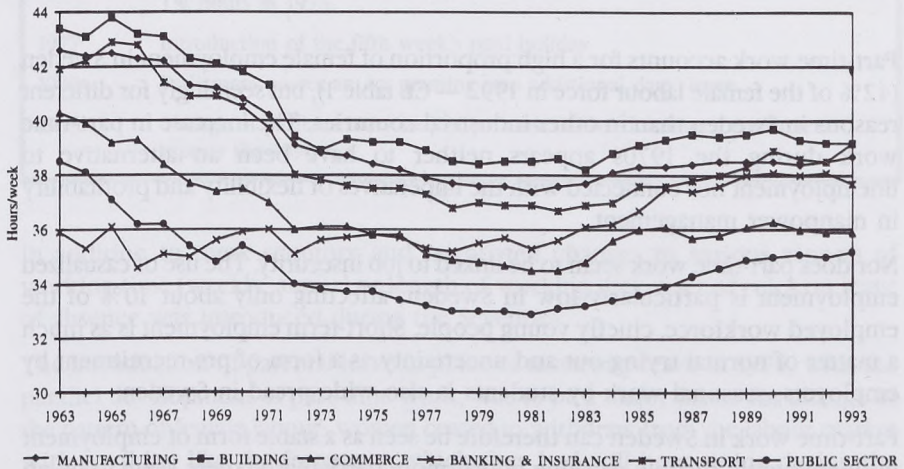
The wide range of negotiated provisions coupled with social and production constraints has created differential working hours according to industry group. Hence, in 1993, actual hours worked were appreciably longer in the building (39.2), transport (39.2) and manufacturing industry (38.7) than in the public sector (35.2).

While working-time fell by about 10% over the period, an analysis of the movement reveals two conflicting trends: a steady reduction down to 1982, followed by an appreciable increase in working-time since then.

The substantial reduction of working-time (about 15%) which occurred in the **first period (1963-1982)** may be due to three main types of factor: legislative or contractual factors, structural factors, and socio-economic factors.

Sweden enjoyed a sustained economic boom throughout the 1960s and early 1970s, when the trend in working-time seems to suggest that Swedes chose to share in the benefits of economic expansion by taking more leisure-time. Higher taxation to support an expanding public sector and a tailing-off of growth in the second half of the Seventies cannot have failed to affect this decision.

**Figure 1: Trend in actual working hours by industry**



Source: AKU (1963-1993)

As regards structural and socio-economic factors, the large-scale labour market entry of women during the 1970s led to a huge increase in part-time work<sup>1</sup>. The changes in working-time distribution show that a not inconsiderable proportion of the reduction in working-time was attributable to the increase in this type of employment.

At the same time, structural changes in the industry distribution of employment amplified the trend towards shorter working-time, part of which must also be put down to the shift in employment towards the service sector, especially in the public sector, where the high proportion of part-time working means shorter average working-times.

**Table 1: Distribution of working hours by sex, employed labour force, 1992**

Hours	Women	Men	Total
Full-time > 34 hours	58.6%	90.9%	75.1%
Part-time (1-34 hours)	41.4%	9.1%	24.9%
< 19 hours	15.2%	30.4%	18.0%
20-34 hours	84.8%	69.6%	72.0%

Source: AKU (1993)

Part-time work accounts for a high proportion of female employment in Sweden (42% of the female labour force in 1992 — Cf. table 1), but seemingly for different reasons in Sweden than in other industrial countries. The increase in part-time work during the 1970s appears neither to have been an alternative to unemployment nor connected with the imperatives of flexibility and profitability in manpower management.

Nor does part-time work seem to be linked to job insecurity. The use of casualized employment is particularly low in Sweden, affecting only about 10% of the employed workforce, chiefly young people. Short-term employment is as much a matter of normal trying-out and uncertainty as a form of pre-recruitment by employers; seasonal work by students is also widespread in Sweden.

Part-time work in Sweden can therefore be seen as a stable form of employment with eminently flexible working hours; more particularly, there seem to be no real problems in moving from part-time to full-time work and vice versa.

Finally, in the legislative or contractual sphere, the period saw the adoption of a full range of measures designed to reduce and redistribute working-time: a series of inter-branch agreements in 1966 between the General Confederation of Labour (LO) and the Employers' Confederation (SAF) reduced the working week to 42½ hours in 1969; the 1973 Act which introduced the 40-hour week for all workers;

the lowering of retirement age to 65 in 1975; the introduction of statutory arrangements to reduce working-time between the ages of 60 and 65 years (semi-retirement); and finally, longer paid holidays (fifth week in 1977).

**Table 2: Milestones in the reduction of working-time**

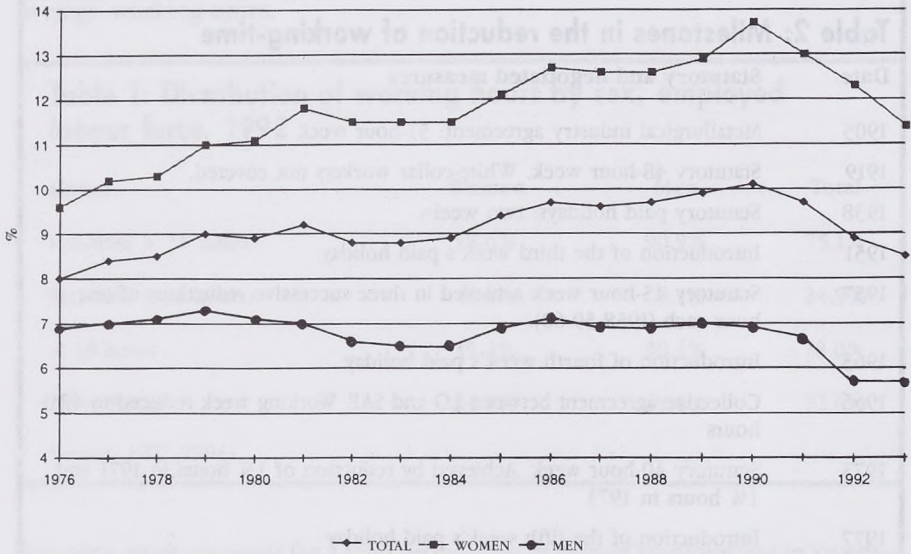
Date	Statutory and negotiated measures
1905	Metallurgical industry agreement: 57-hour week
1919	Statutory 48-hour week. White-collar workers not covered.
1938	Statutory paid holidays: two weeks
1951	Introduction of the third week's paid holiday
1957	Statutory 45-hour week achieved in three successive reductions of one hour each (1958-59-60).
1963	Introduction of fourth week's paid holiday
1966	Collective agreement between LO and SAF. Working week reduced to 42½ hours
1973	Statutory 40-hour week. Achieved by reduction of 1¼ hours in 1971 and 1¼ hours in 1973
1977	Introduction of the fifth week's paid holiday
1990	Parliament passes an Act granting two additional days' leave
1993	Change of parliamentary majority. Conservative-dominated parliament repeals the 1990 Act.

In addition to these statutory and negotiated changes to various aspects of working-time (weekly, annual or length of working life), a set of rules on leave of absence was introduced during the Seventies.

The introduction of parental leave in place of maternity leave in 1974, with the parallel development of part-time work, was to be a major factor for change in the pattern of female labour: women ceased to withdraw from the labour market with anything like the frequency which they had still been doing during the 1960s. The change of name reflects the public authorities' desire to improve the division of family responsibilities between men and women.

The length of parental leave has been gradually increased from its original six months to the present 15 months<sup>5</sup>. It also offers considerable scope for flexibility in that part of the leave can, for example, be taken over a longer period by working a shorter week with wage compensation<sup>6</sup>.

**Figure 2: Trend of absenteeism (excluding paid holidays) as a % of the employed workforce**

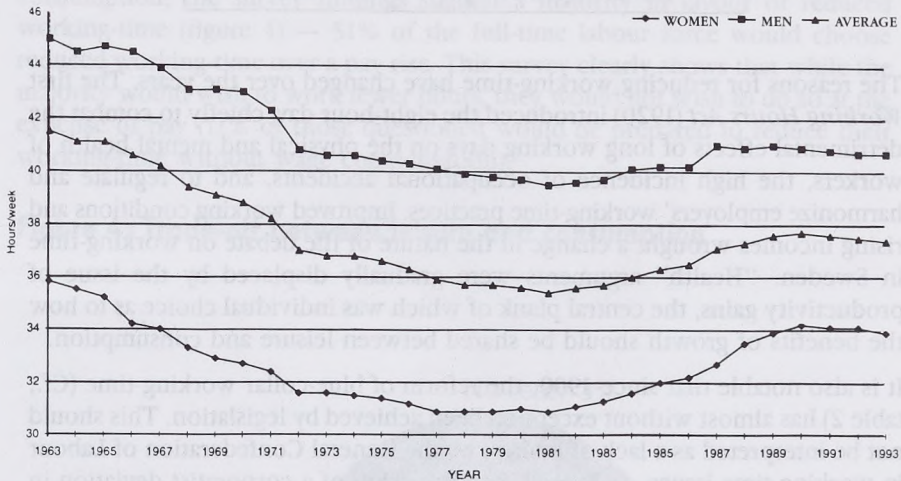


Statutory leave of absence is not confined just to parental leave. Since 1974, employees have been able to take time off to pursue training leading to qualifications while retaining their job. The legislation on training leave is particularly flexible and gives individuals considerable leeway in their choice of studies. Access to training leave is also promoted by a system of public loans on concessionary interest rates and repayment terms. (Cf Annex 1 for details).

In Sweden, statutory leave of absence combined with the scope for individualizing working-time over the life cycle is a means of creating family-friendly employment. Hence, men and women share household chores with no major impact on their labour market participation: the ability to reduce actual hours worked has made it easier for women especially to balance their responsibilities.

The similarity of male and female working patterns over the life cycle nevertheless conceals considerable disparities as regards working-times and absence rates (Cf, Figure 3). It is nevertheless interesting to note that the gender gap in working hours has narrowed over the past three decades (from nine hours in 1963 to about six-and-a-half hours at present) which would seem to confirm the historically transitional nature of female part-time working.



**Figure 3: Trend in weekly working hours, by sex**

While a time-budget analysis reveals a division of responsibilities along fairly traditional lines — household chores and parenting are carried out more by women than men<sup>7</sup> — socially constrained work (employment + domestic duties) is broadly similar for men (60.6 hours/week) and women (58.6 hours). Free time is also equally distributed between the two (39.5 hours for men against 38.5 for women)<sup>8</sup>.

As regards **the second period (1982-1993)**, 1982 marked a clean break in the long-term trend towards reduced working-time. Since then, no fresh incentives have been taken to re-arrange working-time<sup>9</sup>.

This appreciable increase in working-time can be explained to some extent by a change in the distribution of working hours. Hence, from 1982, both the absolute number and the relative share of part-time workers decreased while the number of women in full-time jobs rose. Combined with the relative increase in long part-time working among women (19 to 34 hours), these changes explain both the rise in average working hours in general and the average working hours of women in particular.

Among socio-economic factors, the decline in real wages which occurred in the late 1970s seems to have had an impact on the labour supply, as workers sought to offset the fall in incomes by working longer hours. The appreciable reduction in marginal tax rates tax brought about by the reforms of the 1980s may also have reinforced the trend towards longer average working hours. Changes in the level of financial benefits linked to certain types of absence (sick leave) are another possible factor for the increase in weekly working hours.

## ***Individual preferences***

The reasons for reducing working-time have changed over the years. The first *Working Hours Act* (1920) introduced the eight-hour day, chiefly to combat the detrimental effects of long working days on the physical and mental health of workers, the high incidence of occupational accidents, and to regulate and harmonize employers' working-time practices. Improved working conditions and rising incomes wrought a change in the nature of the debate on working-time in Sweden. "Health" arguments were gradually displaced by the issue of productivity gains, the central plank of which was individual choice as to how the benefits of growth should be shared between leisure and consumption.

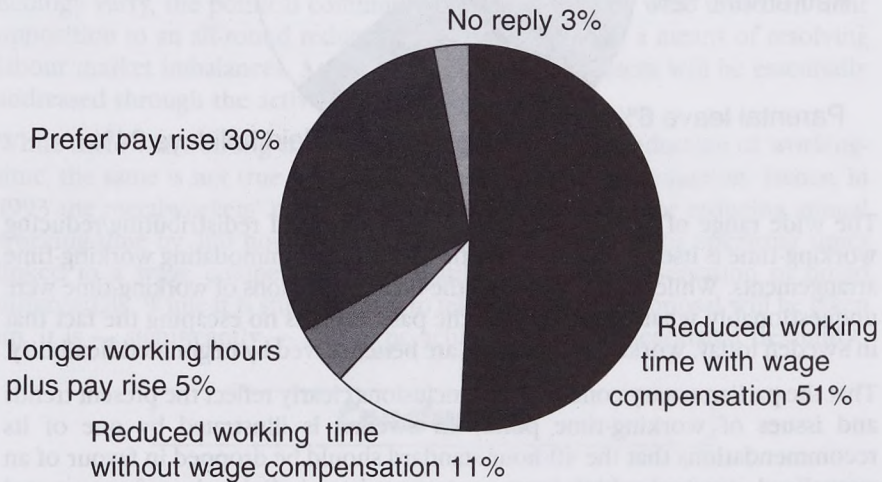
It is also notable that since 1900, the reform of blue-collar working-time (Cf., table 2) has almost without exception been achieved by legislation. This should not be interpreted as a lack of interest by the General Confederation of Labour in working-time issues, or indeed the expression of a corporatist deviation in Swedish industrial relations. Rather, it reflects the historical privileged ties between the Social Democrats in power since the 1930s and the trade union movement. As mentioned earlier, working-time legislation is also particularly flexible, leaving the two sides of industry free to negotiate and draw up industry-wide agreements on both daily and weekly working hours.

It was not until the 1970 Act that the working-time of white-collar workers came under statutory control. Prior to that - excluding a 1964 industry agreement between the Confederation of Salaried Employees in Industry (SIF) and the Swedish Employers' Confederation (SAF) reducing the working week to 40 hours - white-collar working-times were negotiated principally at company level. The 1970 Act covers all categories of employee; it harmonizes and brings working conditions and conditions of employment of all workers into line with one another.

The last parliamentary commission responsible for studying the legal, economic and social dimensions of working-time was convened in the late Eighties; it conducted a detailed survey of the present situation and individual preferences regarding the organization and reduction of working-time. The results of this survey are interesting in several particulars, and clearly illustrate the choices of Swedish working-time policy. Firstly, the survey reveals that a great majority of people (over 80%) are satisfied with their working hours. Only 10% of them would like to work longer hours and 10% would work shorter hours for less money. Compared to previous surveys, it would seem that a greater proportion of workers are satisfied with their working hours today.

As regards the sharing of future productivity gains between leisure and consumption, the survey findings suggest a majority in favour of reduced working-time (figure 4) — 51% of the full-time labour force would choose reduced working-time over a pay rise. This survey clearly shows that while the majority would wish to work fewer hours, they would not wish to do so at the expense of pay (11% of those questioned would be prepared to reduce their working-time without wage compensation).

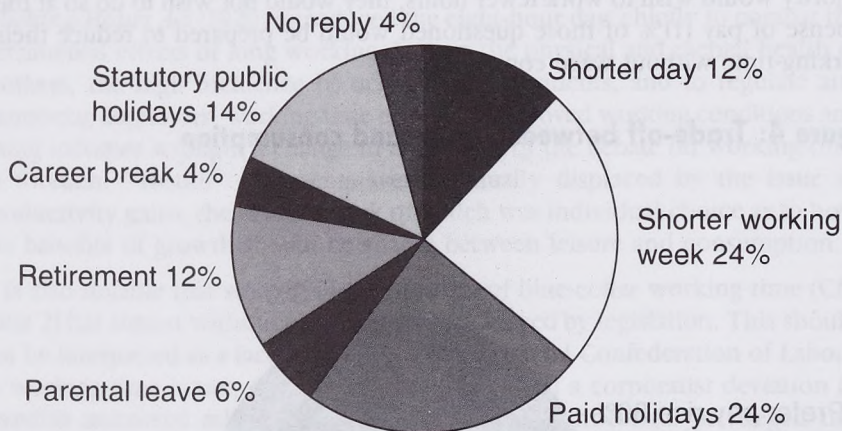
**Figure 4: Trade-off between leisure and consumption**



A not inconsiderable proportion of Swedes (35%), however, express a marked preference for more money over more leisure; 5% would even prefer to work longer for more pay than to reduce their working-time.

The survey also reveals the varied mix of individual preferences as regards the arrangement and reduction of working-time (figure 5). Questioned as to the level at which any future reduction of working-time should be negotiated, a majority of respondents (67%) expressed a marked preference for the decision to be decentralized and left to the individual.

**Figure 5: Individual preferences as to reduced working-time arrangements (1988)**



The wide range of individual preferences for ways of redistributing/reducing working-time is itself a plea for more flexible and accommodating working-time arrangements. While all-round, across-the-board reductions of working-time were unquestionably what was needed in the past, there is no escaping the fact that in Sweden today, workers' aspirations are better served by negotiated flexibility.

That the parliamentary committee's conclusions clearly reflect the present trends and issues of working-time policy in Sweden is illustrated by one of its recommendations that the 40-hour standard should be dropped in favour of an annualized standard which better accommodates individual preferences and seasonal variations in company business levels alike.

In 1991, the Government convened a joint commission to study the scope for a reform of the *Working Hours Act*. The commission's remit was to consider ways of introducing more flexibility into the existing provisions. In their conclusions, the rapporteurs propose that the provisions on working-time and leave should be consolidated into a single statute. The commission also proposed amending the *Working Hours Act* to replace the 40-hour standard with a system of annual working hours. The new maximum statutory working-time would then be 2,007 hours, of which 1,791 hours would be working-time proper and 216 hours the statutory holiday entitlement. The commission also recommended that firms covered by a collective agreement should not be restricted in the ways of arranging working-time. The opinion of the rapporteurs is that the new Act should

encourage company management and labour to work out compromises which offer more flexibility in individual working-times and more respect for and freedom of individual choice.

The report advocates that while existing rules should continue to apply in workplaces not governed by a collective agreement, individuals should nevertheless have the opportunity and freedom to vary the statutory regulations on the arrangement of their working hours in exceptional circumstances. The report has been submitted to the government, which is considering the advisability of such a change in the law.

The debate on the reduction of working-time was put back to the top of the agenda by the upsurge in unemployment in 1992 and the parliamentary elections in September 1993. Apart from the former Communists (Vänster Partiet) and the Ecology Party, the political community and trade unions were united in their opposition to an all-round reduction of working-time as a means of resolving labour market imbalances. As in the past, these imbalances will be essentially addressed through the active employment policy.

While there was a strong consensus against an all-round reduction of working-time, the same is not true of more decentralized types of reduction. Hence, in 1993 the metalworkers' union (Metall) studied the scope for reducing annual working-time by 100 hours with no reduction in equipment operating times linked to a wage compensation compatible with the preservation of broad differentials. While it is still too early to tell whether this proposal will be taken up, it is — significantly — still to be achieved through negotiated flexibility.

## **Conclusion**

As in the past, the pace of reform of working-time in Sweden will be determined by economic trends. A slackening of growth, the disturbing rise in unemployment of the early Nineties and the structural imbalances with which Sweden is currently confronted, make it unlikely that the policies of organization and reduction of working-time will be taken any further in the immediate future. The measures introduced by the Conservative government in the early 1990s to increase annual working hours by cutting the paid leave entitlement typifies Swedish pragmatism in the matter.

All the evidence nevertheless suggests that the thrust of working-time policy will continue to be impelled by the political resolve to expand the individual opportunities for arranging working-time by further decentralization of decision-making procedures down to plant level. The high unionization rate, the nature

of Sweden's labour relations and the trend in individual preferences would seem to suggest that it is the right direction to take.

## **ANNEX 1**

### **Individual training leave**

The *Individual Training Leave Act 1974* had two aims: to encourage social and occupational mobility; and to facilitate access to education for employees with the lowest levels of compulsory education.

The Act is exceptionally liberal in allowing all workers with at least six months' service to follow training of their choice, with no restriction on either the type or length of training which may, therefore, be in a field completely unconnected with the worker's job. The arrangements for taking leave are also very flexible: absence may be hourly (several hours a week combined with normal work) or taken in a block.

As with the other forms of statutory leave of absence described in this report, the right to training leave is backed by a full employment guarantee; the employee is reinstated to his/her job on the same working conditions and the same pay.

While the Act affords employees considerable leeway, the employer is nevertheless entitled to decide when the training shall start. However, training may not be deferred for more than six months without the express agreement of the trade union representatives.

The employee may also abandon his/her course before completion and be reinstated in his/her job subject to varying periods of notice depending on the length of the course (two weeks to a month).

While the training leave legislation offers no compensation for loss of wages, a mixed system of grants and long-term public loans facilitates the exercise of the right. By way of illustration, the maximum monthly allowance for pre-university courses is around 8,500 francs. For degree-level training, the amount is 6,500 francs, about two thirds of which is repayable. The eligibility criteria and terms of repayment of the loan are not very onerous: it is a subsidized loan, the first repayment of which falls due two years after completion of the course, and the annual repayments are capped at four per cent of net pre-tax income.

In conclusion, a word should be said about the statutory provisions on teaching Swedish to employees of foreign origin. Since 1972, all immigrants are entitled to study Swedish for a total period of up to 700 hours, for which they receive an hourly indemnity of 68 francs. The purpose of the Act is to enable foreign workers to acquire the skills in Swedish essential to their work and facilitate their

integration by giving them essential information on how Swedish society is organized and run.

## Footnotes

1. 85% of the labour force is unionized.
2. Negotiated working hours are 35-36 hours for continuous shift work and 38 hours for semi-continuous shift work. The mining and quarrying industry works a 36-hour week.
3. Hospital staff, supervisory staff, police officers, fire-fighters work less than a 39-hour week.
4. 75% of employment growth between 1970 and 1980 can be attributed to part-time work. In 1982, 25% of all jobs were part-time jobs, and 90% of all part-time workers were women.
5. Parental leave includes employment guarantees and is paid at 90% of salary for the first 12 months, plus an income guarantee of 60 francs a day during the final three months. The amount of benefit is based on the income during the six months immediately preceding the birth of the first child, which is a strong incentive to take a full-time job before childbirth.
6. Generally-speaking, Sweden's parental leave arrangements offer considerable scope for re-arranging working-time. Since 1979, for example, parents have been entitled to work at 75% of their normal working hours (approximately 30 hours a week) without wage compensation until the child's eighth birthday. Parents also have a legal right to leave to care for a sick child (60 days a year per child). The *Parental Leave Act* was supplemented in 1980 by the introduction of a statutory right to 10 consecutive days' paid leave for fathers on the birth of a child.
7. Women on average have higher absence rates than men (20% against 13%), chiefly because they use their parental leave entitlement more than men do. A recent study, however, shows that while fathers make comparatively little use of parental leave (26% of fathers in 1990), they assume a greater responsibility for sick child care: 44% of all such days' leave were taken by fathers. See: D. Anxo and A-M Daune-Richard: "La place relative des hommes et des femmes sur le marché du travail: une comparaison France-Suède", in *Travail et Emploi*, 1/1991 — No.47.
8. For a detailed analysis of time budgeting in Sweden, see: Anxo, D. and Flood, L., Patterns of Time Use in France and Sweden, *Memorandum No. 205*, Department of Economics, Göteborg University, Sweden.
9. Apart from the increase in paid parental leave to 15 months in 1990.

# ***Working-time policy in Norway***

**By Dominique Anxo and Hakan Locking**

## ***Introduction***

Working-time policy in Norway has much in common with that in the other Nordic countries. As in Sweden it has been used as a springboard for ambitious family policies. During this period, reductions in, and the adaptation of, working-time have aimed to promote women's access to the labour market. Efforts to increase flexibility of working hours throughout people's working lives have gone hand in hand with the large increase in women's employment. The main aim of such policies has been to redistribute work in such a way as to encourage greater equality in the sharing of professional and domestic roles.

Social justice considerations have dominated the debate on working-time in Norway. Harmonisation of the working conditions of white and blue-collar workers and equal opportunities have therefore emerged as the two main planks of Norwegian policy on working-time. Job sharing, on the other hand, has not attracted the same level of interest as in other parts of Europe. As in Sweden, the social partners and various governments have not — at least over the last 30 years — regarded a general reduction in working-time as an effective means of combating unemployment.<sup>1</sup>

In recent years discussions on working-time have centred on the notion of flexibility. Employers regard working-time policies as a means of maximising productivity (longer use of plant) and are keen to adjust working-time in line with the economic climate. As far as the unions — especially blue-collar unions — are concerned, working-time policy should be geared to increasing individual choice of hours of work. The demand for more (positive) flexibility in the working-time of blue-collar workers is also a social justice question, since such flexibility is generally more easily available to white-collar workers.

## ***Industrial relations and labour market trends***

As in the other Nordic countries, Norwegian industrial relations are steeped in corporatist traditions. In addition, the main confederation (LO) has maintained



close historic links with the Social Democratic Party. Those links have enabled trade unionists to enter the Norwegian government, thus giving LO a significant say on economic policy. What is more, relations between LO and its management counterpart, NHO, have been marked by a willingness to co-operate and achieve consensus.

The various inter-sectoral agreements in Norway have laid down provisions for dealing with industrial disputes and for organising wage bargaining. As in Sweden, wages are determined centrally on the basis of agreements at sectoral and branch level.

In the last 20 or 30 years the number of players involved in wage bargaining has increased, as a result of structural changes in the distribution of work. This has undermined the key role played by LO in the labour market. This relative weakening of LO's influence has been accompanied by a reduction in its membership. Between 1950 and 1960, LO organised approximately 50% of the total work force. In 1980 the rate had fallen to about 35%. On the other hand the number of white-collar workers joining the union rose over the same period from 10% to 20%. While current trade union membership is high (55% of the work force) it is lower than the figure for Sweden.

Norway has enjoyed a period of sustained growth over the last two decades, partly through the development of its abundant oil reserves. As in the rest of Scandinavia, Norwegian unemployment figures have been relatively low compared to the rest of Europe. Up to 1987 the unemployment rate hovered around three per cent. Subsequently unemployment rose continuously before reaching the current rate of six per cent; these Norwegian employment figures can partly be explained by the corporatist nature of industrial relations which tends to lead the social partners to address the negative effects of wage rises — which can be out of tune with efforts to maintain an overall balance — on a purely national basis, to a greater extent than elsewhere.

The low unemployment figures in Norway in the 1970s and early 1980s were accompanied by a large rise in new employment. The employment rate rose from 60.4% in 1972 to 69.8% in 1986. As a result of the economic downturn the rate decreased from 1987 onwards to 64.1% in 1993. As in Sweden, women's employment has risen steadily since 1970, increasing from 53% in 1972 to approximately 60% today, whereas male employment fell from 79% to 69% over the same period. The decrease in male employment is largely due to the extension of the school attendance age and early retirement programmes.

The rise in women's employment in Norway has been caused by the increase in public sector jobs, especially in health care, education and sectors linked to the welfare state in general. Women's integration in the labour market has also

been helped by the steady rise in the number of children catered for by child-care facilities; the numbers covered in 1972 were three per cent as opposed to about 40% today.

## **Statutory and contractual provisions**

### **Legislation and collective agreements**

As in Sweden and Finland, but not Denmark, normal working hours in Norway are governed by legislation. The legislation in question is considerably more detailed in Norway than in the other Nordic countries.

The legal provisions on the organisation and duration of work are included in the law on working conditions (*Arbetsmiljölagen*). That law lays down a number of regulations providing for a 40-hour working week, an annual limit on overtime (200 hours per year, including a maximum of 10 per week and 25 over four weeks) and a minimum level of compensation in terms of pay (140% of the basic wage). The law bans night work as a principle (between 9pm and 6am) and Sunday working. The law also lays down provisions concerning daily and weekly rest periods (a minimum of 10 hours rest between two consecutive working days and a minimum of 30 hours per week).

Some professions, such as sales representatives, teachers, seafarers, oil-workers and miners, are covered by special provisions. It should also be noted that the working hours of executive staff (senior executives) are not governed by legislation.

As in Sweden, some derogations and adaptations are provided for, to take into account the diversity and specific requirements of different methods of production. These derogations are granted by the Labour Inspectorate (*Arbetarskyddsmyndigheten*). They mainly relate to night work, weekend work and the number of overtime hours worked. The law also allows the option of calculating working-time on an annual basis rather than a weekly basis.

Since 1968 the social partners have been able to make certain modifications to the law at central, branch and even company level. The sheer number of agreements at branch and company level means it is hard to get an overall view of the effect of these negotiated provisions on the actual duration of working-time. Most collective agreements provide for improvements compared to statutory arrangements, and stipulate that a normal working day runs between 6am or 7am and 5pm. Moreover, such agreements lay down the rates of compensation for any overtime not covered by the law.

Some agreements also provide for leave in compensation for overtime. Employees who work the equivalent of an extra day in overtime in a given month are entitled to an extra day's leave that month.

working-time in the commerce sector is determined at company level, with the statutory requirement treated as the minimum. In the banking sector a day's work ends at 4pm in the winter and at 3.30pm in the summer. Banks may extend working hours to 6pm one day a week. All banks are closed on Saturdays. To encourage leave to be spread out staff are entitled to five days' additional paid leave if it is taken before 16 May or after 30 September.

Collective agreements in the civil service do not differ from those in other sectors apart from being more flexible on parental leave (cf. below).

Table 1 (below) shows the main stages in reducing working-time.

### **The main stages in reducing working-time**

As we can see from Table 1, the first legislation on the duration of working-time dates back to 1915. At the same time certain groups of workers (in printing and bookbinding) obtained a week's paid leave through collective bargaining. In 1916, the Labour Court granted metalworkers the right to four days' paid leave. When inter-sectoral collective agreements were reviewed in 1919, paid leave was raised to six days and then the statutory requirement (Labour Court Judgement) became 12 days (i.e. two weeks) in 1920. A further judgement of the Labour Court reduced paid leave to eight days in 1922. When collective agreements were revised in 1935 paid leave increased to nine days, and then to 12 days in 1937.

As from 1936 the law on protection of labour gave workers the right to nine days' paid leave. The law covered all categories of employee apart from those in agricultural work, the merchant navy and fishing. The law had little effect because at the time a very large proportion of employees already enjoyed 12 days' leave (two weeks). From then onwards, paid leave was extended at regular intervals: from the two weeks in 1936 it moved up to four weeks in 1964. In the early 1980s an additional day's paid leave was granted to workers.

Most of the across-the-board reductions in working-time were made in the 1960-1970 period. Apart from the agreements on paid leave and the reform in 1987, one of the features of working-time policy in Norway has been the relative paucity of reforms arrived at through collective bargaining. The predominance of statutory arrangements for reducing working-time can be explained mainly by the collaboration between unions and the political authorities we mentioned earlier, and not by the weakness of the trade union movement, as is the case in some European countries.

**Table 1: The main stages in reducing working-time**

<b>Date</b>	<b>Statutory or contractual provisions</b>
1915	Legislation on the 54-hour working week — max. of 10 hours per day
1919	Legislation on the eight-hour day (48-hour week) One week's paid leave (six days)
1920	12 days' paid leave
1936	Legislation on a minimum of nine days' paid leave Option to extend the working day by one hour as long as 48-hour maximum observed.
1947	Law on three weeks' paid leave.
1959	Collective agreement on the 45-hour week.
1959/60	Law on the 45-hour week.
1965	Legislation on 45 hours.
1968	Legislation on 42.5 hours.
1973	Reduction of the retirement age to 67 (from 70).
1976	Legislation on 40-hour week.
1981	One additional day's paid leave.
1986	Dispute between LO and NHO. Collective agreement on 37.5 hours for blue-collar workers.
1987	Generalisation of the 37.5-hour week. Collective agreement covering the whole work force.
1989	LO-NHO collective agreements reducing the retirement age to 64. Same provision in the public sector.

In addition to these generally-applicable reforms, a number of reductions in working-time were made specifically to assist posted workers.

The duration of work for posted workers has been reduced in stages. In 1962, the statutory working week for day workers and for shift workers (on 24-hour or shorter shifts) was 42 and 45 hours respectively. The hours were reduced to 33.6 and 37.5 respectively in 1990.

The working-time of day workers and workers employed in two shifts was identical until 1976. As from 1977 employees working in two shifts had their normal working week reduced by one hour.

As in Sweden, entitlements to leave are comparatively generous. Parents are entitled to one year's unpaid parental leave. Paid maternal leave is for 18 weeks and fathers are entitled to two weeks' parental leave. Mothers are also entitled to take off one hour at the work place for the purposes of breast-feeding. The law also provides for paid leave in the event of sickness of a child under 10 years old (10 days per year maximum).

## The 1987 reforms

LO decided in 1986 to make the six-hour day its key demand. As a result of this position a dispute between LO and NHO broke out in 1986 which led to negotiations and the signing of an inter-sectoral agreement reducing the working week to 37.5 hours. That agreement was followed by the conclusion of similar agreements in other sectors. One of the main reasons behind LO's action was to try to harmonise working-time for different categories of workers (blue and white-collar) which varied considerably at the time. Another reason was to reduce the disparities in working-time between men and women and to promote a fairer distribution of tasks between the sexes.

With the economic downturn in 1987, LO abandoned its demand for a six-hour day and the union concentrated on negotiating reductions in the retirement age and extending paid leave to five weeks. Whilst the latter demand has not yet been achieved, blue-collar workers can now retire at 64, thanks to a collective agreement signed in 1989.

The 1986 agreement reached between LO and NHO was specially flexible and was to be applied by the social partners at company level. The aim was to prevent the reform having a negative impact on companies' production capacity, particularly the length of time plant was used. The central agreement recommended that the social partners introduce overlapping shift systems, calculate working-time on an annual rather than a weekly basis and re-organise breaks. The social partners at local level were required, however, to implement this reduction for non-posted workers within the period between 6am and 5pm. Following the Swedish example, the idea behind this agreement was to reconcile companies' competitiveness requirements with the desire of workers to reduce their working hours. Job-sharing considerations do not seem to have played a part in the dispute between LO and NHO.

The two tables below describe the terms under which working-time was reduced in the metalworking industry.

**Table 2a: Forms of reduction in working-time for day workers in the metalworking industry**

Forms of reduction	Proportion of firms affected
Daily reduction of 0.5 hours	10%
Daily reduction of 0.5 hours	61%
Other forms of reduction (extra leave and/or daily or weekly reductions)	29%

Source: T. Karlsen (1989)

**Table 2b: Forms of reductions in working-time for posted workers in the metallurgy industry**

Forms of reduction	Proportion of firms affected
Daily reduction	48%
Reduction of work on Fridays	34%
Daily reduction combined with extra holidays	5%
Extra holidays	3%
Other forms of reduction	4%

Source: T. Karlsen (1989)

As we observed earlier, whilst the 1986 agreement left the social partners considerable room for manoeuvre at company level, the framework agreement recommended a daily reduction of half an hour. As Tables 2a and 2b show, the social partners seem to have implemented this recommendation in jobs not requiring posted workers. In other firms the ways of reducing working-time seem more to address production needs. Whilst daily reductions are significant, they are less frequent than in companies which do not use posted labour. A major proportion of companies which are active in the metalworking sector — and which use shift work — have reduced working-time on Fridays.

It is also worth analysing the impact of the 1987 reform on actual working hours. Reducing working-time from 40 to 37.5 hours represents a 6.25% reduction. The actual reduction is smaller, however, since a section of the work force in any case worked less than the original 40 hours, largely owing to part-time work. The Norwegian Statistical Office calculated that the real reduction was three per cent for the work force as a whole.

**Table 3: Estimate of real reductions in working-time for each branch as a result of the 1987 reform**

Branch	Full-time workers	All workers
Industry	5	4.6
Building	3.8	3.7
Commerce	3.8	2.9
Banks and insurance	0	0
State	1.12	1.0
Local government	3.2	2.3
All branches	3.5	3.0

Source SCB

As the table shows, the main reductions have been in industry and the reform did not bring any change in the banking and insurance sector.

## ***Changes in real working-time***

### **Changes in individual sectors**

In recent decades Norway has seen significant reductions in both statutory and real working-time. Whilst the average working week was about 40 hours in the early 1970s, the real working week is about 36 hours now. Over the economy as a whole, real working-time has been cut by 10% since 1972. Over the same period, reductions in the working week have been largest in the commerce sector (approx. five hours), industry (approx. four hours) and the public sector (approx. two hours).

It is noticeable that working hours vary, to some extent, from one sector to the next. In 1993, for instance, real working-time was much longer in the building (39.2 hours) and transport (39.0 hours) sectors and industry (37.0 hours) than in the commerce (34.5 hours) or public (32.9 hours) sectors.

As in Sweden, the structural changes in the amount of work in various sectors have increased the overall reduction in working-time. The moving of some jobs into the services sector, especially the public sector — where the large proportion of part-time work means that real average working-time is generally shorter — partly explains this trend.

It is also clear that whilst the reduction in 1976 seems to have led to a comparative reduction in actual working-time that is not the case with the 1987 reform. According to the statistics that reform led, in practice, to an increase in real working-time!<sup>2</sup> This extension in working-time is mainly the result of the economic downturn. The 1987 recession, which led to a large rise in unemployment, certainly affected levels of absenteeism. As well as that, overtime increased considerably.

### **The working-time of men and women**

Differences in the working-time of men and women have decreased since 1986. Men's working-time increased up to the mid-1980s whilst the hours worked by women compared to the average were more or less constant. That reflects the large increase in female employment, largely in the form of part-time work.

From 1987 onwards the average working-time of women has increased, whilst that of men has decreased. In the first half of the 1980s men's working hours

were on average 40% higher than women's, whereas now the difference is only 30%.

The sharp increase in women's employment has followed the rise in part-time work. In the 1970s and early 1980s, much of the reduction in actual working-time can be accounted for by this way of organising work (on a part-time basis). That being said, the stabilising of working-time from the second half of the 1980s onwards can be attributed to the comparative growth in the number of full-time jobs for women.

As noted previously, the distribution of women's jobs is different from men's. The proportion of women working in the public sector — in the broad sense of that term — has increased, whilst the equivalent figure for the private sector (goods and services) has remained more or less constant. Changes in the distribution of jobs in different sectors partly explain the persistence of differences in the working-time of men and women.

The large increase in public sector employment has also accounted for an increase in fiscal pressure generally and, more specifically, in a considerable increase in marginal tax rates. Everything would lead one to believe that increased taxation in Norway has affected the amount of jobs available. There are also good grounds for maintaining that increased marginal tax rates have tended to reduce average working-time by reducing choices between leisure and consumption. It is also clear that fiscal reforms, which have introduced a separate form of taxation have promoted women's employment. So the combination of this form of taxation with marginal tax rates has led to the sharing of work and a different allocation of domestic and professional responsibilities within households.

### ***Individual preferences***

A parliamentary committee met in 1986 to anticipate the effects of the reduction of working-time. The committee carried out a detailed study of people's preferences with regard to adapting/reducing working-time. Table 4 shows the preferences prior to the introduction of the 1987 reform.

It transpires from the survey that a clear majority of people at the time seemed satisfied with their working-time. It can also be seen that part-time workers are keener to increase their hours. The study also shows that more women (than men) working full-time wanted to reduce their working-time, even without financial compensation (25% of the women concerned as opposed to 15% of the men).



**Table 4: Proportion of people wanting to change their working hours. The table assumes an unchanged hourly wage.**

	Part-time workers	Full-time workers
Increase in working-time	23%	4%
Reduction in working-time	5%	18%
Situation unchanged	72%	78%

Source NOU 1987: 9A

As in Sweden, the Norwegian study shows a wide range of individual preferences regarding adaptation and/or reduction of working-time (cf. Table 5 below). Fifty one per cent of the people questioned wanted a lower retirement age. The study also showed that it was mainly people over 50 who wanted such a reduction, especially men. The composition of households also affected the choices. About 40% of women in full-time jobs and with children under seven wanted a daily reduction, as opposed to 25% of men from the same group. Mothers with young children were also generally keener (70%) to extend paid parental leave.

**Table 5: Individual preferences concerning ways of reducing working-time (1986)**

Preferences	Proportion
Reduction of retirement age	51%
Daily or weekly reduction	19%
Paid leave	11%
Parental leave	11%
Undecided	6%

Source NOU 1987: 9A

## **Conclusion**

In the last 30 years, real working-time has steadily decreased in Norway, and working hours have stabilised since the early 1980s. The reduction in real working-time over this period is largely owing to the various reforms in working-time provisions and to changes in the ways jobs are spread out between different sectors (less industry and more work in the services sector, especially in the public

sector). Moreover, the sharp rise in women's employment - reflected in the large increase in part-time work - has added to this trend. Since the early 1980s Norway has seen a clear fall in the prevailing trend in the century, which has been to reduce working-time. The stability of working hours is largely caused by the increase in full-time work carried out by women. Furthermore, the economic recession has undoubtedly encouraged workers to increase their working hours to compensate for their declining purchasing power.

Over the last three decades, the reductions in working-time in Norway have, as in Sweden, never been intended to redress disparities in the labour market. The Norwegian social partners have always strongly opposed notions of job-sharing. The main motivations have been the desire to improve employees' working conditions and to use working-time reductions as a lever for promoting family policies providing for fairer sharing of tasks between men and women.

The latest reform (1987), which brought a negotiated reduction in working-time (from 40 to 37.5 hours) took place during a recession. This contractual reduction in working hours seems to be primarily a response to social justice considerations, the main thrust being a desire to harmonise the working conditions of the various components of the work force as well as the hours worked by men and women. Whilst the reform helped reduce disparities between men's and women's working-time, its impact on real working-time and employment was barely significant.

Sluggish growth and the sharp rise in unemployment in the second half of the 1980s led the unions to revise their demand for a 30-hour week. The current emphasis seems to be on reducing the retirement age and increasing working-time flexibility in the context of people's whole lives.

## **Footnotes**

1. Blue-collar unions were, however, in favour of job-sharing in the 1930s.
2. Given current developments and the methods used in the Norwegian employment study we should, however, exercise some caution in interpreting these results.

# **Part-time work and inequality**

## **Lessons from the Netherlands and the UK**

By Colette Fagan, Janneke Plantenga and Jill Rubery

### **Introduction**

The expansion of part-time employment is central to current European policy debates concerned with worksharing and the encouragement of more flexible patterns of working-time. The recent European Commission white paper, *Growth, competitiveness, employment* argues that a more employment-intensive pattern of economic growth is necessary in order to achieve a more equitable distribution of employment and income, and to achieve this it is necessary to:

“remove obstacles to **already changing** trends, preferences and demands of employees and employers regarding patterns and hours of working” (EC 1994:147).

Part-time work has also become an important element of equal opportunities policies concerned with the reconciliation of employment and family life in countries where this form of employment is already common, although it has played less of a role in countries where part-time work is rare (Rubery and Fagan 1993:116).

However, the difference between part-time and full-time work is more than a matter of hours. A vast body of evidence has shown that most part timers are women and that the wages and employment conditions of part-time jobs are inferior to those associated with full-time jobs. At the same time, some part-time jobs in Europe are notably better than others (eg Meulders and Plasman 1989, 1993; Rodgers and Rodgers 1989, Rubery and Fagan 1993, 1994a). These important qualitative differences arise both within countries because some part-time jobs are located in better parts of the employment hierarchy than others, and between countries because of national variations in the way in which the employment hierarchy and wage structure are organised.

The quality of part-time jobs is contingent on other labour market features, and depending on how it is organised and rewarded it may either reduce or reinforce

sex inequality. Therefore, if the expansion of part-time employment is going to be actively encouraged by labour market policies then it is necessary to examine the current employment conditions associated with these jobs and to identify policies which would improve the quality of part-time work.

## **Part-time work and equal opportunities**

If part-time work is to promote equal opportunities then three criteria seem to be particularly important:

- part-time jobs must be distributed relatively evenly across the employment structure rather than being segregated into a narrow range of jobs;
- the wage and social welfare benefits associated with part-time jobs must be comparable to those for full-time jobs; and
- the labour market norm of the male full-time worker must be dismantled. As long as men follow continuous, full-time work patterns and part-time work is associated with female labour then women will face the penalty of discrimination in both promotion and earnings prospects.

This paper assesses the current organisation of part-time employment in the Netherlands and the UK, the two European Union member states where this employment form is particularly well-established, against these criteria.

### ***Part-time work across the European Union***

The growth in part-time working has been one of the most significant working-time trends over the 1980s. By 1991, 14% of all jobs in the European Union were part-time, but the level varies markedly between member states (see table 1 in appendix). Part-time jobs account for one third of all employment in the Netherlands and just under a quarter of all employment in the UK and Denmark. Lower levels of part-time employment are found in the other EU countries, ranging from 16% in Germany<sup>1</sup> down to seven per cent or less in the Southern countries.

When we talk about part-time workers we are primarily talking about women. In the EU 29% of employed women work part-time, compared with only 4% of men, and overall 82% of part timers are women. Furthermore, part-time employment is primarily a feature of northern labour markets, particularly the Netherlands and the UK. The highest levels of female part-time employment are

found in the Netherlands (60%) and the UK (43%). Part-time work is still a significant, but less dominant form of work for employed women in Denmark (38%), Germany (34%), Belgium (27%) and France (23%); while it is a minority form of activity for women in the other member states. Even at its maximum, in the Netherlands, the level of part-time employment for men only reaches 16%, followed by 11% in Denmark and five per cent in the UK. In the other countries no more than four per cent of men are employed part-time.

Of all the part timers in the European Union, 31% are working in the UK and a further 11% in the Netherlands. The UK accounts for 32% of women part timers and 25% of male part timers in the EUR12, while another 10% of women part timers and 19% of male part timers are found in the Netherlands.

### ***Policies on part-time work in the Netherlands and the UK***

The high level of part-time employment in the **Netherlands** originated in the 1980s, a period characterised by a simultaneous expansion of both employment and unemployment. Employment expansion seemed mainly to benefit new entrants to the labour market, for it did little to reduce the pool of long-term unemployed. In this economic context the emphasis of government policy shifted towards labour market flexibility, deregulation and privatisation. The expansion of part-time work became an important component of employment policy in order to facilitate greater flexibility in the organisation of labour and as a major weapon against unemployment. Thus the creation of part-time jobs and the splitting of full-time jobs was central to the aim of reducing working hours and sharing the available work among a larger proportion of the working-age population (Plantenga and van Velzen 1994a:5). Indeed the Netherlands, and to a lesser extent Denmark, were the only member states to pursue a deliberate policy of redistributing the existing volume of work through reducing normal working hours for full timers and encouraging part-time work (EC 1994:142). The expansion of part-time work was also seen as making a positive contribution to the economic independence of women through facilitating a redistribution of paid and unpaid work between the sexes (Beleidsnota Deeltijdarbeid 1987, Nota Deeltijdarbeid 1989).

In view of the contribution of part-time work towards increased flexibility, work-sharing and facilitating the combination of paid and unpaid work, governmental policy in the 1980s was oriented towards the elimination of possible obstacles to the expansion of part-time employment. In order to encourage employers to

create these jobs the government has provided information on the legal, technical, organisational and financial aspects of part-time work, and both employer and labour organisations have been urged to implement policies to encourage part-time employment. This government policy has the support of many trade unions, thus, at the beginning of the 1990s the largest Dutch union federation (FNV) endorsed the expansion of good part-time employment as a means of work redistribution, in conjunction with an extension of part-time parental leave and a reduction in the length of the full-time working week (Deeltijd compleet 1993).

In contrast, the high level of part-time employment in the UK evolved without an explicit government policy concerned with either re-organizing working-time or re-distributing employment. The Employment Department has issued several policy documents endorsing part-time work as a means of promoting equal opportunities, but no comprehensive programme of statutory or voluntary policy programme has been developed to promote part-time employment. Instead, government legislation concerning employment protection and social security payments legitimise the use of part-time labour as cheap and disposable. Thus, it was only after a court case taken under European law that the government recently removed a 16-hour threshold below which weaker employment protection legislation applied (even weaker protection for those working eight hours is still permitted) (Rubery 1994:152). However, research suggests that this opportunity to evade employment protection law operated as an added bonus, rather than a significant incentive for employers to create part-time jobs (McGregor and Sproull 1992, Horrell and Rubery 1991). Furthermore, employment protection in the UK is relatively weak, and only applies after two years' continuous employment, so that employers can still dismiss employees without justification within two years, unless it involves discriminatory treatment on the grounds of sex or race.

The fiscal incentives for creating low-wage, part-time jobs are probably stronger. The UK government provides subsidies to part-time work by exempting employers from social security contributions below a certain earnings limit. It has also effectively extended subsidies to low wage employers and to part-time work by the household head through income support for those on low wages (Family Credit system), a form of subsidy which has increased over recent years. (Rubery 1994:153-156). There are also moves by the government to encourage the unemployed into part-time jobs, but this is primarily related to policies concerned with reducing the cost of benefits on one hand and to erode pay norms and standards on the other.

These implicit, and partial, government endorsements of part timers as a relatively cheap workforce go hand in hand with explicit government encouragement of

long working hours rather than a concern to reduce average working hours (Rubery 1994:148-172), reflected in the continued opposition to the *Working Time Directive*. Thus the expansion of part-time employment in the UK has primarily been one element of the wider processes of economic restructuring occurring across Europe, notably the growth of the service sector and of "non-standard" or "flexible" employment forms. This has been accompanied by a government policy which has focused upon labour market deregulation to reduce labour costs. While deregulatory pressures have operated across most of Europe the UK already had one of the least regulated labour markets at the start of the 1980s and has subsequently gone furthest along the road of deregulation.

Within this deregulatory environment, union policy concerning part-time work has focused upon improving the basic employment conditions for part-time workers, with some support for the right to work part-time in higher-level occupations as part of equal opportunities policies. This is closely linked with a policy aim of increasing the level of publicly funded childcare provision so that mothers have a genuine choice about whether to work full-time or part-time. Work redistribution through adjusting either full-time or part-time hours has not been a serious concern for union policy. A shorter working week remains a goal of the Trades Union Congress and is reflected in union support for the *Working-Time Directive*; but the partial success of the engineering unions in achieving a reduction in the working week at the end of the 1980s was not followed through by a sustained campaign in the wider trade union body. The Equal Opportunities Commission's "Work and Family Policy" also recommends improvements in the employment conditions of part-time work, a diversification of the types of jobs available on a part-time basis and an expansion of publicly funded childcare.

### **Employers' use of part-time labour**

Employers, including the government in the case of the public sector, decide whether jobs are organised on a part-time or full-time basis. However, employers' room for manoeuvre is obviously influenced by the regulatory system and the economic context. The range of societal features which encourage the creation of part-time jobs are summarised in box 1.

Certain industries or occupations may have a greater requirement for flexible or non-standard hours than others. However, employers' demands for hours flexibility can be met using a variety of working-time arrangements because different full-time and part-time hours schedules frequently function as equivalent

sources of hours flexibility. For example, extended operating hours as well as regular and irregular peaks in labour demand can be covered either by part-time jobs, or by using full timers for overtime and various shift patterns.

Clearly factors other than technical or organisational issues influence how employers meet their working-time requirements. Statutory and collective regulation of working-time obviously affects the way in which full-time and part-time labour is used to provide hours flexibility. A less visible influence is inertia; that is if existing workplace systems and traditions of working-time are operating satisfactorily then continuity is less disruptive than introducing change. Finally, both regulation and custom and practice concerning working-time patterns are closely related to the sex of the incumbent workforce. Most women and men work alongside members of their own sex, for the segregation of women and men into different industries and occupations across the European Union is both high and persistent (eg Meulders et. al 1993, Rubery and Fagan 1993).

Establishment case studies in the UK have shown that historical reasons of custom and practice, rather than an explicit flexibility strategy to re-organise working-time, may be the reason why employers use part-time workers in certain job areas. Furthermore, the gender profile of the workforce, and their actual, or presumed, working-time preferences may be more important than technical or organisational factors in determining whether it is female part timers rather than male full timers working shifts or overtime that are used to meet employers' requirements to re-organise working-time (Horrell and Rubery 1991; Hunter et al. 1993). Even in the Netherlands, where the policy environment is one of encouraging part-time work and regulating the length of full-time hours, the gender composition of the existing workforce also influences whether part-time work or overtime is used by employers as part of a flexibility strategy (Plantenga and van Velzen 1994b:30).

In certain wage systems employers may make significant savings on labour costs when they are able to use female part timers instead of male full timers. These lower labour costs may arise from the avoidance of premia payable to full timers when they work flexible hours; or it may arise where hours thresholds operate at which social security contributions or other non-wage costs are incurred. A more general wage saving occurs in labour markets where employers are able to pay part timers lower basic wages than full timers, for example when minimum wage protection is weak or non-existent. Therefore, when particular jobs become associated with part-time rather than full-time hours, this helps to maintain gender segregation.



## **Box 1. Social structures encouraging the creation of part-time jobs**

### ***Production system requires non-standard or flexible hours:***

- to schedule hours to meet regular, periodic peaks in production, such as lunch-time cover;
- to extend operating hours beyond standard weekday working;
- to provide a labour reserve to meet variable hours, for example to meet irregular or seasonal peaks in production or to provide cover for sickness and holiday leave;
- to extract more effort per hour in certain jobs where productivity is increased through short and intense periods of working.

### ***working-time system encourages the use of part-time labour***

#### ***(a) working-time regulations:***

- to overcome statutory and collective working-time restrictions on the use of full timers to provide flexibility through overtime, shift patterns and other variable hours schedules;
- lack of regulation on the use of part-time work.

#### ***(b) Workplace custom and practice:***

- inertia: namely female part-time workers are already used in the occupation or industry.

### ***Wage system encourages the use of part-time labour:***

- to avoid paying working-time additions to full timers, such as overtime and shift premia;
- to evade non-wage costs incurred through employing full timers, such as social security contributions and occupational pensions;
- to recruit and retain workers, primarily women, who are available at a lower average wage due to labour market discrimination and domestic circumstances.

### ***Labour supply pool of individuals who want part-time hours:***

- to meet preferences of current and desired employees for part-time work to enable them to combine employment with family responsibilities, education or partial retirement;
- full-time jobs involve long hours, for example due to lack of regulation.

### ***Government and union policies promoting part-time work to achieve wider social goals:***

- equal opportunities policy to enable parents to combine employment with family responsibilities;
- work-sharing policy to reduce redundancy and unemployment.

However, under certain circumstances employers may create part-time jobs for reasons other than production requirements for greater flexibility or reduced labour costs. Such jobs may be created in response to employee preferences for this working-time arrangement, or because of a systematic promotion of this employment form by government or unions as part of equal opportunity or work-sharing policies. Part-time work is clearly more likely to be chosen rather than imposed if it reflects employees' working-time preferences. At the same time, preferences for either non employment, part-time work or full-time work are neither static nor pre-existing; instead working-time preferences are developed within the context of current resources, feasible alternatives and cultural norms (Granovetter 1985). This includes both employment prospects and the number of hours which full-time and part-time work involves, as well as the extent to which the care of children, other dependent adults and other socially necessary work is unpaid and concentrated in the domestic sphere or is socialised through public provision. For example, when public systems of childcare are limited then the alternative to part-time employment for mothers is either non employment or using costly market-based childcare.

### ***Part-time jobs and sex segregation***

Despite the continued feminisation of the workforce over the 1980s, sex segregation remains a pervasive and persistent feature of the employment structure in every country (eg. Meulders et. al 1993, Rubery and Fagan 1993). Indeed women's entry into employment has primarily been driven by economic restructuring and the expansion of the service sector, rather than by women increasing their share of employment within the declining agricultural and industrial sectors (Rubery and Fagan 1994b). Therefore, given that most part timers are women, it is perhaps no surprise to find an uneven pattern of part-time jobs across the employment structure.

However, female part-time jobs are even more unevenly distributed across the employment structure than female full-time jobs. A recent OECD study concluded that part-time work is highly concentrated in female-dominated sectors and is even more restricted to a limited range of low-paid, low-status jobs than female full-time work (Maier 1991:15). And women part timers are even more segregated by occupation than women full timers in every country. Denmark is the only country where a high level of part-time employment among women only produces a slight increase in the overall level of sex segregation (Rubery and Fagan 1993:40-42).

## **Industrial segregation of part-time work**

Table 2a ranks the sectors by the overall share of the workforce which is employed part-time. There does seem to be a strong industry effect, for while 14% of employees in the European Union are part-time, above average shares are found in other services (29%) and distribution (23%). More moderate shares are found in agriculture, financial services and public administration (10%-14%), with the lowest shares found in transport and communications and the manufacturing sectors.

A similar industry effect is broadly found in every country, mirroring the general pattern of industrial segregation whereby women are over-represented in service sector activities and under-represented in industrial sectors (Meulders et al. 1993). However, part-time employment is still more common for women in distribution and other services than in the rest of the service sector, and remains low in manufacturing (table 2b). This industry effect also appears to influence the distribution of male part timers, particularly in countries with above average levels of part-time employment among men, for instance in the Netherlands, the UK and Denmark, these two sectors are where the highest rates of part-time employment for men are found (Rubery et al. 1994: appendix table 3.2).

The importance of other services and distribution in generating part-time jobs is clear. Three quarters of female part timers in the Netherlands and the UK are found in these two sectors, with the concentration ranging between 55% and 80% in the other member states (Rubery et. al 1994: table 3.2). Similarly, 55% of male part timers in the Netherlands and 69% of those in the UK also work in these two service areas.

At the same time there is a strong country effect on the level of part-time employment across each sector, with the highest levels usually found in the Netherlands, the UK and Denmark. Indeed, national differences in the way in which female labour is organised within sectors are at least as large as sectoral differences. Thus in distribution the share of women employees with part-time jobs ranges from 60% in the Netherlands and the UK down to 12% or less in the Southern countries. Even in the male-dominated metal manufacturing and mineral extraction industries between 19%-31% of women employees are part-time in the Netherlands, the UK, Denmark, and Germany compared to few women in these sectors in other countries.

Thus, while there does seem to be a strong industry effect which promotes the use of part-time labour in other services and distribution, wide country variations persist in the level of part-time employment in each sector. Country differences in the organisation of production within a sector account for part of the difference, so the use of part-time labour in distribution and other services will

be affected by shop opening hours and the balance between family businesses and large companies within hotels and catering (Rubery et. al 1994:225). However, organisational needs do not determine the working-time pattern which develops and country specific working-time regulations, norms and policies towards part-time work influence the use of this form of employment.

Furthermore, case studies comparing Britain and France have shown that there are country differences in the quality and organisation of part-time work within sectors. In the banking sector part timers were doing work which was more skilled, and more similar to that done by full timers, in France than in Britain. In Britain, the banks mainly used part timers to increase flexibility in staffing levels over peak periods, and they were confined to a narrow range of jobs. There was more similarity between the countries in the work content of part timers in supermarkets, but in France part timers worked longer hours and preferred rotating to evening shifts (O'Reilly 1992, Gregory 1991).

### **Occupational segregation of part-time work**

The concentration of part-time work in other services and distribution is reflected in the very uneven pattern of part-time work by occupational group (table 3a). In every member state the highest level of part-time employment among female employees is found in services and sales (table 3b)<sup>2</sup>. These two occupational groups also have the highest level of part-time employment for men in the Netherlands and the UK, while male part timers have a more even occupational spread in Denmark.

Services and sales work are relatively low paid and low status areas of employment, yet generate a disproportionate share of part-time jobs. Indeed service occupations are the main source of part-time jobs in eight out of the 11 countries for which we have data and in every country at least 30% of part-time jobs are concentrated in this area of work (Rubery et al. 1994:251).

At the same time, part-time jobs do exist in higher-level occupations. In the Netherlands 28% of both women and men employed part-time are in professional employment, while it is higher still for female part timers in Belgium (30%) and Denmark (36%). In contrast, the UK is the only country where professional jobs do not account for a significant share of either female or male part-time jobs (Rubery et al. 1994:251). This is not just because of the different shares of all employment which is concentrated in professional areas in different countries (Rubery and Fagan 1993:table 1.1). Rather it is because the rate of part-time employment among female professional employees is similar to the national average in the Netherlands, as well as in Denmark and Belgium, but in contrast it is below average in the UK (table 3b).

The greater availability of part-time jobs in the higher level professions in the Netherlands is an important difference compared to the situation in the UK. At the same time, part-time jobs are still highly segregated in both countries and will remain so unless a further, and substantial, diversification of the kind of jobs available on a part-time basis is achieved.

### ***Part-time work and earnings***

Part-time employment is segregated in both countries, but the wage conditions which result are quite different. In the Netherlands the average hourly wage of women part timers is equal to that for women full timers and in 1988 both groups of women earned 73% of men's average hourly earnings (Plantenga and van Velzen 1993:5). In the same year women full timers did slightly better in the UK, earning 75% of male full-time hourly earnings, and this rose to 79% by 1992. However, women part timers only receive 75% of the earnings of full timers of their own sex and only 58% of male full-time earnings (Rubery 1993: figures 2 and 3).

Clearly, the wage penalty of being in a part-time job is greater in the UK than in the Netherlands, but why? A large part of the explanation rests with the different systems of wage determination and regulation in both countries and the overall wage dispersal between high and low-paid sectors, workers and hence between men and women (Blau 1992, Rubery and Fagan 1994a).

### **Wage determination in the Netherlands and the UK**

The systems of wage determination in the UK and the Netherlands are almost polar opposites. The Netherlands, along with Belgium, combines strong industry-level collective bargaining with a national minimum wage rate, with the result that industry minimum rates are set above the national minimum. In contrast, the UK and Ireland have a weak and declining industry-level collective bargaining system and are the only two member states with neither a national minimum wage nor a collectively agreed minimum wage covering at least 80% of the workforce (CERC 1991, Rubery and Fagan 1994a).

Some statutory minimum wage rates used to be set for certain industries and firms in the UK, but the last remnants of what was always a patchy and low form of protection were dismantled in 1993. There is no mechanism for extending industry-level agreements or for making them binding; furthermore an increasing share of the labour market is not covered by collective agreements. Thus, unlike in the Netherlands, the majority of workers are dependent upon managerial

discretion in wage setting, and the benefits of collective regulation tend to be confined to those sectors where trade union organisation is well established, which tends to be where women are under-represented, with the notable exception of the public sector which is both feminised and highly unionised (Rubery and Fagan 1994a).

The implications of the different wage systems are indicated by the share of women full timers who are low paid (66% of median wage). The highest incidence is found in Britain (40%) while the Netherlands is more in line with other member states (28%) and the lowest incidence occurs in Belgium (10%) (CERC 1991). Therefore, large shares of female full timers are low paid in Britain, and the pay of women part timers is even lower.

### **Segregation and earnings**

When part timers are working alongside a full timer doing a job with the same job title they usually receive the same basic hourly rate of pay, even within deregulated sectors of deregulated labour markets such as the UK (IRS 1991). However, the segregated pattern of part-time jobs means that most part timers work in female-dominated areas of the economy.

Across the European Union employment in female-dominated sectors has some association with low pay, both within manufacturing and in service sectors for which earnings data are available<sup>3</sup>. In both the Netherlands and the UK (and for other member states where data are available) retail ranks as the lowest paying service sector by total average earnings, followed by hotels and catering, which falls within 'other services'. Retail also pays lower than the lowest paying manufacturing industries, based on total average male non-manual earnings in industry (Rubery and Fagan 1994a:167-70 and appendix tables).

We have already noted that three quarters of female part timers in the Netherlands and the UK are found in other services and distribution, the two lowest-paying service sectors in both countries. In the UK it is intra-industry differentials between full timers and part timers, but more importantly the high concentration of part timers in service and retail activities, which accounts for the lower hourly earnings of part timers (Rubery 1993:79). In contrast, the absence of a pay gap between women full timers and part timers in the Netherlands arises from two factors. First, the wage floor set by established minimum rates acts to narrow the earnings gap between high and low-paying sectors and occupations (Rubery and Fagan 1994a). Second, while similar shares of part timers in both countries hold service jobs, fewer are concentrated into retail jobs in the Netherlands (see above).

Although a large share of part timers in both countries are concentrated in two low-paying sectors, the implications for their earnings differs because of the different wage systems. Indeed, the CERC (1991) report provides a comparison of low pay among part timers based on hourly earnings which shows that part timers are less at risk of low pay in the Netherlands than in the UK. On this comparison, 17% of all full timers and 60% of all part timers are low paid in the UK, while in the Netherlands 11% of full timers and 23% of part timers were low paid. And it is estimated that in the UK close to half (46%) of all workers paid below two thirds of the full-time median hourly wage are female part timers, while 23% are women full timers and the remaining 30% are men (Rubery 1993:table 1.2.3.).

Despite the better relative wage conditions of female part timers in the Netherlands, it is important to remember that this still produces a wage gap relative to men. Furthermore, a pay gap does exist between male part timers and full timers. Male part-time hourly pay is closer to, although still somewhat higher than, female full timers and part timers in many industries, but falls below that for women in retail and catering, which is where many young male part timers are concentrated. Overall male part timers earn 82% of male full timers pay (Plantenga and van Velzen 1993). Finally, part timers who worked less than one third of the full-time week were not entitled to the statutory minimum wage until January 1993, when the legislation was reformed. A significant minority of these part timers were paid below the minimum wage rate in the mid-1980s, and many of them were working in retail and in other services. The impact of the extension of the minimum wage system on the wages associated with these short part-time jobs has not yet been assessed to our knowledge.

## **Working-time premia**

One of the advantages to employers of hiring part-time instead of full-time staff may be the opportunity to provide cover for fluctuations or absences without paying overtime or unsocial hours premia. Yet it is also disruptive to part timers to be asked to vary or extend their working day, irrespective of how many hours they have actually worked already, and unsocial hours of work also impact on the health and family life of part timers. However, the extent to which an industry or sector develops strong regulations, including working-time premia, is not independent of the gender composition of the labour force, and protection is generally strongest where a large share of the workforce is male (Rubery and Fagan 1994a).

Collective agreements concerning overtime premia are mainly premised on the basis of a standard full-time week in both countries. In the Netherlands 55%

of 74 collective agreements in 1990 took the standard full-time week as the threshold for overtime premia, while only nine per cent defined it as above the individual's actual working-time schedule. A further 30% took normal daily hours as the threshold, which can protect part timers against long days (Plantenga and van Velzen 1994b:34). Similarly a UK survey found 78% out of 68 organisations paid no premia until a full-time week was worked, only 7% paid overtime once the individual's contracted hours were exceeded, while nine per cent once the standard working day of a full timer was exceeded (IRS 1993).

In general, part timers also have fewer entitlements to unsocial hours working premia. In the UK service sector workers are less likely to pay extra for weekend or late evening work, particularly if the work is performed by part timers, than workers in manufacturing (Horrell and Rubery 1991). In addition, part timers are now often used in retailing for Sunday work with no extra compensation (Rubery 1994:133). In some collective agreements in the Netherlands, notably retail, part timers only receive half the compensation for unsocial hours that full timers receive (Plantenga and van Velzen 1994b:38). However, in retail they are often employed under regulations which allow them to accumulate rights to holiday pay if they work more hours, while in the UK holiday pay would only accrue to normal hours for part timers (Rubery and Fagan 1994a:141).

Conversely, many part timers are not covered by collective agreements, particularly if they work short hours. In the Netherlands part timers working less than one third of full-time hours accounted for around six per cent of the Dutch labour force and were found to be explicitly excluded in 17% of a sample of agreements in 1987. Even part timers with longer hours may find their pay to be lower than full timers due to restrictions on their eligibility for extra pay (Plantenga and van Velzen 1993:24). In the UK where collective bargaining is both less widespread and less codified in written and legal agreements, part timers may often in practice be excluded from benefits and entitlements without this being explicitly stated in writing (Rubery and Fagan 1993:50).

In some sectors, such as the public sector, collective bargaining may provide women as well as men with premia and other compensations for unsocial and flexible hours. However, in the case of the UK discrimination in the level of bonuses and working-time premia between male-dominated and female-dominated jobs often still persist within collective agreements, and negotiating energy often focuses upon uprating and improving benefits rather than equality proofing the pay packet, particularly among male negotiators (Dickens et al 1998; Collins and Dickens 1989, IRS 1991).

### **Part timers' rights**

Social security and pension provisions are still primarily organised around a model of full-time employment in both countries, particularly in the UK. This



system needs to be reformed if part-time work is to expand as an integrated rather than marginal employment form.

In the UK part timers earning below a low earnings limit do not pay social security contributions. The main impact is that this may reduce their pension entitlement, although credits are provided for a maximum of 20 years if the part timer was the main carer for a child or incapacitated adult during this period. In the Netherlands most part-time employees pay pro-rata social insurance contributions in exchange for pro-rata entitlements to unemployment, sickness and disability benefits. The only exception is that part timers with short jobs do not receive unemployment benefit if the pro-rata sum amounts to less than one-eighth of the weekly minimum wage (Plantenga and van Velzen 1994b:51). The hours limit for pension entitlements has been progressively reduced through collective agreements in the Netherlands and mainly through sex discrimination litigation in the UK, but in both countries part timers still have reduced access to this valuable area of deferred earnings (Davies and Ward 1992, Plantenga and van Velzen 1994b:49-50).

### ***Part-time labour and the lifecycle***

The main reason that women are more involved in part-time employment than men is that they divide their time between domestic and wage work, while men still concentrate on wage work. This family role affects the employment prospects of all women, even those without children or other domestic responsibilities, because it provides a basis for the differentiation and segregation of the labour force by gender.

Women's labour market disadvantage is particularly stark when, or if, they become mothers. The domestic workload increases dramatically when there are children in the household, yet men continue to make only a minimal contribution to this unpaid work. Therefore, mothers have two main options. Either they try and comply with male full-time employment schedules at the same time as managing their domestic responsibilities; or they adjust their workload through a combination of breaks from employment and periods spent in part-time work.<sup>4</sup> Yet when they interrupt or reduce their labour market involvement this may force them into poorly regulated employment areas, where wage levels are low and flexible hours are organised to suit customers and the company and not the needs of employees. Thus, while part-time employment may be preferable to quitting employment altogether it may also reinforce gender divisions both within and outside the home.

## **The "women returner"**

Motherhood is more strongly associated with part-time employment in some countries than in others, so it is clear that maternal responsibilities are not the only influence on women's employment patterns. Table 4 shows the country variation in employment rates for mothers aged between 20 and 39. Part-time employment is very common for mothers in the Netherlands and the UK, while full-time employment is rare. A similar pattern is found in three other northern countries (Germany, Ireland and Luxembourg). In the Netherlands a high share of women in this age group without dependent children are also found in part-time employment (30%), not much lower than the rate for mothers (37%), but in the other four countries the part-time employment rate is two or three times greater for mothers.

This high involvement in part-time work for mothers in some Northern countries such as the Netherlands and the UK is part of a strong "women returner" pattern of labour market involvement. Typically, women withdraw from employment when their child is young and then return to part-time employment once the child is older, particularly once the child reaches school-age. Some subsequently move from part-time to full-time employment, but many remain in part-time jobs even once their children are no longer dependent. Higher full-time employment rates are found for mothers in the other member states. In Denmark, Belgium and France high full-time employment rates coexist with more moderate shares of mothers involved in part-time employment. In these countries larger shares of mothers remain in employment when their children are young. A "bipolar" pattern characterises the Southern countries (Kempeneers and Lelievre 1991), where some mothers remain continuously employed in full-time jobs while others quit, often associated with an increased involvement in more informal employment areas.

An important factor contributing to the prevalence of a "returner" pattern in the Netherlands and the UK is that the levels of publicly funded childcare provision is much lower than that found in other countries such as Denmark, France, Belgium and Italy (EC Childcare Network 1990). National differences in the way that childcare is organised also influence, and are influenced by, dominant social attitudes concerning how children should be raised (Alwin et al 1992). Although childcare systems are important, women's employment intentions and behaviour are developed within, or thwarted by, the economic context and the demand-side organisation of the labour market. Therefore, the strong employer demand for part-time labour in the UK and the Netherlands helps to create and sustain this returner pattern.

This returner pattern has high economic costs for women. Detailed occupational studies in Britain show that just over a third of mothers who return to the labour

market suffer occupational downgrading (McRae 1988). This is associated with a high level of job change as many women search for part-time jobs in order to manage their childcare<sup>5</sup>. As discussed earlier, a large proportion of part-time jobs are concentrated in low paid, low status job areas, and in the UK in particular the availability of part-time jobs in professional areas is low. While women returners suffer from occupational downgrading in every member state of the European Union they are more likely to experience this in the UK than elsewhere, including the Netherlands (Kempeneers and Lelievre 1991: tables 23,28,29).

### **Part-time work over the lifecycle for women and men**

There is a strong generational change occurring across countries in women's working-time patterns over the lifecycle. Continuous employment is increasing for younger generations of mothers, particularly those with high qualifications and increased employment prospects and aspirations, which is associated with women delaying the start of their families and having fewer children (Rubery et al. 1994). In many countries, with the exception of the Netherlands, this increased continuity of employment is also associated with an increased involvement of women in full-time work. What seems to have developed in the Netherlands over the last 15 years is the beginning of a shift from a "returner" pattern to a "parallel pattern" whereby women strive for continuous, part-time employment in order to combine paid and unpaid work (Plantenga and van Velzen 1994a). Nevertheless, the women returner pattern of interrupted employment combined with part-time remains dominant in the Netherlands and the UK, as well as in Germany and some other Northern countries.

In contrast, few men work part-time in every member state of the European Union, and when they do it is mainly at the point of entry or exit to the labour market, when they are still in education or are approaching retirement. The highest levels of part-time employment among men occur in the Netherlands and Denmark, partly associated with a youth part-time labour market (under 20 years). In both countries more than 10% of employed men aged 20-29 work part-time, perhaps suggesting the impact of students and youth unemployment on this part of the labour market. However, male part timers are generally under-represented in the core working-age years (20-59) which account for over 90% of male full timers in the Netherlands, the UK and Denmark, but only 36% of male part timers in the UK, 40% in Denmark and 69% in the Netherlands. Even though the Netherlands has the most even spread of male part-time employment across the age groups the rate of part-time work among employed men aged 20-59 are only of the order of nine per cent to 15%.

While more women may be pursuing full-time and continuous employment patterns more men may be drawn into part-time employment if financial support

for students or pensioners starts to decline, or as male unemployment rises. Some men may also move into part-time employment in order to take on a larger share of unpaid domestic work. However, convergence in the pattern of part-time work between the sexes will only occur if there is a dramatic increase in male part-time employment across the age groups; only then would the female-dominated nature of this form of work be transformed.

## **Employment preferences**

If policy developments are going to encourage the creation of part-time employment then it is important that this is done in a way that reflects people's working-time preferences, for reasons of efficacy as well as justice. These preferences will be affected by women and men's current working-time arrangements, and what they perceive the alternatives to be, both of which are affected by existing opportunities and constraints in the labour market and at home.

We have already argued that the limited provision of public childcare facilities and the related dominant social attitudes concerning maternal employment, combined with employers' demand for part-time labour are institutional features which encourage a pattern of part-time employment for mothers in certain countries like the Netherlands and the UK. Within this societal context full-time employment is rarely a feasible alternative for most mothers. Indeed, when asked why they work part-time in the EU Labour Force Survey, only eight per cent did so because they had been unable to find full-time work and over 80% said they did not want a full-time job in the UK, and also in Germany. Yet in other countries, part-time work is involuntary for more women, including the Netherlands, where 28% of women part timers had been unable to find a full-time job while 56% did not want a full-time job (Rubery et al 1994: table 1.27).

However, the distinction between full-time and part-time work disguises an important dimension to the working-time preferences of part timers in the Netherlands and the UK which is revealed by more detailed questions contained in national surveys; namely that many women and men in part-time jobs would like to work longer part-time hours (Fagan 1994, Plantenga and van Velzen 1994a). Even when mothers are asked what their preferred working-time arrangements would be if childcare was more widely available, the majority would prefer moderate part-time hours: between 15 and 24 in the Netherlands and hours to fit in with school hours in the UK (Plantenga and van Velzen 1994a, Witherspoon and Prior 1991). It is clear that in both countries there is a demand among women for longer part-time jobs in order to combine paid and unpaid work. At the same time in an actual, rather than hypothetical, situation of widely available childcare

then it is likely that mothers's preferences for full-time work might increase in the UK, particularly since that would enable them to remain in, or return to higher level and less segregated occupations (Rubery 1994:160). Indeed, the increased career aspirations and less traditional attitudes among younger generations suggest that working-time preferences may already be shifting, for an increased and more continuous involvement in full-time employment is already occurring in the UK and in most other member states (Rubery et al. 1994).

Turning now to the other extreme of the working-time distribution, do full timers also want to move in to the middle range of hours? Here we find an important difference between the two countries, for support for working-time reductions among full timers is stronger in the Netherlands and the UK. A survey conducted in the mid-1980s found that nearly half of the Dutch workforce (47%) favoured a reduction in hours rather than a wage rise, just behind Denmark, where the highest level of support was found (51%). In contrast, the UK, along with Portugal and Ireland were the member states where the lowest level of support for this type of policy was found, for less than 20% of the UK workforce said they would be willing to trade a pay rise for shorter hours (Hewitt 1993:table 4.1). This is not explained by people working long hours in the Netherlands and the UK; quite the contrary, for some of the longest full-time hours are worked in the UK, and the length of the full-time week actually increased over the 1980s (Marsh 1991). Furthermore, at the end of the 1980s, the majority of full timers did not want to trade lower earnings for fewer hours, even among those working 45 or more hours a week (Fagan 1994). In contrast, average full-time hours in the Netherlands are among the lowest in the European Union (Rubery et al. 1994) and most men and women working more than 34 hours a week in the Netherlands would prefer to reduce their hours (Plantenga 1994: table 4).

Several societal features which may be important in order to stimulate preferences among full timers for more moderate full-time and/or part-time hours exist in the Netherlands but not in the UK. The first is the relative wage levels faced by those on low earnings and the tax structure faced by those on high earnings. Substantially more full timers and part timers of both sexes are low paid in Britain than in the Netherlands (CERC 1991), and as we discussed above, part timers are paid at an even lower rate in the UK while in the Netherlands women's average hourly earnings are similar for full timers and part timers. Quite simply, unless wages are adequate then support for reductions in working-time is likely to remain low, and in such a scenario a working-time reduction will cause financial hardship and may be accompanied by multiple job holding rather than worksharing. At the same time, some of the longest hours in Britain are worked by well-paid employees in professional and managerial jobs. Unlike Denmark, for example, the absence of a progressive increase in the marginal tax rate

structure for those on above average earnings means that there is no fiscal incentive for couples to move away from a male breadwinner model of long full-time hours for men and part-time work for women to a situation where both are employed for moderate hours (Spencer 1986). Indeed, the low pay rates faced by most women part timers acts to reinforce the male breadwinner model.

Secondly, established working-time regulations and norms are also important, for Britain is the only member state where there is no statutory or widespread collectively set limit on the length of the working week, while there is a strong system of working-time regulation in the Netherlands which sets limits on the length of the working week and the working day. Such regulation protects employees from managerial pressure to work longer hours and at the same time helps to promote strong social norms concerning the amount and quality of time available for activities outside of employment. Finally, the policy environment in the Netherlands was that of a government promoting worksharing, which probably both reflected and reinforced a solidaristic inclination among the population towards tackling unemployment. In contrast longer working hours have been actively encouraged in the UK by the governments' opposition to the EU *Working-Time Directive*.

## **Conclusions**

Employers can cover non-standard or flexible hours to meet operating requirements through using part-time or full-time work schedules, and the decision to use part-time labour reflects a variety of influences. The employers' ability, and inclination, to use part-time labour is affected by both country and sectoral differences in working-time regulations and traditions, and the relative cost of using part-time or full-time workers. In turn, sectoral and occupational differences in working-time regulation and traditions, and the lower pay associated with part-time jobs, can not be understood without taking the sex profile of the workforce into account.

working-time policies to promote the expansion of part-time work as a means of stimulating more flexible working patterns and to address unemployment have complex effects on gender segregation and equity. On one hand, they threaten existing labour standards and undermine the collective organisation of work and social life in favour of more individualised and employer-led solutions. On the other hand they may begin to undermine the male model of working life and working-time which historically has discriminated against women.

Part-time employment has expanded in the Netherlands and the UK within two quite different policy and regulatory environments. Yet in both countries

part-time jobs are mainly concentrated in low-level and low-paid service and sales areas, and part timers have lower entitlements to working-time premia and wage-related benefits such as social security. Furthermore, many part-time jobs involve short and/or unsocial hours and are designed to meet employer demands rather than employee preferences. However, part-time jobs seem to be better quality in the Netherlands relative to those in the UK for two reasons. First the more regulated Dutch system of wage determination means that the pay conditions associated with these jobs are superior to those found in the UK. Second, a larger share of part-time jobs are found in professional areas in the Netherlands than in the UK, suggesting that part-time work is less segregated and is available in a wider range of occupational areas.

If the expansion of part-time employment remains concentrated in a narrow range of segregated, low-paid and female-dominated jobs then this policy will do little to breakdown sex inequality and will even help to reinforce the traditional family "male breadwinner" model. The expansion of part-time jobs in higher-level jobs would enable women to adopt more continuous employment patterns and reduce the risk of downward occupational mobility, and would make part-time work more attractive to men as well. However, if the way in which employers organise these jobs results in wage and employment conditions which are inferior to comparable full-time jobs then there is a danger that a different form of segregation will emerge.

Part-time employment is likely to remain an important means for women to combine paid and unpaid work in both countries for the foreseeable future. In the Netherlands this coexists with a fall in the actual and preferred number of hours for full timers, and more women work short hours (less than 20) while fewer women and men work long hours (more than 45) than elsewhere in the European Union. The gender gap in the average hours worked by women and men in the Netherlands is much smaller than in the UK, indeed the UK has the most unbalanced working-time pattern in the European Union, with above average shares of short (less than 20) and long (more than 45) hours working, with the former mainly done by women and the latter by men (Rubery et al. 1994).

Most part-time jobs are still filled by women, even in the Netherlands. As long as part timers are disproportionately women it is likely that increased diversity in work patterns will add to gender segregation and not necessarily open up choices to men and women irrespective of their gender. Therefore, any policy to promote the expansion of part-time work needs to be integrated with other policy measures if the quality of these jobs are to improve (see box 2).

**Box 2: Policy requirements for the expansion of part-time work to reduce sex inequality**

***Desegregation of part-time work:***

- a diversification of the types of occupations organised on a part-time basis;
- opportunities to switch to part-time work within the current job;
- creation of promotion paths and career structures for part timers;
- creation of moderate or long rather than short part-time hours.

***Improved wage conditions of part-time work:***

- pro rata hourly wages and minimum wage protection;
- premia for part timers working varied and unsocial hours;
- equal pay for equal value initiatives to encompass part timers as well as full timers;
- reform of social security and pension provision to remove discrimination against part timers and to introduce a system which is more compatible with moving in and out of part-time work over the lifecycle.

***Diversification of paid and unpaid working-time choices:***

- improved childcare and parental leave provisions;
- reduced hours of work in full-time jobs.

Some policy measures are currently being debated in the Netherlands which would go some way to ensure that a further expansion of part-time work is associated with an improvement in the quality of these jobs. In June 1993 the Dutch Green Left party introduced a parliamentary bill which would give employees the right to reduce current contractual hours by a maximum of 50% and to outlaw distinctions between employees based on working-time differences. If adopted this would mean that the equal treatment of full and part timers would be established in law (Plantenga 1994). Such a policy context offers some optimism that the expansion of part-time work may contribute to a reduction of sex inequality in the Dutch labour market. No such prospect currently exists in the UK, where the creation of part-time work seems set to continue within a deregulated and primarily employer-driven context and where such jobs are likely to remain segregated and low paid.



**Table 1 Part-time employment in the member states of the European Union, 1991.**

	NL	UK	DK	D	B	F	IRL	L	P	E	I	GR	EUR12
<i>% part-time share of:</i>													
total employment	33	22	23	16	12	12	8	7	7	5	6	4	14
female employment	60	43	38	34	27	23	18	18	11	11	10	7	29
male employment	16	5	11	3	2	3	4	2	4	2	3	2	4
<i>% female share of</i>													
total employment	38	44	46	41	38	43	34	35	43	32	35	34	40
full-time employment	27	32	37	32	32	37	30	31	41	30	33	33	33
part-time employment	70	86	75	90	89	84	72	83	68	77	65	63	82
<i>% country share of all part-time employment in EUR 12</i>													
all employment	5	20	2	22	3	16	1	(<0.5)	4	9	16	3	(=100)
all part-time employment	11	31	3	25	2	14	1	(<0.5)	2	3	6	1	(=100)
all female part-time employment	10	32	3	27	3	15	(<0.5)	(<0.5)	2	3	5	1	(=100)
all male part-time employment	19	25	5	15	1	13	1	1	3	4	13	2	(=100)

Source: Eurostat Labour Force Survey Results 1991, table 1, 37 and 38.

**Table 2 The incidence of part-time employment by sector, 1991.**

A. Share of all employees who are part-time.

Countries grouped by national incidence of part-time work

Sector	High part-time			Moderate part-time			Low part-time						EUR 12
	NL	UK	DK	D	B	F	IRL	L	I	E	P	GR	
Other services	55	41	38	29	25	22	17	15	8	13	9	6	29
Distribution	39	41	32	25	25	15	15	9	7	4	3	3	23
Agriculture	31	20	22	14	0	13	0	0	19	2	8	0	14
Finance & insurance	24	16	18	18	11	10	6	6	5	4	7	3	13
Public administration	19	13	17	13	11	16	7	9	2	2	1	0	10
Other manufacturing	23	13	18	12	6	6	4	0	4	2	2	1	9
Transport & communication	21	9	14	11	5	9	0	0	2	1	0	0	8
Metal manufacturing	9	5	8	5	2	3	0	0	2	1	0	0	4
Building/civil engineering	9	7	7	6	3	2	0	0	3	1	1	5	4
Mineral extraction	8	6	9	6	2	3	0	0	2	0	0	0	4
Energy & water	8	4	0	4	0	2	0	0	0	0	0	0	3
<b>Total</b>	<b>32</b>	<b>23</b>	<b>24</b>	<b>15</b>	<b>13</b>	<b>12</b>	<b>9</b>	<b>8</b>	<b>5</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>14</b>

(cont)

(cont)

B. Share of female employees who are part-time  
Countries grouped by national incidence of part-time work

Sector	High part-time		Moderate part-time				Low part-time						EUR 12
	NL	UK	DK	D	B	F	IRL	L	I	E	P	GR	
Distribution	60	60	46	41	44	28	25	16	12	9	5	4	39
Other services	68	52	39	39	35	28	22	23	10	17	10	9	35
Agriculture	68	58	46	32	0	30	—	0	29	4	14	0	30
Building/civil engineering	48	36	33	40	0	19	0	0	8	7	1	4	29
Transport & communication	48	28	25	35	21	23	0	0	6	5	0	0	25
Finance	45	27	29	31	22	17	9	12	9	10	12	0	24
Public administration	47	26	30	33	27	28	16	29	3	5	0	0	23
Energy & water	36	20	0	25	0	10	—	0	0	0	0	0	17
Other manufacturing	45	27	28	27	13	11	10	0	7	5	4	2	16
Metal manufacturing	31	19	22	21	12	10	0	0	6	2	0	0	16
Mineral extraction	30	22	27	20	13	8	0	0	6	0	0	0	15
<b>Total</b>	<b>59</b>	<b>44</b>	<b>38</b>	<b>34</b>	<b>30</b>	<b>24</b>	<b>17</b>	<b>18</b>	<b>10</b>	<b>11</b>	<b>7</b>	<b>5</b>	<b>29</b>

Source: Rubery et al 1994 Appendix table 3.2.

**Table 3 The incidence of part-time employment by occupation, 1991.**

A. Share of all employees who are part-time.  
Countries grouped by national incidence of part-time work

Occupation	High part-time			Moderate part-time			Low part-time					EUR 12
	NL	UK	DK	D	B	F	IRL	L	E	P	GR	
Services	64	54	49	35	37	30	23	24	17	12	6	37
Sales	45	41	30	27	22	12	15	9	3	2	2	26
Clerical	32	28	25	22	14	15	8	6	2	1	2	19
Professional	36	19	28	16	16	10	8	8	5	3	4	16
Agriculture	30	14	15	11	16	12	0	0	1	7	—	10
Production	12	8	14	4	3	3	4	2	1	2	2	5
<b>Total</b>	<b>32</b>	<b>23</b>	<b>24</b>	<b>15</b>	<b>13</b>	<b>12</b>	<b>9</b>	<b>7</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>14</b>

B. Share of female employees who are part-time.  
Countries grouped by national incidence of part-time work

Occupation	High part-time			Moderate part-time			Low part-time					EUR 12
	NL	UK	DK	D	B	F	IRL	L	E	P	GR	
Services	78	70	63	47	52	39	34	32	27	18	12	50
Sales	61	62	50	41	42	24	26	-	8	3	-	42
Clerical	47	35	31	33	24	21	11	12	3	2	3	28
Professional	58	35	38	31	29	18	14	-	6	2	5	28
Agriculture	76	46	36	27	0	31	0	-	3	13	-	26
Production	45	32	26	22	14	10	8	-	4	4	2	18
<b>Total</b>	<b>59</b>	<b>44</b>	<b>38</b>	<b>34</b>	<b>30</b>	<b>24</b>	<b>17</b>	<b>18</b>	<b>11</b>	<b>7</b>	<b>5</b>	<b>29</b>

Note: For ISCO (68) major occupational groups, occupational data is unavailable for Italy.  
Source: Rubery et al 1994, appendix table 3.8.

**Table 4 The employment rate for mothers aged 20-39**

	Employment rate	Full-time employment rate	Part-time employment rate
DK	76	49	27
F	56	44	12
B	60	39	21
UK	53	18	35
D (W)	48	20	28
NL	42	5	37
L	40	27	27
IRL	32	23	9
P	70	66	4
I	43	38	5
GR	42	39	3
E	35	30	5
EUR 12	50	31	19

Source: European Labour Force Survey, 1991.

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## Footnotes

1. Data for Germany relates to the former West Germany only.
2. No occupational data are available for Italy.
3. Eurostat only collect earnings data for part of the service sector data, notably public administration and other services. Data are collected for wholesale, transport and communication, banking and finance, retail, hotels and catering. See Rubery and Fagan (1994) for a discussion of the limitations of the EUROSTAT earnings data.
4. Involvement in self-employment and homeworking, particularly in the informal economy, is another way of combining employment with family life. This is more common in the Southern than the Northern countries, associated with agriculture and family run businesses playing a larger role in the economy. This approach involves a spatial rather than a time adjustment because women's economic activity is still primarily full-time but it shifted closer to the domestic sphere (Bettio and Villa 1994).
5. Even women who only take a short break may not manage to remain in their previous employment because until recently restrictions existed in the maternity legislation which excluded a large share of women from entitlement to maternity leave and job reinstatement.

# ***Working-time and a modernised trade union policy***

**By Ulrich Mückenberger**

The subject of the present study is the current move in Germany and elsewhere in Europe to modernise trade union policy on working-time. We have taken as our point of departure the idea that a policy on working-time can only be called "up-to-date" if it meets three requirements: it must be compatible with the economic efficiency interests of enterprises; it must comply with employees' interests regarding social protection and development; and it must provide society with services and infrastructures.

From the social point of view, the purpose is to offer employees greater choice — i.e. a range of options for family, educational, civic and other commitments. A convergence of interests with the flexibility objectives of the business world must therefore be sought, since this is the only means of arriving at solutions with any hope of success.

From the point of view of society, working-time is of interest on two scores — as an employment market regulator (as a form of work-sharing in circumstances of mass unemployment) and as a regulator of society's access to goods and, in particular, to services (opening hours of shops, public authorities and service companies). Here again, a convergence of interests with those of employees will be sought and examples will be given.

One thing is certain: an avalanche has been triggered in the organisation of work. It started some time ago with haphazard practices in undertakings and collective bargaining<sup>1</sup>, but it has gathered momentum in the last few years. There is now a *Directive on working-time* in force in the European Union, which leaves ample scope for national arrangements for transition to flexibility in working-time.

The German parliament has passed a law on working-time, which goes even further than the working-time regulations of Nazi Germany.<sup>2</sup> The new debate on working-time, however, apparently does not confine itself to this point. Employees have also long been voicing their desire for more freedom in working-time arrangements<sup>3</sup>; part-time employment, once an exception, is now becoming the new-fangled rule. But working-time is also observed and evaluated by actors outside the particular undertaking. The four-day week in Volkswagen (VW) and the French drive for the 32-hour week are examples of efforts to use reductions in working-time to prevent (and in some cases even to reduce) unemployment.<sup>4</sup> We shall later be discussing attempts to measure the "quality

of life' of urban populations in terms of the time factor in buyers' or users' access to goods and services — e.g. the opening hours of shops, libraries, authorities and child-care facilities<sup>5</sup>. "Time" is becoming a major topic in the debate. Philosophy and social theory<sup>6</sup> have also begun to take a new interest in the concept.

## ***Flexibility and choice***

The impact of these new trends and debates on trade union policy has, however, been merely fragmentary to date. The new thought on time which has emerged from philosophy and social theory has remained totally foreign to the unions, which have remained on the defensive as regards initiatives in the field of policy on working-time for quite long enough. They have mainly tried to fend off particularly "flexible" forms of working-time, but have of course rarely been successful in the attempt. It is high time that the trade unions, at the European level, became more imaginative as regards new concepts in the field of policy on working-time. These concepts will have to be sufficiently attractive to gain acceptance by trade union members and non-members and by public opinion. In the following text I shall endeavour first of all to give clarification which could be helpful in the elaboration of attractive and politically realistic concepts of working-time.

As is the case with virtually any arrangements concerning work, regulations on working-time and their reform are evaluated on the basis of three criteria, which together contribute towards their acceptability:

Firstly, from the economic point of view, working-time regulations are judged according to whether or not they contribute to efficiency and productivity. This criterion relates to managerial economics and views the time factor of the use of labour from a purely instrumental aspect.

The freer, less limited and less "regulated" the enterprise is in its disposal of its workforce, the more easily this criterion can be met (e.g. unregulated "labour on call"). Conversely, this criterion would not be met if employees were suddenly given so much freedom of choice regarding their work schedules that it would no longer be possible for the firm to plan the production process. The same would apply if the state were to impose "compulsory regulations" concerning working-time.

Secondly, from the social point of view, working-time regulations are assessed according to whether they allow employees and their social environment (family, neighbours, circle of friends, etc.) the opportunity to co-ordinate gainful



employment with other vital needs in a manner which allows advance planning. This criterion is socio-cultural in nature, relating to people's attitude to work, leisure and other social activities.

The freer employees are to dispose of their working-time, the more easily this criterion can be met (e.g. unregulated and un-co-ordinated "*temps choisi*" — choice of time). Conversely, this criterion is not met if working-time is geared exclusively to the maxims of production planning ("pure" labour on call), or if employees are required to work unlimited hours in the interests of society (e.g. shop opening hours, security and health services).

Finally, from the point of view of society, working-time regulations are assessed according to whether they have "external effects" (externalities), which occur outside the undertaking and concern society, and in particular according to whether these external effects are negative — taking little account of, or even totally ignoring, the rest of society.

Generous rules on overtime clash, for example, with the objective of reducing negative external effects because they make it more difficult to recruit new labour and thus to reduce unemployment. Measures to reduce working-time in order to safeguard employment (cf. VW example), on the other hand, are compatible with that objective, in as much as they have a positive impact on the employment market. But customer-friendly work schedules (such as the opening hours of shops and public authorities) can also affect society, since they affect the time factor of access to the consumer goods and services supplied.

The enumeration of these three criteria already suggests the conflicting objectives involved; merely to list them contributes little, however, towards resolving the conflicts. But there is one observation which is significant for strategic considerations — even at this stage in the thought process — and that is that the three criteria mentioned are criteria which have hitherto generally been articulated by various actors in society: the efficiency criterion by undertakings; the social criterion by employees and trade unions; and the societal criterion, as the case may be, by actors constituting the general public. This leads to a politico-strategic dilemma: anyone with eyes for one of the three criteria will be blind to the other two — with the result that the proposals and demands of the other actors seem incomprehensible and "irrational". A further consequence of this blinkered attitude is that conflict can only be resolved by the power and violence of the opponents, whereas discussion, fairness and reason can contribute nothing towards a solution.

I am convinced that a concept of working-time can today only hope to be accepted by society if it meets all three assessment criteria and their interaction equally. Only then can it be discussed by the actors involved; and only then can

solutions or compromises be found and adopted on which a consensus can be reached. Each individual actor need not, however, devote the same effort to resolving the others' problems as he does to his own. But he must nevertheless understand the various conflicting criteria and resulting proposals, and he must be able to gauge the scope for consensus and/or compromise. If the European trade unions want to take the offensive on the issue of working-time their considerations must not be confined to social aspects; they must also include the economic and the societal aspect. Only then will the ensuing concept of working-time be up-to-date; only then will it have a future.

The terms of "flexibility" and "flexibilisation" have always been vague in the discussions of the past decade. Nor has the necessary differentiation been made in the trade union sphere — with the result that the unions have always regarded "flexibilisation" with suspicion across the board and with potential hostility. As a result of this attitude, the trade unions have generally preferred to stick to the traditional, standardised pattern of working-time geared to continuous full-time employment.<sup>7</sup> Thus, strategically, they have placed themselves in a very weak position on two scores: the labour scene has actually long since changed to such an extent that the traditional standard pattern of working-time has become the exception.<sup>8</sup> And secondly, the trade unions have thus become the advocates of a type of employment relationship with patriarchal features, at which "modern" groups of employees (white-collar workers, women, younger employees, etc.) are tending more and more to take offence.<sup>9</sup> It is only when trade unions overcome these two strategic weaknesses that they have any prospect of restoring and developing their attractive image in society. They must acknowledge the many different forms of employment and working-time arrangements — which often stem from socio-cultural changes in employee trends and values — and must develop models which are economically, socially and societally justifiable.

With a view to enhancing clarity I make a distinction between two pairs of terms: "internal" and "external" flexibility<sup>10</sup>, and flexibility and "optionalisation".

By internal flexibility, I mean flexible configurations within the enterprise which do not affect the continuance of the underlying employment relationships but merely influence their patterns (i.e. mainly the organisation of working-time). A distinction must be made between this internal flexibility and what I term "external flexibility", which calls into question the actual continuance of the employment relationship (e.g. through limitation of the term of employment or through the choice of a legal status differing from the employment relationship).

Further specific differentiation of terms is advisable in the context of internal flexibility: in the following text I use the term of "flexibilisation" only to refer to measures geared to economic objectives, i.e. efforts made within the firm to

achieve technical and/or organisational efficiency. I use the terms of "optionalisation" and/or "greater choice" in the case of measures which allow employees more scope for organising their work and work schedules and thus for meeting their personal needs more satisfactorily. Measures of this nature differ from the flexibility needs of enterprises in that they take account of the needs and timetables of men and women which fall outside their daily work routines and aim to reconcile them with the schedules of daily working life.

### ***Resolution of conflicts***

This distinction between flexibilisation and optionalisation contains no value judgement of the strategies of the parties involved based on criteria of truth or justice. Undertakings are perfectly entitled to prefer flexible models of working-time, just as employees are entitled to want to co-ordinate their working life with their extramural circumstances. And finally, society is also entitled to expect agreements reached between the social partners to be to its benefit rather than to its disadvantage. Although the interests pursued in each case may well be legitimate, they can be partially or totally in conflict in individual cases. For example, external flexibilisation measures (such as fixed-term employment contracts) generally limit the choice of the employees concerned more than do internal flexibilisation measures (such as flexitime); and they can also have a negative external impact on society (in the form of unemployment). However, internal flexibilisation measures (such as the introduction and elaboration of part-time employment) can also have negative effects for workers of a specific sex, for example, or they can divide the options between the sexes in a manner which is systematically unequal. In this case it is the options which clash, and society's claim for equal opportunities for citizens of both sexes is jeopardised.

Where the interests pursued by the various parties are all legitimate but clash nevertheless in individual cases, they must be co-ordinated and reconciled on the basis of a common rule of rationality. With the above specific definition of terms, this view of the problem of working-time shows clearly from the outset that a modern system of working-time must be communicative or, to be more precise, "discursive". Discursive social models presuppose that all of the parties involved are prepared to recognise the positions and claims of their respective opponents and to adopt a rational attitude geared to reaching an understanding. It is only when these conditions are satisfied that what Jürgen Habermas<sup>11</sup> terms "fair" solutions (i.e. compromises) can be reached. And "sensible" solutions (i.e. the right solutions) can be arrived at when it is a question of optimising common interests. My theory is that it is only when trade union ideas

on working-time are based on the acknowledgement of the co-existence of differing but equally legitimate interests regarding working-time and can be related discursively to those of the other actors involved that they can aspire to legitimacy, persuasive power and acceptance by society.

This view of the problem of working-time involving the specific definition of terms points to a problem to which trade unions have devoted virtually no attention whatever, let alone efforts to address it in practical terms. Given the flexibility needs of enterprises and the options of employees, coalitions can be formed over and above any antagonism, and these coalitions can be to the detriment of the outside world (in some cases this occurs systematically.) The recruitment of new labour is often prevented by frequent recourse to overtime, a form of flexibility and choice which is to the detriment of third parties — in this case, the unemployed. In addition to their regular workforce, employers often maintain a flexible reserve of peripheral labour on which they impose employment risks, and often even health risks, without offering any form of compensation whatsoever. Employers and employees can reduce and organise working hours in such a way that the interests of clients, customers, citizens etc. can no longer be properly satisfied. (Those who have run out of cash in the afternoon in Italy or who have tried to have their car repaired after 2.00 p.m. on a Friday afternoon in Germany will know what I mean.) Company arrangements on working-time have external effects on the options of third parties. In all of the examples quoted options are — systematically — restricted, except that in the case of limited options it is not the options of employees that are concerned but those of third-party outsiders.

Yet a trade union policy on working-time that is geared to the future must also take account of the options of third-party outsiders. Otherwise trade unions will become an isolated pressure group, an egoistic lobby, and will thus relegate themselves to the fringe of society for good. Trade unions must of course continue to formulate the interests and options of employees in clear terms and fight to have them accepted. They are not always in a position to participate at the same time in the formulation of the interests of capital and of society or in the efforts to carry them to a successful conclusion. But they must adopt what Habermas calls a "performatory" attitude to those interests, i.e. a reasonable attitude that is geared to reaching agreement. Otherwise their policy on working-time will remain unarguable and irrational and will then cease to have an impact on people in their membership, in the potential membership and in society.

### ***Efficiency and choice***

Empirical research in the developed industrialised countries of Europe forms the foundation for a new relation between the economic and the social

significance of working-time arrangements in firms — and thus between the flexibility needs of enterprises and employees' need for choice. For a long time, working-time arrangements were considered solely from the point of view of efficiency, the social aspect thereby being secondary to economic efficiency. We know that this led to great social misery and discontent. Thus even capital interests called for restriction of the prolongation of daily and weekly working hours.<sup>12</sup> Yet the social regulation of the working day still had to be wrung out of capital; it was either fought for by the persons concerned or imposed by state authority (e.g. to protect the health of working children, to ensure that future soldiers would be fit for military service, or to enable children to attend Sunday School).<sup>13</sup> Efficiency and social development were regarded as contradictory objectives and interests, and their confrontation thus took on more or less violent forms.

A new constellation of the economic, social and societal aspects of the organisation of work is now emerging.<sup>14</sup> I take this new constellation — which is not an arbitrary postulate — as a basis when I contrast the concept of flexibility with those of optionalisation and greater choice. It is now possible and imperative to grant employees more scope for autonomy and self-co-ordination at work — essentially for two reasons, one more normative and the other more empirical in nature. On the one hand, employees are undeniably entitled to be regarded and treated in undertakings as citizens with civil rights. And on the other hand, given the changes that have come about on the labour scene, greater employee-autonomy is not only of benefit to the efficiency objectives of enterprises but is even required by employers. I would like to expand briefly on these two aspects, both of which argue for greater choice by employees in the organisation of working-time.

There has been a trend in most European countries in the past few decades to relate the claim for democratic rights also to the organisation of individual working conditions. Employees are thus granted citizen status in undertakings ("industrial citizenship", "*Arbeitsbürger*"; "*cittadinanza*"; "*citoyenneté*").<sup>15</sup> This trend was particularly marked in Italy in 1970 and in France in 1982, and, to a lesser extent, in the Federal Republic of Germany in 1971. At the European level, the status of citizen has been strengthened by the Charter of Fundamental Social Rights and by the Maastricht Agreement.

Citizen status implies that employees are no longer to be regarded merely as the vehicle of labour or as partners to obligational contracts, but that their individual civil rights which are guaranteed by public law must also remain intact and effective in the private-law relationship in the undertaking. One crucial civil right is the right to autonomy, which must enable citizens in undertakings to take decisions either within the undertaking or in co-ordination with others on the

compatibility of their gainful employment with the other activities of their private lives, but also on the execution of their responsibility as citizens towards society. A right to autonomy of this nature is incompatible with the traditional nature of employer-employee relations and in particular with the determination by others of how working-time is to be organised. It requires at least two factors at the normative level:

As long as the working-time arrangements desired by employees are compatible with the economic requirements of enterprise, and as long as their impact on those requirements is "neutral" so to speak (neutral as regards cost and productivity), they must be subject to the autonomy and disposal of employees. We know empirically, that regulations and dictates on working-time are often imposed on employees by their superiors in such cases. But dictates of that nature are also an expression of the arbitrary action and dominion of employers, for which there is no rational reason other than pure power. But arbitrary action and dominion of this nature do not constitute a legitimate reason for unnecessarily withholding from employees the freedom to determine their working-time themselves.

Where the working-time arrangements desired by employees are compatible with the economic requirements of the enterprise, and where their impact on those requirements is not "neutral", then the flexibility requirements of the enterprise and the needs of employees to have a choice must at least be granted equal status. The efficiency objectives of enterprises do not have automatic precedence over employees' needs — as was customary in the past. On the contrary, the conflicting interests and preferences need to be co-ordinated discursively.

Normative considerations of this nature might possibly be dismissed as voluntarist, idealistic and naïve, were it not for the fact that they have clear equivalents at the empirical level — given the developments that are taking place in the productivity and flexibility requirements of undertakings. We know that in advanced branches of industry and industrialised countries, firms, and in particular those providing services, are today relying more and more on the active participation of their employees. The trend in society is growing in which the enterprise is being given the role of an institution with a responsibility towards society, i.e. an institution which avoids a negative external impact and endeavours to achieve positive external effects. The fulfilment of this claim requires a corporate identity, of which the participation and involvement of employees are essential components. What is even more important is that, at a time of accelerating technological and social change, greater economic risks and increasing demands by society on the business world, undertakings need employees who are capable of innovative, creative and co-ordinated action. This has also become inconceivable without such participation and involvement.

Employees' involvement in the organisation of work and working-time is thus no longer in conflict with the efficiency of undertakings; on the contrary, it has become a precondition for such efficiency. Many examples of this are to be found in the new production concepts introduced in industrialised countries — lean production, quality circles, employee-involvement. These new production concepts almost always go hand in hand with novel working-time arrangements, which the employees determine themselves and for which they accept responsibility. There are firms in which, through intelligent personnel management (including full employee-autonomy) regarding working-time<sup>6</sup>, not only a high level of job satisfaction and faithful service to the company has been achieved but also an undreamt-of increase in productivity.

Thus, a new trade union concept of working-time, focused on choice and autonomy in the organisation of working-time, as a precondition for efficiency and compatibility with social standards and responsibility towards society, has every chance of being accepted by society and carried through to a successful conclusion. Through such a concept, the outmoded role of "dependent workers" could be overcome in undertakings, and this in turn could contribute to the modernisation of working life. The central idea is that of citizens in the firm, who neglect neither the efficiency of the undertaking nor their responsibility to society, but who at the same time expect their rights to organise their work themselves and to enjoy compatibility between working and private life to be recognised and respected.

Taking this as a basis, the following trade union objectives can be formulated and justified:

■ Employees must be granted the right to determine their individual working hours within the framework of agreed and statutory standards. This means in particular that:

— they must be allowed to establish the volume of agreed working-time themselves within the framework of an agreement (e.g. a collective agreement) laying down a range of working hours. A framework agreement of this nature provides protection, on the one hand, against the unlimited extension of working-time. But on the other hand it must leave enough scope for all schedule preferences ranging from very few hours to full-time employment to be protected and freely organised.

— it must also be possible for individual sovereignty regarding working-time to be extended to the distribution of collectively agreed working-time. Employees must be allowed to decide themselves whether and how they want to distribute the volume of working-time agreed by contract over a longer period, e.g. within a month or a year, and to do so on a variable basis. An agreement on lifelong working-time could also be contemplated, for example, to enable employees gradually to phase out their working-time in preparation for retirement.

■ Scope for organising daily working hours concerns the beginning and end of the working day as well as breaks in the course of the day's work. Employees must not, for example, be denied the possibility of interrupting their work for personal reasons, as long as there are no urgent reasons in the firm prohibiting it.

■ The following arrangement could be reached, for example, in a collective agreement: "Every employee can decide her/himself how many hours s/he wants to work. In agreement with the team or department concerned, s/he establishes when the agreed work is to be done. Temporary deviations from the contractual working-time will be offset in a time account. Work contracts are conceivable ranging, in brackets of 10 hours, from 60 hours/month to the collectively agreed full-time. The working-time laid down by contract can be changed at any time after consultation with the firm. Employees are furthermore entitled to take long-term leave, for which they can either use the extra hours they have worked or give up their wages or salary for that period. A temporary reduction of the contractual working-time can also be offset by a credit balance of hours worked. This credit balance of hours can be achieved if the time actually worked is increased for a certain length of time as a departure from the contract, in agreement with the team or department concerned."

■ The exercise of rights to autonomy regarding working-time must not entail disadvantages for employees. Employees whose working-time deviates from the pattern of working-time in the firm must be allowed to share equally in all other rights, e.g. they must be included in the in-company communication network in the same way as other employees and must enjoy the same opportunities for promotion (further education and training, career plan, etc.).

■ Autonomy in the planning, organisation and arrangement of working-time in the company requires that all of the parties concerned be prepared to co-ordinate with other employees' rights to autonomy and with the employer's contractual performance claims. It also requires that in the work-sharing context, each individual should assume responsibility according to the freedom of decision s/he has been granted. It must be guaranteed through prior agreements and a co-ordination procedure that reciprocal performance meets the expectations of both the employer and fellow-employees. Requests for changes in contractual working-time — e.g. shorter hours, longer hours, day release etc. — can be co-ordinated through a collectively negotiated in-company "rota system"<sup>17</sup>. This enables both labour and management to plan in advance.

■ In company life there are always people involved whose choice is restricted — because they have children or other persons in need of care at home, because they do not enjoy good health, because they need to attend further education courses or are involved in civic activities etc. The working-time preferences of these employees must be protected if they clash with those of others. Should cases arise where these protected options are themselves in conflict, the social and societal relevance of the conflicting interests must be weighed up on the principle of discursive decision-making. The procedural practicalities can again be dealt with through the rota.

■ No one must be forced to work to a schedule which runs counter to personal preferences; this applies in particular to "unfavourable working hours" such as shift work, night work and weekend work. In particular employees whose choice of hours is already limited (see above) must have the right to refuse to work hours which cannot be co-ordinated with their personal commitments without their suffering any disadvantage as a result.

■ Employees who feel they are at a disadvantage in the context of the organisation and co-ordination of working-time within the company must be entitled to object. A committee on working-time can be set up to deal with procedural issues; it must be constituted as an electoral body which is either attached to the works council or operates



as an independent body in the context of employee-participation within the company, with competencies similar to those granted to the works council.

■ Unfavourable working hours (such as shift work, weekend work or night work) must be limited to cases where society is legitimately entitled to demand the availability of goods and services (in addition to the health and security sectors, for example, the sectors connected with leisure activities — entertainment, gastronomy, the garment trade, shops selling paints and hobby supplies, book, music and video shops, etc.). Where unfavourable working hours are unavoidable, the consequences of the extra physical and social burden must be limited by extra time off, through which individual working-time can be shortened without loss of income. The possibility of converting a credit balance of hours of this nature into a monetary bonus must be ruled out completely.

The above examples are by no means exhaustive. They merely give an indication of the possible further development of trade union policy on working-time, in which there is either no conflict whatever between efficiency and choice or any such conflict can be settled through “intelligent” agreement and co-ordination procedures.

## ***Responsibility towards society***

A more difficult proposition is that of constructively integrating the possible conflict between company agreements or compromises on working-time. As has already been stated, it is a question of the positive, but in particular the negative, external effects of the activity of the undertaking.

According to the traditional way of thinking — including the trade unions’ traditional conception of policy and organisation — it is the undertaking, i.e. management, which carries sole responsibility for dealing with external effects. Legally, undertakings undoubtedly carry that responsibility, but in modern trade union discourse at least two observations and views have been put forward which suggest that the unions should no longer content themselves with leaving the enterprise solely liable for these external effects:

■ crucial fields of societal interests (such as in questions of ecology, unemployment, infrastructural equipment of cities and municipalities, general education and vocational training, equality between men and women, etc.) this responsibility of management either does not operate at all or operates in a manner far from optimal. Management policy is marked by micro-economic reasoning, with the result that aspects of macro-economic or societal reasoning are systematically ignored. Negative external effects of “social cost”, as William Kapp<sup>18</sup> terms it, are the direct expression of this structural conflict between

micro and macro-economic reasoning. It would seem unrealistic to expect undertakings alone to provide the solution.

■ In these crucial external fields of interests, the societal responsibility of enterprises can only operate best if employees share it. There are two reasons for this.

— From the point of view of rationality, the position of employees is between micro and macro-economic rationality: as well as being employees, they are always also citizens, consumers, residents, and so on, and can thus be more receptive to standards of macroeconomic reasoning and can introduce them in firms and undertakings.

— From the point of view of information, employees often know more about the cause of external effects resulting from the activity of the undertaking and about possible solutions than does the top management. For example their sharing of the responsibility of the undertaking is often the only way to provide the undertaking with the know-how for assuming its responsibility towards society.

The trade unions have long dissociated themselves from these realisations — at least as far as rhetoric is concerned, reckoning that it was not their business to “worry about the problems of enterprise” or even to take on the role of co-managers. The ideology underlying this denial was the claim of purity and autonomy of class and thus the warning against the betrayal of class or collaboration between the classes. The traditional trade union image, which was based on the existence of, and antagonism between, two opposing “camps” (capital and labour) is today losing its significance — a trend that is noticeable in Italy and Germany and even in the United Kingdom, but less so in France and Spain, where it has little impact due because of the weakness of the trade unions. The image of two “camps” is often maintained in (class) analyses and rhetoric, but there are other more important criteria which play a role in trade union orientation:

■ On the world scale there is no sign of any overall societal and macro-economic alternative to capitalism that has been socially tamed which could replace a policy based solely on class antagonism.

■ Many societal problems (such as those of collective property such as ecology — see above) would quite simply be ignored in the context of a trade union policy based solely on class antagonism; it would be a fatal luxury to allow the natural environment to continue to rot or to allow city slums to grow “for the sake of class purity”.

■ But above all, the “camps” have become so multifarious and complex that the capital-labour polarity now actually contributes little to the political and

socio-cultural identity of trade union members. In certain cases, the hobby which employee X shares with employer Y (sailing, literature, and so on) is more important for his socio-cultural identity than the role of economically dependent employee which he shares with employee Z. Consequently, all associations today have problems of "representativeness" — i.e. they are not quite sure whom they actually represent or on whose behalf they act. There were no such uncertainties in the "two-camp" society.

We are thus at a turning point in history where trade unions no longer shy away from taking over responsibility from undertakings. The problem is that the relevant programmes have by no means matured to the extent of those that have long been elaborated for wage policy or policy on working-time. Since this applies just as much to the question of working-time as to other issues, I am considerably limiting the scope of the following comments. For two fields related to working-time, I shall name the external effects of company policy as a trade union problem and I shall set out my initial observations with regard to resolving it. The first example deals with the connection between policy on working-time and employment policy, which has recently been widely discussed in Germany (keyword: "VW model") and elsewhere as the result of company crisis management. The second example looks at the connection between policy on working-time and quality of life in towns and cities, which in Italy has led to programmes which are also of interest to trade unions ("*tempi della città*" — time in the city).

## Working-time and unemployment

From the point of view of the external effects — on society — of policy on working-time, recent developments, in which a reduction of working-time with loss of wages has been agreed with a view to safeguarding employment, are of particular interest ("*contratti di solidarietà*", "*loi quinquennale*" [five-year law], "VW model")<sup>19</sup>. One thing is certain: an avalanche has been triggered in the organisation of work, and general awareness has suddenly been roused by two events: the VW proposal of avoiding redundancies by introducing the four-day week, and the decision by the overwhelming conservative majority in the French Senate to include the 32-hour week in Balladur's employment programme. The idea put forward in 1988 by Oskar Lafontaine, the then SPD candidate for the German Chancellorship, was the subject of much vituperation at the time and very soon dismissed<sup>20</sup>, but it is now unexpectedly prompting renewed interest and gaining support. Instead of the gradual reduction of working-time with wage compensation, he proposed the immediate radical reduction of working-time with recruitment obligations — a plan which would, however, involve financial losses for those already in work.

There is good reason to be sceptical about such upheavals. It would no doubt be preferable if the question of working-time could be resolved in conditions of growth — with financial compensation in accordance with the essential needs of employees and the unemployed. As it is, this approach is seen as a spectre of compulsory long-term short-time work — or, to put it more precisely, partial unemployment. It goes hand in hand with an unprecedented range of proposals whereby employees give up part of their pay, receive bonuses, etc. In employer and conservative-liberal circles the idea that employment can be safeguarded and developed by reducing working-time is no longer an absolute taboo<sup>21</sup>, but the price to be paid is high, and at all events behind the proposals is the threat of inevitable dismissals in the event that the proposals are rejected.

To abandon oneself to scepticism, however, or to man the barricades to protect acquired rights and advantages is to ignore the seriousness of the current upheaval and to miss the opportunities it offers. When will there ever be another opportunity to put forward plans and demands for remodelling employment, income and life with such promising prospects if we do not do it now? Is there any reason to believe that such demands could be enforced in a context of full employment — at least in the demographic constellation that will prevail by the year 2010? On the contrary, is it not more realistic to presume that the requirements of global environmental protection, technological change and, in the case of Germany, the consequences of reunification will tend further to reduce the volume of employment, regardless of any economic upswing? I think we will have to prepare ourselves for a world where the type of circumstances that currently prevail in VW will be the norm rather than the exception. In such circumstances — not “when everyone has found a job again” — we must learn to develop concepts and demands which are likely to win the support of the majority and thus to be carried to a successful conclusion.

From this point of view, it is to be welcomed that the external effects of policy on working-time — and not only the economic effects and the social effects concerning employees — have become the leading issue for both social partners. And this is also the reason why these experiments have enjoyed public recognition and legitimacy.

Initial examination of available German collective agreements — both company agreements and general collective agreements — in the private sector<sup>22</sup> has shown that the measures taken were all of the type of short-term crisis management. There have also been signs of a move towards work-sharing in the German public services with a view to safeguarding employment.<sup>23</sup>

One striking feature of the new agreement is the reduction by up to 25% of agreed working-time without (full) wage compensation. It is generally weekly working-time that is reduced. Several agreements combine the reduction of working-time

with greater flexibility in the distribution of working hours — for example by allowing the 10-hour working day with compensation over a period of six to 12 months.

■ The development of voluntary part-time employment is recommended in five collective agreements, although these agreements do not grant an official right to part-time work. Greater employee-choice in connection with the reduction of working-time occurs only in company agreements and not in collective agreements. This greater choice concerns such factors as flexitime or the compatibility of working and family life; instruments of joint planning of working-time are occasionally considered. In one case, the possibility of long-term (“sabbatical”) leave is recommended, and, in another, the opportunity for further vocational training. The agreements do not make provision for giving up overtime in order to stimulate the recruitment of new labour.

■ The reductions in working-time generally involve loss of wages for the employees concerned, the drop in wages often being proportionate to the reduction in hours. In many cases the loss of wages is compensated with annual bonuses, or wage increases are converted into extra time off. Provision is made in the mining sector for extra pay for the lower wage brackets. Only one German company agreement makes provision for repayment of the decrease in incomes in the event of improvement in the general economic situation. Several company agreements make provision for partial compensation of loss of income.

■ Several agreements provide that the employer will not dismiss any employees in the company throughout the term of the collective agreement. This, however, is limited to agreements where the employees accept loss of income. The temporary employment guarantee is thus a sort of compensation for loss of wages.

■ All of the agreements serve to safeguard existing employment circumstances. Whereas in France, the aim of the *loi quinquennale* (five-year law) is to provide monetary incentives for expanding employment in the form of exemption for employers from contributing to the social security scheme, the German agreements merely provide that no employees will be made redundant. However, many collective and company agreements provide that trainees/apprentices will not find themselves in the dole queue on completion of their training but will either be engaged on fixed-term or permanent full-time or part-time employment contracts or will be included in further vocational training schemes. These arrangements can be regarded as elements of an inter-generation employment pact.

■ The German models of reducing working-time all operate without any government subsidisation to compensate for loss of wages. Unlike the system in Italy, where the *Cassa Integrazione Guadagni* cushions the social blow, wage compensation in Germany is limited to temporary short-time employment and thus does not apply to the forms of reduction of working-time discussed here.

These provisional results in Germany can be summarised as follows: the agreements on the reduction of working-time with a view to safeguarding employment are emergency measures. They are basically a sort of “deal” whereby employees temporarily forgo part of their income in return for the guarantee that their employer will refrain — also temporarily — from making employees redundant. The basic desire behind them has been that they should become

superfluous as soon as possible, rather than the desire to try out and improve upon a model of permanent reduction in working-time which is socially acceptable. They seldom aim to provide employees with more extensive options for co-ordinating working-time with private needs. They contain very few sacrifices of solidarity on the part of better-paid employees for the benefit of employees in lower income groups or on the part of older employees for the benefit of younger employees. This is, however, probably owing in part to the fact that the income losses involved in this model are only socially acceptable where incomes are relatively high and annual bonuses are paid (as is the case with VW). The fact that there is no state-organised compensation for loss of income at least for needy groups of employees — those in low-income brackets, single parents, etc. — seriously limits the possibility of general application of the VW model.

A policy on working-time in which there is awareness of the effects on society — given the certainty that for the next ten or fifteen years at least, growth in employment is inconceivable unless working-time is reduced — should not merely be confined to short-term crisis management. It should also aim to test and improve upon the model or possible models of permanent reductions in working-time which are compatible with social standards. Let us thus examine the opportunities the present situation offers for reshaping working-time. In my view, one thing is certain: any attempt to redistribute work by reducing working-time that is made with employers' support will have infinitely greater prospects of success than an arrangement that is wrung out of employers and imposed on a long-term basis into the bargain. If this attempt is to find agreement — and also to be accepted by public opinion — employers can hardly refuse certain requirements and conditions geared to optimisation:

■ The reduction of working-time must have a direct impact on employment. It must thus be combined with the relinquishment of overtime, the exclusion of dismissals in the company and even the requirement to engage new employees. (Since the Senate decision came into effect in France — even though the final version no longer contains the term of "32-hour week" — employers are required to increase the workforce by 10% when introducing the shorter working week if they want to benefit from certain advantages concerning taxes and/or employer contributions. Similar arrangements concerning employment volume could be achieved through collective agreements.)

■ Part-time work which is non-voluntary to begin with can accommodate employees to a large extent without in any way affecting the volume of reduction in wage costs sought by the employer. The right to part-time employment would already be an innovation for most European countries. The part-time interests of those who need time for extra-mural activities (family commitments, education, community work, etc.) merit special consideration. From the point of view of a policy geared to equality for men and women and to family needs, the reduction of the working day would be preferable to the four-day week, since a model of that nature can be more effective for the normal

daily routine than longer periods of time off. Part-time employment, albeit non-voluntary to begin with, may well provide the experience that men and women can live with quite comfortably, even on a voluntary basis. The right to part-time work will then take on a new dimension. If working-time is reduced selectively, precautions must be taken in order to prevent existing discrimination from being intensified (i.e. to ensure that not only women and not only assembly-line workers are put on short-time). It can further be agreed that the volume of working-time will be fully or partially restored under certain conditions (such as certain economic developments). All of these proposals are in the main "neutral" in terms of cost and can hardly be publicly rejected by employers. They also take advantage of the opportunity to act offensively rather than defensively by constructing and implementing a model of part-time work that has a future.

■ The question of income is the biggest difficulty. In the circumstances described, it would be nonsense to demand full wage compensation. But few employees can accept a proportional decrease in wages. On the other hand, we must agree with those responsible for social policy when they argue that merely delving deeper into the unemployment insurance fund is not the solution. That would mean that costs were externalised — a system that is quite out of the question as a model for the general reduction of working-time with a view to redistributing work. What is more, agreements cannot be concluded on this either collectively or at company level.

■ The following, however, could be settled in company or collective agreements. The curtailment of income need not be strictly proportionate to the reduction of working-time; it can be gradually levelled up or down. This would be an in-company contribution of solidarity on the part of those in higher income brackets for the benefit of those in lower income brackets. Those in the top income brackets must on no account be exempted from this act of solidarity, which must also apply to employees who are not covered by any collective agreement (extra-agreement [EA] employees). Since these employees are not concerned by collective arrangements, the employer must undertake to reduce their income in individual contracts<sup>24</sup>. Overall economising could be agreed in the collective agreement, in which the economies achieved in the field of EA salaries are taken into account from the outset (socially graded, as suggested). It would then be up to the employer to apply this economising of salary. And finally, there is no reason why employees' loss of income could not be organised as a temporary sacrifice<sup>25</sup>; it would be rather like a loan which is repayable under certain conditions, and is refunded in the event of improvement in the general economic situation<sup>26</sup>.

Taken as a whole, the income question exceeds the limits of company and collective agreement possibilities. The trade unions must devote further attention to the issue and debate it publicly from the point of view of the processes of redistribution over society as a whole that are to be entailed in the modification of gainful employment. Guy Aznar, who, together with André Gorz, has been propagating similar models in France for almost twenty years and in whom public opinion is now taking renewed interest<sup>27</sup>, talks about a "*deuxième chèque*" (second cheque) in this context: employees on shorter time receive a compensatory payment from the state in addition to their wage/salary cheque. The inevitable solution here must be a combination of a basic safeguard in the form of negative income tax and additional compensation for loss of wages.

The question at the present time is who is going to pay for this? Since a model of this nature will obviously exceed the possibilities of the social insurance funds if it is to be generally applicable, a tax transfer is inevitable. Machine tax comes readily to mind in this context, but (unless we are completely mistaken about the economic situation of undertakings) such a tax is liable to become a strangulation tax and a curb on innovation. André Gorz therefore suggests a “*TVA sociale*” — a “social value-added tax” — which would be levied on consumer goods with the exception of basic foodstuffs and would thus per se be levelled down and socially graded.

As chaos theory has shown, we do not learn in a linear manner; we learn in leaps. My ideas are not new; what is new is their context. Most of them were conceived at a time when circumstances were such that they had a better chance of being accepted, yet they were not — or were only partially — implemented. Could the crisis be the very event that gives them a chance?

## **Time in the city**

An appropriate trade union policy on working-time considers and organises working-time not only from the point of view of the preferences of enterprise and employees but also from that of the circumstances and options of the users of goods and services<sup>28</sup>. The Italian ideas on the time dimension of the supply of goods and services are quite advanced and are described below. It is difficult for the trade unions to put their ideas and projects on working-time into actual practice, since they cannot be restricted to user-friendly work schedules alone (shop opening hours, times of access to public authorities, etc.). It is only when these aspects are co-ordinated with other public schedules and policies on time (public passenger transport, child-care facilities, school hours, etc.) that consumers can be offered a real time gain, and sovereignty in the disposal of their time. This also explains why experiments with schedules begin in the limited and more manageable area of the municipality and municipal policy development: *i tempi della città*. At the end of this section I shall give a general survey of the “*Patto per la mobilità*” of the city of Modena (May 1994), which endeavours to integrate various fields of municipal policy thereby including the trade unions in an interesting way.

Efforts are being made to put the “*tempi della città*” experiment<sup>29, 30</sup> into practice in several cities such as Modena and Milan. The objective of this experiment is threefold:

- The experiment covers socially significant trends and structures regarding time which co-exist in the city (e.g. the opening hours of day nurseries, of facilities providing care



for the elderly, and of public authorities and shops, public transport timetables, the opening hours of health services and cultural facilities).

■ The subjective timetable needs of the people concerned — and in particular of the women living and working in the city — are established and related to the existing trends and structures regarding time.

■ The bodies responsible for municipal policy endeavour to harmonise the existing structures with the timetable needs that have been established.

Despite national peculiarities<sup>31</sup>, the Italian debate provides suitable impetus for launching similar ideas and experiments in other countries. This applies to the concept in which the city is seen as an ensemble of several structures, models and needs as regards time, and efforts are made to seek ways and means of optimising the whole. And it also applies to the three-phase method which has been developed in Italy for that purpose: first establishing the time structures, then establishing needs and finally endeavouring to co-ordinate the two at the municipal level according to socially-agreed procedures.

A city can be termed time conscious if it recognises that for its inhabitants and the community as a whole, time is a commodity in scarce supply, and consequently handles it with care and efficiency in a way which enhances freedom. A municipal policy on the use of time would mean identifying instances where time is too short or is wasted on the one hand or, on the other hand, where there is a surplus of time and working out how to avoid shortages of time and thus give citizens more freedom and opportunity to develop their personal potential. From the trade union point of view, a municipal policy on time should be geared to the model of a time-conscious city.

The model of the time-conscious city is in conflict with the prevailing time set-up<sup>32</sup>; since in that set-up the allocation of resources is organised on a segmented and hierarchical basis; all forms of time which lack a financial aspect are secondary — a fact which opens the door to excess and uncontrolled colonisation. But the freedom of inhabitants is both the precondition for, and the objective of, the time-conscious city. A municipal system of time cannot be expressed in terms of precedence or subordination or of functional constraint, but only in terms of communication and co-ordination, and of discourse amongst parties of equal status. The project of the time-conscious city is necessarily also a project of municipal democracy. The feature which the areas of freedom of the citizens and groups united in the municipality have most in common is that they exist in time (time for themselves, alongside one another, for one another, in opposition to one another and together with one another). Whereas government policy on the apportionment of goods and on direct obligations and prohibitions etc. prescribes a certain use of freedom, the co-ordination of time by the municipal authorities implies self-restraint. It remains neutral as to how

the fruits are to be enjoyed (i.e. the time gained through such co-ordination); it leaves the use of the freedom gained to the discretion of the citizens concerned. Thus the typical feature of the model of a time-conscious city should be a miscellany of time patterns, various combinations of principles regarding time — the type of combinations that are propagated in the new policy on time. György Konrád's "urban" city — as opposed to the "state-controlled" city — would correspond to these combinations<sup>33</sup>. Konrád advocates variety and miscellany: the "maternalistic, pluralist city" with its seductive charms. By miscellany, he means a set-up where as many different people as possible can carry out as wide a variety of activities as possible at the same time or at different times<sup>34</sup>. Where it is true that women already organise their lives according to mixed timetables and switch rapidly from one time pattern to another, then efforts to maintain this pattern of combination would be an important aspect of policy on time and of municipal policy in general. If it is limited to co-ordinating timetables, it will at the same time resist the temptation to take over people's private lives. Co-ordinating time patterns is thus the task of a "civil society", and the trade unions consequently have an important communicative and democratising role to play in efforts to give that co-ordination concrete form.

Reflection on the model of a time-conscious city<sup>35</sup> is coming at a time when apparently heterogeneous discourses such as those on the relationship between the sexes<sup>36</sup>, on time and the differentiation of essential needs, on urban traffic congestion and on the significance and status of municipality and region<sup>37</sup> in relation to the inhabitants on the one hand and to the state and supranational interconnections on the other have begun to merge.

City-dwellers experience their municipal environment as time structures which are inconsistent and fragmented and from which they feel alienated. They are perhaps becoming more sensitive to the waste of time because the portion of time in everyday life which is supposed to be "free" is not free at all. Expressed to a greater or lesser extent, the desire for sovereignty in matters of time is gaining ground, as is the desire for unity in daily life, in which "time supply" (transport, schools and health-care facilities, public and private services, plants and companies) is at least co-ordinated, if not identical, with their "time demand". City-dwellers are seeking "scope for restructuring their time with a view to greater individual freedom in how they dispose of it. This sovereignty of the individual provides an opportunity for 'new unity in everyday life'<sup>38</sup>. There is every reason to believe that in the current circumstances of work-sharing between the sexes, the discrepancies between time supply and time demand affect the daily lives of women in particular and that it is mainly women who are calling for unity in daily life and sovereignty in matters of time.<sup>39</sup>

To sum up, there are four main factors behind the current move to reorganise urban time structures:

- socio-economic change is bringing a transition to new flexibility in working-time and a dissociation of work schedules and plant utilisation times;
- the socio-cultural trends towards individualisation, differentiation and pluralisation of lifestyles are also expressed in a new way of experiencing time;
- the fact that women are being integrated more and more into working and political life, whereas hierarchical work-sharing according to sex has remained more or less unchanged means that women are under appreciable pressure of time;
- under pressure of demand and cost, government offers in the social field are changing towards qualitative services which enhance the quality of life.

It is essential that a comprehensive approach to the issues involved take account of the rhythms of the city.

### **working-time**

working-time has for some time been the subject of discussion and change with a view to enhancing the quality of life. Work schedules have a two-fold effect on the time budgets of city-dwellers: from the point of view of employees, they are periods of time covered by gainful employment; and from the point of view of users and consumers, they are times when goods and services are accessible. The hours during which services are provided for old people in their own homes, for example, influence not only the working hours of the persons employed in these social facilities (the work aspect) but also the time budget of the relatives who also provide care (the utilisation aspect); consequently, they indirectly affect the proportion of old people in need of care as in-patients and thus the space-time structures of nursing homes. The same time factor therefore also makes the supply and demand of time in the city a crucial — and a controversial — issue.

Trade unions could use their means of communication and co-ordination at least to co-ordinate, if not to reconcile completely, the interests involved in working-time. Important parameters of policy on working-time are established by collective agreement and are at all events one of the fields where co-ordination devolves upon the trade unions. These aspects should be investigated in detail.

### **Transport**

The transport and traffic system of a city is its instrument of communication, locomotion and supplies. At the same time it embodies its "rhythm" and thus establishes the relevant mobility requirements. The type and organisation of the transport system impose the pace of city life on people and become mobility

standards, making it difficult to avoid stress and hustle and bustle and to experience movement as anything other than locomotion for a specific purpose and thus a waste of time. A time-conscious city will organise means of transport in such a way that every individual has the option of adapting the form and speed of travel to the purpose of the journey. This is where the organisation of time overlaps with the organisation of space. The scope for direct intervention is more limited, but it nevertheless exists and should be examined in greater depth.

## **Women**

Women's "right to work" is an area of conflict: in addition to the work schedule of gainful employment, which is determined externally, the schedules of the institutions and bodies providing education, supplies, shopping facilities and services, which are also determined by others and, what is more, are fragmented, but with the help of which the household is run, have to be contended with as well. This "double burden" results in constant extra pressure on women's time budgets. A time-conscious city will examine the time requirements of persons who are under this constant pressure of time, and, given the current situation of work-sharing between men and women, special attention will be devoted to mothers in part-time and full-time employment. Efforts could be made to extend the time supply in the case of services supporting family activities and thus to make demand more flexible. Here again, the trade unions' scope for intervention in this complex area must first be established.

## **Municipal services**

Since the timetables of public authorities, schools, universities, child-care facilities, facilities providing care for the elderly, libraries, leisure facilities, swimming baths, etc. have a decisive impact on the time budget of the inhabitants of the municipality, a municipal time-project must set priorities as regards establishing needs and then making initial co-ordination efforts. From this aspect, the modernisation of municipal time structures should be linked to the discussion of how services should be organised so as to promote individual initiative and at the same time limit "self-help stress". Scope for intervention lies here first and foremost with the state, but there is also ample opportunity for trade union participation in the shaping of schedules.

The success of any trade union initiative on "time in the city" will depend on whether concrete examples are found through which it can be illustrated that an integrated policy on time is possible, and that, with trade union involvement, such a policy brings such successful results that it would seem desirable to develop the set-up beyond the limits of the example chosen.

The following are examples of time initiatives in Italy:

- area management: the "city of shortcuts" — establishment, by means of qualitative surveys and simulation of daily routes, of instances where time is too short or is wasted; measures to change spatial structures with a view to reducing mobility needs (efforts to organise places of work, residence and leisure activities in spatial proximity; simplification of bureaucratic procedures; efforts to reduce the discrepancy between the city centre and the suburbs as regards supplies).
- transport system: efforts to satisfy mobility needs more satisfactorily, "desynchronisation" of peak traffic flows; measures to reduce travel time and avoid waits (development of the public transport system and timetables, departures at regular intervals, measures to stagger rush hours, etc.).
- measures to improve the opening hours of facilities providing care for the elderly in their homes, nursery schools and day nurseries, schools, libraries and private services; offers of daily supplies in city districts, shopping centres in the outskirts of the city; measures to relieve women of the burden of work in the home and family; new patterns of work-sharing between men and women; better accessibility of services for users.
- electronic information and services terminals; use of modern information technology to satisfy general information needs, to rationalise the work of the public authorities, and to simplify and speed up simple administration procedures for citizens.

The question everywhere is which of these problems and fields of reorganisation can be made the subject of original trade union policy. I have not yet found the conclusive answer to that question. The "*patto per la mobilità*", a political document which was drawn up in May 1994 in Modena, the city in Emilia-Romagna with the longest experience in the field of "*tempi della città*", is an interesting initiative which gives food for further thought. The document is the result of two two-day round-table conferences and was signed by no less than 30 people, all representatives of social, political or administrative groups (including representatives of regional authorities, industry and the three trade union confederations, the transport authorities and taxi drivers, consumer co-operatives etc.). The agreement tackles the collective problem of time in the fluidity and environmental compatibility of city travel and aims to curb the use of private cars and encourage the use of public transport, cycle tracks and footpaths.

The following means are proposed:

- Integration of the provincial transport system by means of:
  - a magnetic ticket on which trips are counted and which can be used for all means of transport throughout the province;
  - combined transport services, the initial trial involving the cities of Modena and Carpi;
  - an integrated guide of the networks, timetables and connections of the public transport services throughout the province; and
  - a transport information terminal, which is responsible for providing information and issuing tickets;

■ Rationalisation of timing through:

- measures to introduce uniform opening hours and afternoon opening hours of public authorities;
- contact-offices for citizens, which not only provide a filtering and monitoring service but also liaise with the public authorities;
- an experiment (run for a limited period) of continuous opening hours in the trades connected with leisure activities (clothes shops, shops selling paints and hobby supplies, book, music and video shops, etc.); and
- differentiation in the schedules of institutes of higher education.

■ Integration of undertakings into the public transport system through:

- measures to promote the public transport services in public and private enterprises by setting up a transport office which sells season tickets at special rates and, as the case may be, provides information on any changes in transport services; this office achieved an increase of at least five per cent in the number of season-ticket holders in the first years of operation;
- publicity to encourage (private) car pools as an experiment in five medium-sized undertakings where the public transport authorities run fewer services; and
- inclusion of shopkeepers (the big department stores are already participating) in efforts to promote public transport by issuing magnetic tickets at reduced rates or free of charge for use in public transport in off-peak periods.

■ Rationalisation and strengthening of public transport for the handicapped through:

- the establishment of one single office which is accessible day and night and is authorised to issue tickets for the handicapped at special rates on behalf of all of the various public transport authorities; and
- the purchase of a vehicle equipped to provide transport for handicapped persons, which can be operated round the clock and can obtain financial support from the municipal authorities.

There is a co-ordination body for each of these projects — generally the municipal authorities, but otherwise the transport authorities or the provincial authorities — as well as participating actors who undertake various supportive functions depending on their fields of competence: implementation, participation, promotion and propagation, co-operation. The three trade union confederations are involved in practically all of the projects.

The individual measures are not necessarily original; there are individual examples of most of them in other European cities. But taken as a whole the document is impressive. A particularly interesting feature is the fact that bodies from so many different spheres of society are involved in this experimental model and that the trade unions also take part in this combined effort and dialogue. The unions are not only present symbolically; they are involved through active collaboration and financial contribution. In the delicate question of the opening hours of shops and public authorities they are involved through responsible implementation, collaboration and dissemination; and they also co-operate in,

and actively promote, the collaboration between the public transport authorities and undertakings.

It is a new type of "social pact", a sort of "soft" collective agreement: an agreement concluded by a large number of signatories (and not only the poles of capital and labour); an agreement whose subject is time as collective property and the common interest of all as well as the ecological integrity of the city (rather than the specific issues of pay, working-time, holidays, etc.); and an agreement with a novel mechanism of implementation, whose definitive form has not yet been finalised (it does not have legal force, nor is it actionable).

However great the uncertainties involved in this project at the present time, there is nevertheless good reason to believe that there is a future in this type of trade union policy and this novel form of "social pact".

## Footnotes

1. *Gesamtüberblick für Deutschland* (General survey for Germany) by H. Matthies, U. Mückenberger, C. Offe, S. Raasch, E. Peter: *Arbeit 2000. Anforderungen an eine Neugestaltung der Arbeitswelt* (Work in the year 2000. The need to reorganise the labour world), Reinbek, August 1994. In the present document, the author refers several times to this work, to which he contributed, since it contains all of the essential titles and data for Germany. For Europe, cf. G. Bosch: *Wettlauf rund um die Uhr? Betriebs- und Arbeitszeiten in Europa* (Racing round the clock? Work schedules in European undertakings), Bonn 1989.ad.
2. *Bundesgesetzblatt* (Federal Law Gazette) 1994, Part 1, p. 1170.
3. cited in Matthies et al. (op. cit.), p. 142 ff.
4. Matthies et al., p. 155 ff, p. 350 ff.
5. Matthies et al., p. 163 ff., p. 355 ff.
6. cf. for example Antonio M. Chiesi: *Sincronismi sociali*, Il Mulino, 1959; Michael O'Malley: *Keeping Watch. A History of American Time*, New York, 1990. Articles in the magazine *Futuribles* no 165/166, May-June 1992; articles in *Il Progetto* (bimonthly of the CISL) no 80, March-April 1994.
7. The so-called standard employment relationship (*Normalarbeitsverhältnis / relation de travail normale / rapporto di lavoro normale*) has been the subject of heated discussion in the countries of Western Europe over the last ten years. The points at issue are A) to what extent one can speak of the general empirical validity of this type of standard, and B) to what extent it is justifiable to continue to gear strategy to this standard. In this debate the trade unions have generally advocated the continuation of the standard employment relationship and in the long run — no doubt inadvertently — accepted discrimination against forms of employment differing from the norm — "atypical employment", which often concerns women. For the beginning of this debate cf. U. Mückenberger: *Die Krise des Normalarbeitsverhältnisses* (The crisis of the standard employment relationship) in: *Zeitschrift für Sozialreform* (Journal for Social Reform) 1955, p. 415 ff., p. 457 ff.. It is now becoming clear that this position is no longer tenable and that, on the contrary, there is now a wide variety of types of

- employment relationships which merit protection and legal status. For details cf. Matthies et al. (op. cit.), p. 221 ff.
8. In the case of Germany, this point is discussed in detail in Matthies et al. (op. cit.), p. 135.
  9. cf. Hoffmann et al.: *Jenseits der Beschlußlage. Gewerkschaften als Zukunftswerkstatt* (Beyond decisions. Trade unions as workshops of the future), Cologne 1990.
  10. cf. Matthies et al., Parts B3 and 4, C4 and 5.
  11. Jürgen Habermas: *Faktizität und Geltung* (Factuality and validity), Frankfurt/Main, 1992.
  12. The chapter on "The working day" in Vol. I of Karl Marx's *Capital* still gives the best illustration of this relation.
  13. cf. my historical works for legal developments: *Entwicklung und Funktion des Arbeitszeitsrechts* (Development and function of law on working-time) cited in C. Offe et al. (ed.): *Arbeitszeitpolitik* (Policy on working-time), Frankfurt/Main — New York 1982, p. 46 ff.; *Rechtliche Aspekte industrieller Arbeit* (Legal aspects of industrial employment) cited in W. Georg et al. (ed.): *Arbeit und Wissenschaft* (Labour and science), Bonn 1985, p. 248, p. 262 ff.
  14. For details of the following text cf. the documents on developments in Germany in H. Matthies et al. (op. cit.), Chapters B3 and C4.
  15. cf. the two papers — A. Supiot: *Citoyenneté et entreprise* (Citizenship and the undertaking) and U. Mückenberger: *Citoyenneté et entreprise* (Citizenship and the undertaking) — cited in the proceedings of the colloquium on "La notion juridique de la citoyenneté" (The legal concept of citizenship) held in November 1993 by the Faculty of Law and Political Science of the University of Nantes (proceedings published in 1994). The latter paper contains labour law and political science data relating to the European countries mentioned.
  16. for examples cf. Matthies et al. (op. cit.) p. 328 ff.
  17. A rota system is a schedule in which the duration and status of the working-time of the individual employee is laid down or, as the case may be, rescheduled for a certain period, and coordinated with the working-time status of the other employees. A system of this nature resolves the inevitable conflict between optionality and expectations and/or predictability for all parties involved in company life.
  18. cf. William Kapp: *The social cost of private enterprise*, New York, 1971
  19. cf. the following contributions to the 16th Conference of the International Working Party on Labour Market Segmentation, Strasbourg 15 — 19 July 1994: "Job creation and employment rate in a comparative perspective"; St. Lehdorff: "Working-time reduction — does it help against unemployment?"; M. Béraud: "Comparisons between short-time work programmes in four European countries"; G. Bosch/D. Taddéi: "Social and political issues.
  20. cf. U. Mückenberger: Wie aus Lafontaines Vorschlag noch etwas kommen könnte.. (How something could still come of Lafontaine's proposal...) in the work by E. Hildebrandt et al. (ed.): *Zweidrittelgesellschaft — Eindrittelgewerkschaft. Kritisches Gewerkschaftsjahrbuch* 1988/89 (Two-thirds society — one-third trade unions. *Critical Trade Union Yearbook 1988/89*), Berlin 1988, p. 10 ff.
  21. The Institute of German Industry, which is close to the German employer organisations, published estimates in its information bulletin IWD of 8 September 1994, according to which up to 50,000 redundancies were avoided in the metal



- and electrical industries as the result of the collective agreement on the reduction of working-time concluded in April 1994.
22. This evaluation was carried out for the study by Wupper-Thewes and Helga Thurnbauer — with partial support from the Hans Böckler Foundation. It covered 11 collective agreements — mining and energy, chemical industry, paper, ceramics, public services in the East, the metal and steel industries, the food and catering industry — and 15 company agreements, mostly in the private sector — commerce, chemical industry, automobile industry, trade unions, electrical industry, computer industry, manufacture of weighing apparatus — plus one in the public services sector — a municipal council.
  23. In this case it was the teachers in the new Länders of Brandenburg, Saxony and Thuringia who stimulated similar trends in the Länder of the former Federal Republic; cf. the recent article by J. Roitsch: "Ein Hauch von VW im Staate" (A hint of VW in the State) in the *Frankfurter Rundschau* newspaper of 10.9.1991.
  24. According to statements by experts, the salaries of the top-bracket employees in VW have simply been reduced without any change in working-time. According to German law, this is of course impossible without prior notification of change and can thus only function de facto, but not de jure.
  25. French trade unions concluded an agreement on this in a project for reducing working-time in the Potain group at the beginning of 1993.
  26. In the case of the Potain agreement half of the amount is to be refunded in 1994 if the economic situation allows it.
  27. cf. *Le Monde* of 10 November 1993.
  28. The first signs of consumer-oriented service are to be found in the German public services: the ÖTV has provided considerable impetus in the context of its campaign on "The future through public services" — cf. the recent scientific evaluations in F. Naschold/M. Profl (ed.): *Produktivität öffentlicher Dienstleistungen* (Productivity of public services), Gütersloh, 1994.
  29. cf. the report published in the Italian daily *Il Manifesto* on 21.9.1991, which focuses on the reform of the Italian municipal constitution, as well as the documentation by U. Mückenberger entitled "Die Frauen verändern die Zeiten" (Women are changing the times) in: *Kritische Justiz* (Critical justice), 25th year, 1992, Vol. 1, p. 95 ff.
  30. In this experiment with municipal policy, the term used is generally "*tempi*" (times) rather than "*tempo*" (time), in order to take account of the diversity of citydwellers' circumstances and needs regarding timetables. An even more precise term used is "*I tempi e gli orari della città*" in order to make a distinction between "*tempi*" (times) and "*orari*" (schedules), which refers to the opening times of public authorities, shops, social facilities etc.
  31. Although one can learn from this Italian experiment in other countries, it cannot simply be applied to other countries in the Italian form. The specific features of the Italian situation must be borne in mind. The efforts described are marked by Italian centralism, the unofficial economy and problems with bureaucracy. Women's attitude to employment differs from the situation in other countries: in Italy, women rarely do part-time work. The orientation of Italian feminism in the efforts to seek feminine identity must also be borne in mind. All of these factors have led to the demand for compatibility of the role of mother with full-time employment, whereas this demand has not been presented in the same way in other European countries, or has not been the only demand put forward.

32. cf. Michael O'Malley: *Keeping Watch. A History of American Time*, New York 1990
33. Konrád makes a distinction, for instance, between "State-controlled Berlin" and "urban Berlin". His argument clearly approaches urbanism. "Urbanism is the market economy, the transaction of sovereign objects, a relationship of exchange in which two partners of officially equal status negotiate an exchange. Formal relations, a formal legal system; the abolition of established privileges and disadvantages. Pluralism in all spheres, freedom of enterprise, wealth of supply, integration into the world market, convertible currency — in a word: capitalism (...). The arsenal of urbanism includes shrewdness, discussion, sharpness, money, allure, corruption and enchantment, but no weaponry. The city is actually the public. Many halls where people can sit down together. A forum where nothing is left undiscussed or concealed, because citydwellers are loquacious."
34. cf. also Bernard Schäfers and Gabriele Kohler: *Leitbilder der Stadtentwicklung* (Models of urban development), Pfaffenweiler, 1989, Centaurus, p. 67.
35. For the discussion in Germany on philosophical, cultural and structural projects concerning time cf., for instance, J.J. Hesse and C. Zöpel (ed.): *Neuorganisation der Zeit* (Reorganising time), Baden-Baden, 1987; R. Wendorff: *Zeit und Kultur. Geschichte des Zeitbewußtseins in Europa* (Time and culture. The history of time-consciousness in Europe), Opladen, 1980; N. Elias: *Über die Zeit* (On time), Frankfurt/Main, 1984; O. Negt: *Lebendige Zeit, enteignete Zeit* (Living time, dispossessed time), Frankfurt/Main, 1984; R. Zoll (ed.): *Zerstörung und Wiederaneignung der Zeit* (Destruction and reappropriation of time), Frankfurt/Main, 1988; M. Bergelt, H. Völckers (ed.): *Zeit-Räume. Zeiträume — Raumzeiten — Zeiträume* (Space — time. Spaces of time — times for space — time dreams), Munich, 1991.
36. This is brought out in particular in the work edited by Zoll.
37. cf. O. Negt (ed.): *Emanzipationsinteressen und Organisationsphantasie* (Emancipation aspirations and imaginative organisation), Cologne, 1989; J. Hoffmann et al. (ed.): *Jenseits der Beschlußlage. Gewerkschaft als Zukunftswerkstatt* (Beyond decisions. Trade unions as workshop of the future), Cologne 1990, p. 288 ff. and p. 306 ff.
38. H. Häußermann: *Stichworte zur Stadtkultur* (Notes on urban culture), 30 March 1992, p. 9.
39. This is also the case in the Italian "Tempi della città" experiment in municipal policy: cf. documentation by U. Mückenberger op.cit. (1992).

# ***Working-time in Italy***

**By Salvatore Palidda**

## ***The situation in Italy***

Working-time has been the subject of major trade union negotiations, has appeared regularly as a topic of discussion in political and trade union circles and has attracted considerable academic interest<sup>1</sup> in Italy, as it has in all other developed countries. According to one of the leading Italian authorities on the subject, the question of time — seen in terms of the organisation of work as well as the various aspects of social organisation — can be considered as perhaps the most important challenge facing contemporary society as it considers its future (A.M. Chiesi 1989).

Nevertheless, when looking at the situation in Italy, it has to be acknowledged immediately that working-time, or more generally the way time is organised in society, has never been a key issue for the trade unions, the employers, the government or the workers. In fact, if we discount the importance this question seems to assume in each cycle of the economy and shift in trade union thinking, its real significance appears to have been overlooked, with the result that in reality, working-time tends to be considered merely as a means, not as an end. This statement may seem a little too harsh and unfair on those who are fighting hard to get a more “advanced”, “emancipated” vision of working-time to take root. But, in practice, when the unions enter into negotiations, they have no choice but to fall into line with the view which prevails among workers and within society as a whole — a view which the employers invariably exploit to the full.

This may be explained by the fact that working-time is an issue with a very indeterminate, if not invisible, profile which reflects the heterogeneity and discontinuity so characteristic of Italy's economy and society. Indeed, these features of Italian society seem to have adapted to and combined with, sometimes in a rather contradictory way, the effects of the major economic changes that have come about since the 1969-1972 period of the worker unrest and subsequently during the 1980's (restructuring, retraining, technological innovation, flexibility)<sup>2</sup>. As a result, the changes which may be observed as regards working-time and the way time is organised within society are themselves very heterogeneous, or even contradictory, with variations to be found not just from one sector or region to another, but even within a given sector.

For instance, the recent upturn in the economy has caused a number of firms to get their employees to agree to what in some cases amounts to a virtually unlimited extension of working hours and to work on Sundays (especially in the Venice region). And yet at the same time, we are seeing widespread recourse to temporary layoffs "Italian-style" (and even the *cassa integrazione*) or "Solidarity Contracts" which in reality have become a substitute for temporary layoffs (a question which will be discussed later). As for the retail trade, trade union figures suggest that opening hours in Italy are now longer than in any other developed country (an average of 60 hours per week with peaks of 74 hours). Some towns and cities have recently introduced Sunday opening, despite strong opposition from the unions and small retailers. In fact, the marked differences which may be encountered are largely due to the state of the local economy and the local economic and social context, where developments may be quite at variance with the more general trends.

On top of this, it is a fact that working-time negotiations do not always receive the same degree of priority on trade union and political agendas. For instance, at the time of the Volkswagen agreement (spring 1994), which coincided with the "political vacuum" in Italy between the old and new governments, the trade unions placed the question of working-time and the negotiation of Solidarity Contracts almost at the top of their agenda. However as soon as the first signs of the recovery began to emerge and the new government took office, their attention turned to completely different subjects — to such an extent that Solidarity Contracts and working-time now seem to have been entirely forgotten and are considered of no interest. Moreover, Sunday opening, which represents almost a revolution in a country used to the "Sunday urban desert" syndrome, seems to have as many supporters as it does critics.

Upstream of the more specific explanations, these developments are probably being dictated by a cultural phenomenon. If we examine the struggles waged by workers in Italy in the past, we see that although working-time has been a significant factor, it has invariably taken second place to more purely economic considerations or has perhaps been viewed as a means to an end, but never as a way of freeing oneself from work to devote more of one's efforts to leisure pursuits or social and cultural activities. This may have to do not only with the workers' rural origins, but also with the fact that the proletariat maintain close links with their rural or village roots, which gives them a conception of working-time based on economic logic rather than "the logic of emancipation" (as witnessed in the French proletariat from the early days of the *Front Populaire's* victories and espoused to some degree even by Gaullist populism). The uncontrolled development (which has never seriously been analysed by workers' movements) of aspirations influenced by the middle class consumer model (own

house, nicely furnished, lots of gadgets, smart car), appears to have caused the overwhelming majority of Italian workers to see working-time as a means, not an end. Hence, they are always willing to do overtime, especially if it is undeclared, and happy to accept a cut in working hours (especially if a pay rise is out of the question) but only in order to moonlight on their own behalf or work within the enlarged family, or even for another employer.

As research into semi-formal or informal occupations, people with two jobs, etc<sup>3</sup> has made clear, doing odd jobs around the house or even building a house for oneself or for another member of the family, working on family-owned land, working at home with one's spouse, doing a second job or working for another employer are by no means uncommon activities. In other words, and at the risk of sounding superficial, the dominant image of working-time in Italian society continues to be tightly associated with the old adage "time is money". Time is for working in or for activities which directly or indirectly generate financial reward or some recompense in kind, just as "free" time is to be spent consuming or resting before returning to the cycle which society considers to be the norm or which may even be said to be the product of a social construct derived from the interaction between the members of that society.

This might lead one to conclude that the majority of Italian workers would be very much in favour of the "tailor-made timetable" or "electivity" since in reality, everyone tries to make any changes in the timetable of their principal employment fit in with their own interests. Although, unfortunately, little detailed research has been done on personal negotiations or individual employee/employer arrangements regarding working hours, we do know that such personal arrangements are made whenever the situation permits. Of course, they are informal, individual agreements not involving the trade unions and almost invariably frowned upon by them. Only rarely has the adjustment of working-time to meet the "desiderata" of the employees been the object of collective bargaining (although this has happened in the case of certain categories of bank employees and office staff in some companies where the nature of the work is such that it can be carried out or checked on a weekly or monthly basis and thus allows a degree of flexibility). In other words, the notions of "electivity" or personalised timetables have never been accepted by the Italian trade unions. Moreover, it would appear that even the efforts made to accommodate the aspirations of women and young people have failed to bring about any significant innovations or to produce any successful experiments. The most striking example of failure is that of Zanussi.

The Zanussi experiment, which was very high profile, attracted a lot of media attention and received strong support from women's groups (especially the UDI, closely linked to the Partito Democratica della Sinistra), took the form of an

agreement which allowed women workers in a section of the company to manage their own time. They were given complete freedom to decide among themselves when they would take time off and when they would work extra hours in lieu. As such, it represented an interesting example of the "elective" approach based on a collective agreement. The company management (which had been supportive and encouraging) blame the failure of the scheme on the lack of solidarity among the workers. The workers, for their part, claim that the foremen and lower-level management tried incessantly to cause divisions within the ranks. In fact, it is likely that they were able to create petty jealousies, arguments and splits, quite simply because adapting to a system of self-management and understanding the values it implies is neither quick nor easy. It is somewhat astonishing that this failure has not led to a more considered examination of the implications of so radical a change in the construct by means of which society manages working-time and time in general. As it is, this failure is likely to feed the scepticism greeting any innovation in the area of working-time and to reinforce even further the notion that working-time is a means, rather than an end (see appendix).

However, although the trade unions' rather negative attitude to "electivity" may be fairly understandable, there is a manifest danger that they will be left on the sidelines, or perhaps shut out altogether if a "spontaneous" trend emerges towards personal and informal — or even in some instances, collective and formal — negotiation of working hours along "personalised timetable" or "electivity" lines. Until now, the Italian trade unions have taken for granted the privileged position accorded them by the political system (and also in part by the major employers' groups) to the extent that it suits their interests to have trade union backing in their negotiations with the government.

It is generally acknowledged that the changes which have occurred in the economy and society have had widespread repercussions, not just in terms of reducing the amount of labour employed in productive sectors and stimulating the development of the tertiary sector, but also as regards creating new forms of work organisation (such as teleworking, or new types of task-based work using computer networks, etc). At the same time, however, there has been little or no decline in the more traditional forms of working at home.)

In Italy, the transition from a Fordist/Taylorist to a flexible model and heterogeneous segmentation appears to be going through a stage which is not conducive to the propagation of an emancipating image of working-time within society, nor of a societal notion of *Tempi della Città* ("civic time") underpinned by the values of equality, solidarity and progress. The recent debate (which continued until the summer of 1994) on the various aspects of working-time and civic time is bound to seem somewhat far removed from the images which

predominate in society. Indeed, this was demonstrated during the widespread vociferous protests against the measures adopted by the Berlusconi government in the area of pensions. What has enraged the workers is that an attempt is being made to "steal" from them a certain quota of working-time throughout their working lives. It is seen as "theft" because the aim of the exercise is to save money for the state and the employers, not the workers. And yet nothing is said of the "theft" of living time which occurs when retirement is postponed. Few people complain of having to work longer, since almost everyone is willing to work virtually to the end of his or her days in the name of posterity, prosperity — and consumption!

## **The debate**

In his closing speech at the CGIL policy conference (2-4 June 1994), Bruno Trentin observed that:

*"the time has come for us to address once again the question of working hours and to take command of a process we, as trade unions, cannot allow to pass us by". Similarly, we have no choice but to tackle once again the question of working conditions and work organisation. ... Leaving aside the various options put forward (by the speakers), we need to be able to come forward with a policy on working hours. We cannot simply say it can't be done"* (Proceedings of the Conference, Rassegna Sindacale no. 22-23, 13-20 June 1994, pp. XL-XLVII).

Within the CGIL, and indeed throughout the trade union movement, the debate intended to define this policy has not only laid bare sometimes sizeable differences of opinion and approach but has also, and above all, shown just how difficult it is to define one policy when the reality is more diverse than ever. Trentin, who reflects the position of the trade union leadership whilst being willing to give consideration to the most disparate views, has openly expressed his opposition to the idea of setting the 34-35 hour week, to be attained in two stages, as a goal in negotiations on national sectoral agreements. The head of the CGIL describes this as "cloud cuckoo land trade unionism" and says it would commit the unions to goals they have no chance of attaining. Trentin suggests that "articulated action" offers a more attractive prospect, not only because it will allow solidarity to be rebuilt at the workplace but will also permit each individual's particular circumstances to be catered for.

*"It is inevitable that there should be a link between the reduction of working hours and the way work is organised and that this should become a determining factor in a system of work divided into time segments (rotating) and in the creation of new jobs, as opposed to simply maintaining existing ones. It is therefore vital that we negotiate training time at the place of work; that we regain control of time in a decision-making*

*process within which the workers play a full and active part. It would even be possible to regain control of effective time spent at work — I refer to the fight against overtime — but here again, we will need to call into question working practices which have become established over decades and whose functioning depends on overtime.”<sup>5</sup>*

In a word, “this is how we can create the conditions for combining the fight to gain control of time in the workplace with action at the grass roots to allow society to govern its time”. It is important to note here that Trentin, in common with most leading trade unionists, affirms that “the collective government of labour market flexibility requires a defence of rights, both old and new”.

These broad guidelines for trade union conduct are bound to seem “all things to all men”, in that they try to satisfy more or less all of the concerns expressed by workers’ representatives from a variety of circumstances and backgrounds. However, it is the changes to work organisation, together with the fight to stem growing unemployment, which in the final analysis are perceived to be the overriding concerns. Clearly, these are complex issues and this is neither the right time nor place to address them. However, it should be pointed out that paradoxically, this would-be pragmatic response to “cloud cuckoo land trade unionism” could turn out to be another kind of “cloud cuckoo land”, given the seemingly limited capacity of the trade unions to formulate a view with regard to work organisation. It has to be admitted that so far, their proposals have scarcely gone beyond what might pejoratively be termed “tinkering”, when seen in the context of “effective governing of time” and even more so when measured against “the government of society’s time” and the “creating of truly new jobs”.

This perhaps represents one of the main limitations upon trade union thinking in the current economic climate: they cannot conceive of a collective, widespread and cogent movement to counterbalance the various dynamic processes triggered off by greater flexibility and the heterogeneous segmentation of all economic activities and the day to day life of society at large. It is worthwhile reflecting on the fact that once again in our contemporary history, the scope for the employer and the employee to come to some individual arrangement is so great that it stands in the way of collective action and hence weakens the hand of the unions in their negotiations with the employers. In particular, the trade unions do not seem to have given much thought to society’s perceptions, how they develop and which factors and players are open to influence. The employers, on the other hand and, more generally, the dynamic forces within the economy, appear to enjoy an enormous advantage in that the images of work and time which predominate within society dovetail perfectly with their preferences and interests.

Trentin makes the point with some emphasis that nobody (in Italy) sees Europe



as imposing a constraint upon a new policy on working hours related to work organisation.

*"Europe is vital for co-ordination, for political synergy, for providing the impetus and unity of action we need to bring us closer to the trade unions' priority objectives. But Europe no longer represents a limitation in terms of competition. It is possible and necessary to put into effect a policy with regard to working-time, taking into account the particular circumstances, in any Italian or German firm, as was done at Volkswagen, although the economic background..... Because situations do differ, I consider the idea of standardised compensation for a reduction in working hours to be somewhat distorting. For instance, it strikes me as absurd to raise by 20% the tax on imports from Japan and third countries in order to defend a kind of across-the-board reduction. This would be the perfect way of inducing firms to relocate elsewhere."*

In practical proposals prepared for the general council of the CGIL (Rassegna Sindacale, No.15, 25.4.1994, pp. 19-22), G. D'Aloia and B. Montagna<sup>6</sup> advocate a reduction of the "de facto average timetable" (in production) on a daily, weekly and annual basis throughout a person's working life, in particular to act as a disincentive to overtime and to encourage variety in the arrangements for reducing working hours. This should be beneficial also for job creation. It would be possible by means of these proposals to reduce working-time by around 10%. The idea would be to increase the cost of overtime, which at present costs around half of a normally-worked hour<sup>7</sup>. More generally, new legislation is required in the area of working hours, since the existing laws date from 1923 and state that the working week in industry is 48 hours and that a 15% supplementary charge will be levied on overtime. New legislation<sup>8</sup> should cut the working week to 39 hours and extend the 15% supplement to all sectors. D'Aloia and Montagna propose to counter the deregulation of the labour market by introducing new regulations having negotiation as their main instrument. This legislation would be aimed at work done on the "black" labour market and insecure employment and encourage regulated negotiated flexibility as a means of creating new jobs. They propose the establishment of a fund to support the process of reducing working hours (similar to the French system). It is further suggested that the reduction of working hours could be helped along by a reduction of charges or even the cost associated with an hour's work (for example, by reducing the cost of the first 20 hours by three per cent and increasing the cost of hours 20 to 35 by two per cent and any hours over 35 by six per cent, thereby automatically making overtime more expensive). In order to make access to work easier, they suggest varying the level of aid on a sectoral and geographical basis. They point out that with the five per cent currently charged on overtime as a contribution to the pension fund, it would be possible to cover 100% of the charges generated by four years' worth of 20-hour weeks. The law or national accords should provide for two agreements — one for the fixed timetable and one for any additional hours worked. The combination of working weeks of various lengths

over a period of a month or a year must in all cases take into account the average contractual timetable.

It goes without saying that at this stage, the two experts' proposals are no more than a working hypothesis, to be used as a basis for setting concrete goals to be negotiated in the next round of bargaining and/or for new draft legislation. However, in the light of the current political climate in Italy, these proposals stand little chance of success and will very likely be forgotten. The policy-making bodies of the trade union confederations do not seem to be sufficiently committed to a fight on working hours and appear to be trying to get through the present phase of the economic cycle without over-extending their negotiating muscle. Although the very marked success of the general strike on 14 October 1994 might lead us to believe that there is a faint chance the ambitions of the "cloud cuckoo land" trade unionists will not be entirely forgotten, it should be remembered that the main target of the mass mobilisation was the Government's budget cuts and more especially, its attack on pensions.

Nevertheless, it should be recalled that four proposals for legislation on working hours were tabled before the end of the last legislative period. The main points of the proposals put forward by the CGIL, the CISL and the UIL were as follows:

- a reduction of the working week to 39 hours, together with an eight-hour day;
- compulsory notification to be given to the trade unions of any intention on the part of the employer to have recourse to overtime;
- an hourly wage rate increase of not less than 10% for overtime and transfer of 15% of the payments made for overtime exceeding the 39 hour limit to the Fund for the Safeguard and Redistribution of Employment (work-sharing);
- a ceiling of two hours per day/eight hours per week on overtime;
- creation of a Fund for the Safeguard and Redistribution of Employment for the benefit of firms having an irreducible surplus of employees, as defined by agreement. The Fund would offset the costs incurred by these firms as a result of a cut in working hours as agreed with the trade unions and/or the creation of new jobs. If such agreements are in place, the above-mentioned 10% increase would not apply and workers would receive the same wage for working shorter hours;
- the Fund would obtain its resources from the contributions mentioned earlier, together with money from the public purse. It would be managed by a committee composed of 12 representatives of employers' organisations from industry, trade, farming and the crafts sector, together with 12 representatives of trade union confederations. It would be chaired by a representative of the Ministry of Labour;
- day-to-day operation would be the responsibility of the INPS (National Social Security and Pensions Institute). For each hour's reduction between 35 hours and the normal contractual number of hours, the payment made to the firm would be equal to 2.5% of the cost of employing those persons whose hours were being reduced. Assistance would be available from the Fund for a maximum of 24 months, although renewal would be possible; and

- “Regional offices for labour and maximising employment” will monitor developments and review the scope and magnitude of the effects these negotiated reductions in working hours have on employment.

## **The CISL proposal**

The position paper drawn up (in October 1993) by the CISL is supported by a number of the other unions. Its main recommendations include:

- a “personalised” reduction/reorganisation of working-time (rather than an average wage which can be attained through increases in productivity);
- rejection of predetermined, inflexible, across-the-board reductions.

It will be seen from this list of the key aspects of the qualitative and quantitative measures advocated by the CISL that new legislation on working hours is a top priority.

This legislation should set daily and weekly limits, whilst allowing for the negotiation of arrangements extending over a number of weeks.

Any additional hours should be seen as exceeding the timetable stipulated in the agreement. The statutory working week should be set at 40 hours, with a further ceiling of 48 hours for normal hours plus additional hours. Provision should be made for rest periods during the day and special consideration must be given to those working nights or shifts. All hours worked above 35 hours should be subject to a 5% additional charge, to be paid into a Fund for the Reorganisation of Working-time (FROL). Overtime should be seen as the exception, rather than the rule and should be worked on an occasional basis — i.e. not pre-programmed. The cost of these hours should be increased (see above proposals). Steps should be taken to encourage variety in arrangements, as well as working-time management. The scope for part-time work should be increased, both vertically and horizontally, by spreading the possibilities over a number of different time periods (32, 24, 16 hours). The cost of the first 32 hours should be reduced and that of any additional hours increased. Job-sharing schemes (shared schedule) of the type operated by Zanussi should be encouraged. The use of sabbaticals should be more generalised. Provision should be made for a gradual transition into retirement, or even a phased transition from full-time to part-time employment. The reduction/re-organisation of working hours should be encouraged by providing participating firms with assistance from the FROL. In the event of a crisis, Solidarity Contracts are to be preferred to short time working.

The proposals of the CGIL Lombardy are especially worthy of note because of their originality and the scope they offer for tailor-made solutions<sup>9</sup>.

## The active role played by the CGIL Lombardy

Throughout the first six months of 1994, the CGIL Lombardy had greater awareness and was more active than any other local-level trade union organisation in the debate on working-time. On 9 and 10 May 1994, it held an international workshop on the concept of the *Orario minimo garantito* (minimum guaranteed working hours) and its relevance to work-sharing, job creation, and free time. It was organised as a consequence of the considerable interest aroused, especially in northern Italy, by the Volkswagen agreement. The chief organiser of the workshop and author of the papers was Leo Ceglia. The principal speakers included Mario Agostinelli, General Secretary of the CGIL Lombardy, Guy Aznar, Heinz Bierbaum, General Secretary of I.G. Metall, Frankfurt, Giorgio Lunghini, an Economist from Pavia University, Lidia Menapace, speaking on this occasion as a sociologist, Wolfgang Sachs from the Wuppertal Institute for the Climate, Energy and the Environment and Giovanni Mazzetti, an economist from the University of Calabria. (Their papers were published in a supplement to the National CGIL publication (*Rassegna Sindacale*, No.22-23, 13-20 June 1994, 16 pages).

The workshop culminated in the launch of a document entitled "*Un Manifesto per L'Europa*", signed by a number of intellectuals, European trade unionists, members of parliament and representatives of various institutions and organisations<sup>10</sup>. The text is as follows:

*"Instead of using our resources to help those who have become unemployed through no fault of their own, we could drastically reduce working hours and thereby create jobs. This is vital, because unemployment is set to rise in the coming years. It is just, because our rights as citizens are validated through work — not through institutionalised charity or the fragmentation of the labour market, which create merely oppression and marginalisation.*

*This could be done, without any loss of wages, by means of a contribution from the public purse to attenuate and spread its impact on firms and to support the incomes of workers who see those incomes being gradually eroded.*

*These measures should be undertaken throughout Europe in order to prevent ruinous competition between countries.*

*This would increase the number of people in employment, and hence, the number of taxpayers and would protect pensions at a time when the aim (of the government — ed.) is to reduce or even eliminate them.*

*This is within our reach today, since industrial productivity is growing rapidly. We could at last begin to build a world in which the market no longer interferes in all aspects of human relationships, and in which people have time for themselves to what they want to do.*

*We should abandon the productivist myth in which we strive incessantly for a kind of development which seeks always to standardise and where quantity alone counts and look to a form of existence which is richer in community life and leaves more scope for individual development, a prerequisite for the growth of democracy.*

*There are no miracles. There are, however, goals to be attained. The foremost goal is to ensure that the immense wealth which society produces is directed towards the achievement of aims dictated by human beings, not aims alien to them...*

*We can....*

It is clear that the general tenor of this appeal has much in common with what Trentin calls "cloud cuckoo land" trade unionism. What is significant, however, is that the foremost trade union in the most important region of Italy has seen fit to launch an initiative on a European scale and is talking a language which appears to try to embrace all manner of social sensibilities under an umbrella of solidarity, improving the quality of life, etc... In other words, the attitude of the CGIL Lombardy seems to be pointing the way to a kind of revitalised trade unionism, more aware of the concerns of groups and players in society who do not belong to the traditional categories of workers whose interests the trade unions are assumed to defend. For this reason, the CGIL Lombardy's workshop devoted equal attention to the issues of all parties — the intellectuals, the feminists, those who advocate "the global approach" and, of course, those who stress the need for Europe-wide action on the part of the trade unions.

Rather than repeat the wide-ranging discussion which took place at the workshop, let us concentrate here on the proposals put forward on behalf of the CGIL Lombardy by its General Secretary, Agostinelli. His introductory words included a comment — "... because we in Italy are not envisaging a cut in the working week similar to that planned in Germany and sought by almost the entire European trade union movement" — which appears to be highly critical of trade union leadership (CGIL, CISL and UIL). More specifically, Agostinelli suggests that:

■ The government should provide support for a generalised reduction in working hours with no loss of wages by means of a system of taxation, the details and timing of which still have to be worked out, which also fosters re-industrialisation and employment in specific sectors pinpointed by a long-term industrial policy. This contribution from public finances should be linked to direct commitments binding upon the firms and monitored via the employment agreements they conclude. Since industrial sectors currently work longer hours, the effort could be concentrated on those sectors, reducing the annual number of working hours to 1,650 (equivalent to an average week of approximately 36.5 hours) before 1998. State support would be available for longer periods if Solidarity Contracts have been concluded (see below).

■ A new law should set weekly and daily limits on the number of working hours, starting immediately at 39 hours. Prior agreement would be required for any hours exceeding these limits. By the end of the period covered by two agreements (up to 2002) the working week would be reduced to 35 hours. The law would also give workers' representatives the right to negotiate in advance the allocation of working hours over a period of several weeks or over a year.

■ All agreements would be brought into line immediately with the new rules, including those applying to extra hours, flexibility, etc. The bi-annual review of the gap between the inflation target and the real rate of inflation would be used to reduce structurally the number of working hours whilst maintaining wages unchanged. Priority within discussions in the company would be given to recovering real wages, company productivity, management and work time reorganisation.

■ The next set of agreements (beginning in 1998) would reduce annual working hours to 1,550. This figure would be taken as the basis for calculating the remuneration paid for all forms of labour. The disparity between "de facto working hours" and "contractual working hours" would be resolved by making 1,550 hours the basis for all elements of agreements (overtime, leave, flexibility, etc.).

■ An inter confederation agreement (between trade union confederations) would state inter alia that forms of flexibility aimed at protecting jobs and even including a cut in wages, may be implemented in the 36.5 to 30 hour range.

■ In cities and homogeneous regions, the local confederated trade union would be authorised to negotiate with the local institutions (prefect, municipal authority, etc.<sup>11</sup>) and employers' organisations a reorganisation of working hours within the framework of a plan for "working-time and quality of life" designed to combine collective use of time with individual aspirations, the time of production with leisure and social functions. Under this approach, it would be possible to co-ordinate transport timetables, shop opening hours, time for carrying out socially useful functions, etc... At the same time, it would be necessary to organise more general discussions with the employers and the government with a view to having them acknowledge the need for a social pact covering employment and the quality of life. In the meantime, the trade unions would give their support to the idea of a referendum, leading to legislation, on working-time, taking up the suggestions put forward by the CISL or by the Commission set up in 1993 by Gino Giugni, at that time a minister in the Ciampi government.

Agostinelli stresses also that at least some of the ideas in the Delors plan (common sustainable development, restoration of social protection, social pact) could be supported, provided this did not mean the abandonment of the gains won by Italian workers in their many struggles.

## **Other proposals**

Pierre Carniti (a former general secretary of the CISL and member of the European Parliament) has also put forward a number of proposals. They may be summarised as follows:

■ a reduction of the average working week to 33 hours, concentrated into four days. This is preferable to 35 hours over five days since it allows fixed costs to be reduced by 20%. It would therefore be in the interests of companies to accept it;

■ the possibility of spreading the work over a number of periods (turn-over) even within 24 hours if necessary; and

- the creation of a "work levy" (or "national work service" for young men, to replace military service), or even a requirement that a year to be spent doing socially useful work.

The 33 hours would be remunerated as if they were 36.5 hours (current average number of working hours). As a result, the percentage reduction in the number of working hours is 11.6% — broken down into a five per cent reduction in wages and 6.6% of tax reductions (calculated on the figures in the pay slip).

The monthly pay for "national work service" would be 700,000-800,000 lire, making a annual total of approximately 4,000 billion, to be paid by the state.

This proposal should cut the jobless figures by 1,300,000. The state's contribution — to cover the 6.6% to be given to the workers, plus a cut of 10% in the tax they pay — would be offset by a saving of 120,000-130,000 billion lire in unemployment benefits and lay-off and sort-time allowances (*cassa integrazione*), all at zero cost in terms of hours lost. Workers would be able to accept a five per cent cut in pay since more members of their family would be able to find work. Productivity is too high, which means that little leeway is available for encouraging enough job-creating expansive investment to absorb the growing unemployment (12 years ago, it took 170 hours to build a Fiat car. The most recent addition to the range — the Punto — can be built in only 14 hours).

## The proposals of the Brescia branch of CGIL

The province of Brescia is known for its very high density of small and medium-sized metalworking firms. It is therefore worthwhile examining the proposals put forward by the Brescia branch of the CGIL, which may be said to represent the radical wing of grass-roots trade unionism. They include:

A generalised reduction to 35 hours with no loss of pay. This would represent a cut of five hours per week for some 11 million workers in industry, farming and commerce — a total of 55 million hours, or 1,500,000 jobs at 35 hours per week. The public sector would work one hour less per week which, when multiplied by the number of persons affected, (four million) is equivalent to 120,000 jobs at 35 hours per week. The cost of these reductions in working hours would be 60,000 billion lire per year in the private sector and 5,000 billion lire in the public sector. The state would meet this cost, but would spend less on unemployment benefits, sort-time allowances (*cassa integrazione*), Solidarity Contracts, etc. In 1993 these items totalled some 20,000 billion lire. The balance would be made up by a tax on movable property and real estate exceeding a certain threshold value and by more stringent measures to combat tax fraud. The statutory working week would be cut from 48 to 40 hours and much tighter checks imposed on the use of overtime.

## The proposals of the PdS

A 35-hour working week by the year 2000, in liaison with the rest of Europe. Criticism of the EEC Directive on working-time. Support for the idea of solidarity contracts as an alternative to short-time working (*cassa integrazione*). The working week to be cut to 40 hours in ad hoc legislation. A *guaranteed individual right* to work 30 hours and be paid for 30 hours in firms employing more than 35 people. The process of reducing the working week to 35 hours would have two stages: Firstly, the state would set the normal working week at 35 hours and provide aid for both firms and workers; and secondly the employers and unions would negotiate to establish a 35-hour week in practice without increasing labour costs. Furthermore, the law would lay down measures concerning the labour market, training, time off for caring for others and opening times in towns and cities (application of Act 142 of 1990).

### **Solidarity Contracts**

Do Solidarity Contracts make it easier to take into account individual wishes regarding working-time? At first sight, the answer to this question would have to be no. In fact, as this paper will attempt to explain, all these agreements (known as Solidarity Contracts or SCs) would seem to share three key features: they are dictated by the economic situation, they are of rather limited scope and they replace de-facto short-time working plus a short-time allowance (*cassa integrazione*).

The original 1984 legislation governing these agreements (Act. 863/84) was revised in a new Act in 1991 (Act 223/91) and in further important agreements concluded in July 1993. These items of legislation define the Solidarity Contracts (SCs), stating that their aim is to reduce working hours in order to avoid some or all of the job losses which would otherwise occur. The agreements, which are valid for two years "must also provide for an investigation into the reasons why these employees have become surplus to requirements and to see whether they can be redeployed within the framework of the SC itself".

According to the CISL's national statistics, the reduction in working hours brought about by these Italian-style Solidarity Contracts allowed 22,000 jobs to be saved in the period July 1993-January 1994. Agreements were signed by 412 companies. This concept of agreeing to a cut in working hours to safeguard a colleague's job was accepted by 62,000 workers, thereby preventing 41,000 jobs from being put at risk.



Much more detailed figures, prepared by the CGIL's "Solidarity Contracts monitor", are available for Lombardy. They indicate that by the end of March 1994, 187 SCs had been signed, covering a total of 64,358 employees. The Lombardy SCs affected 25,222 workers and prevented more than 7,000 redundancies. It is calculated that one job can be saved if four workers cut their working week by 10 hours. However, the range of actual working hour cuts can vary from 10% to 80% of this figure, which suggests that in reality, SCs have been adopted as a kind of disguised short-time working.

Although agreements were signed in virtually all sectors, they tend to be concentrated in mechanical engineering, textiles, chemicals, the wholesale and retail trades and the building industry.

It should be noted that the majority of these agreements have been signed since the end of 1993. Informed observers suggest that the success of the SCs is due to a combination of the personal commitment of Gino Giugni, the former employment minister and of the trade union leadership and the employment crisis which hit northern Italian industry particularly hard. Once they had tried it, the employers also saw the benefit of the SC, just as they had hitherto seen and exploited the benefits of "Italian-style" short-time working plus the short time allowance. In other words, the agreements' success seems to have been due to a large degree to economic circumstance. This would appear to be borne out by the fact that as soon as the economy began to pick up and as soon as minister Giugni was replaced, the Solidarity Contracts were entirely forgotten, except in those areas or sectors where the crisis had returned or where the recovery was proving sluggish (this is particularly true of a number of firms in the Turin region and those who sub-contract either directly or indirectly for Fiat).

At the end of October 1994, the new government's employment minister announced that the funds earmarked for the SCs had all been used up. This was offered as justification for a new Decree which called into question the significant benefits given by Decree 236 of 1993 to management and workers who agreed to conclude a SC. Under this new legislation, Decree 572 of 7 October 1994, the government returned the statutory environment surrounding the SC scheme to its pre-1993 state — i.e. it re-created an environment alien to the very notion of the CD. The government claimed that the SCs already signed had rapidly soaked up to 350 billion lire set aside for this purpose in 1993 (out of a total budget for employment-related measures of 1,350 billion lire). The CISL estimates that these SCs affected approximately 55,000 workers and saved 23,000 jobs. The new Solidarity Contracts apparently under consideration would affect 50,000 workers and would cost the state approximately 500 billion lire.

The measures implemented by the government obviously placed the SC under threat, a fact which triggered off immediate protest by all trade unions. In the

meantime, the number of clashes between the government and the trade unions has continued to grow, leading to a general strike and a massive demonstration in Rome on 12 December, the biggest event of its kind since the war. Given this general climate of discontent, it is hardly surprising that Solidarity Contracts and the issue of working hours are receiving scant attention.

To return to the original question of whether Solidarity Contracts make it easier to take into account individual wishes regarding working-time, the answer has to be a definitive no. They are merely a job-saving device which relies on the notion of "solidarity" or, to put it another way, a measure which concerns all workers collectively and hence cannot take into account the wishes of the individual. As trade union representatives have confirmed, SCs never result in personalised reductions in working hours, nor are they ever negotiated on an individual basis. They are dictated by the requirements of the companies and by the trade unions, whose overriding concern is to save as many jobs as possible.

Unless the situation changes, therefore, it is not by studying Solidarity Contracts that we will learn anything about the way the "electivity" approach functions in Italy.

## ***Conclusion***

The debate surrounding flexibility in working-time has come a long way and although it may now be somewhat sidelined, it will no doubt leave certain traces — not to mention the Solidarity Contract — behind it. If the idea of the SC returns to the fore, it may be possible to experiment with the notion of personalised working-time.

In Italy, the recent discussion on working-time seems on occasion either to have been too abstract and unduly influenced by the debate going on in other countries (with frequent reference being made to the views of Gorz, Aznar, Liepietz, Wolf Lepenies et al — i.e. the French and the Germans) or else seemingly very pragmatic but in fact out of phase with the prevailing images within society of working-time and time for social functions. In reality, experiments with "personalised working-time" or "electivity" have been limited (for instance to the banking sector, the highly advanced end of the tertiary sector and one or two examples involving supermarket staff). It should be noted that the problem has arisen in particular in connection with women and young people, who seem to be the two "groups" most in favour of personalised working-time. One area where experiments could be of particular interest, especially if conducted as a comparison at European level, is that of changes in working hours related to changes in shop opening hours, which in Italy are set by the local authority.

At present, the attention of Italy's politicians and trade unionists has shifted to more "urgent" matters, even though many of these same questions could be addressed from the angle of working-time and the way time is organised within society.

It is likely that the various suggestions and proposals for legislation will now be shelved (the proposed legislation was finalised at a time when it was thought that a progressive or centre-left coalition was bound to win any elections). The present government would appear to have untrammelled liberalism as its credo and has already sent out a number of unmistakable signs to the effect that it would favour the development of lightly controlled — or even uncontrolled — flexibility. However, the degree of mobilisation among the trade unions and the populace at large is once again so great that it is very difficult to predict what will happen. Even so, there is little likelihood of the question of working-time reappearing on the trade unions' agenda in the short term. That said, we may see new experiments being tried at a company level or within a particular urban context. Perhaps others will succeed where the Zanussi workers failed and create a system of self-management of working-time on an "elective" basis, but within the framework of a collective agreement between the workers and accepted by the employers.

### ***Appendix on the Zanussi case<sup>12</sup>***

Zanussi is a major manufacturer of domestic appliances (refrigerators, cookers, etc.) located at Sussegana, in a relatively prosperous semi-rural part of the Venice region. The company's personnel management is known for its enlightened, progressive approach and its attempts to motivate its employees. It could even be said that they are trying to encourage a form of self-management not unlike the old CFDT project in France. Indeed, it was Zanussi's management who, with the encouragement of the National Equal Opportunities Commission and three trade union confederations (CGIL, CISL, UIL), first proposed an agreement (on an experimental basis) whereby staff in one department would manage their own working-time. It was decided to conduct the experiment in the refrigerator pre-assembly department, which employs approximately 70 people, most of whom are women and operates 108 hours per week (3 x six hours per day) with a compulsory rotation system (stipulated by the old agreement).

The agreement, entitled 'Rosa al Lavoro' was signed on 3 June 1993. It allowed the workers to manage their working time entirely as they wished, provided the department continued to operate 108 hours per week. This agreement was

hailed by virtually all the left-wing parties, including the reformed Communists, and especially by leftist women's groups. It provides for:

- 48 hours' notice of changes;
- freedom for workers to swap shifts;
- the possibility of having a fixed shift rather than a rotating shift, provided at least three workers agree;
- the possibility of reducing or increasing the number of hours worked per week up to the limit of 40 hours indicated in the agreement; and
- the utilisation of these arrangements on a weekly, monthly or annual basis. In parallel, the management encouraged part-time work.

However, the agreement failed even before it was implemented for the simple reason that none of the workers asked to apply it! Why?

The personnel management attributes the failure of the scheme to the rather individualistic nature of the workers in question who, moreover, live in a relatively prosperous area. However, the head of personnel claims that one woman employee told him "you expect us not only to continue doing this crappy job but also to organise the work and do all the running around!" The same manager also says that one national trade union confederation leader admitted to him in confidence: "worker participation is all very well — it's just a pity the workers have to be involved...".

However, some observers are of the view that the failure cannot be explained away so easily and that some of the essential data needed to analyse it properly are simply not available. It is well known that the management first floated the idea of self-management of working-time in the hope of reducing the immense dissatisfaction felt by those doing a thankless, tedious, inadequately paid job and to try to cut down the high rate of absenteeism among this group of workers. This suggests one explanation, which is that a relatively low-skilled sector with a traditional taylorist production structure is just not the right place to be encouraging innovations such as self-management of working-time, which calls for a high degree of motivation to participate and to commit oneself to a dynamic process which seeks to reconcile individual requirements with collective interests.

However, the failure becomes more difficult to understand when we consider that many of these women workers live in a semi-rural environment where each family has plenty of work to do either at home or for the neighbours, etc. Under these circumstances, surely anyone would be interested in being able to manage his or her working-time in order to have more flexibility and not be so tied by the factory's schedules. However, this implies not just a measure of confidence in the ability of the group to come to some arrangement but also a certain

willingness to reveal one's private interests outside the factory context. Nobody wishes to be forced ultimately into discussing his or her business with a colleague (even if everyone knows what everyone else is up to) and there is a distinct lack of faith in the virtues of collective agreement. Furthermore, the scheme would actually involve doing more real work, a poor alternative when compared with absenteeism — made possible with the connivance of some of the local doctors — which means working less, being free when one wishes and losing little pay.

It is worth noting also that there were some differences of opinion among the trade unions (i.e. between the participation model and the conflictual model), as well as a degree of hostility on the part of some of the department chargehands and managers.

In the light of this series of factors, we are bound to ask once again whether, or to what extent, self-management of working-time really does allow us to reconcile the interests of the company with those of the individual and the collective interest of the workforce. How is it possible without a kind of mass movement or collective change of attitude in favour of self-management of working-time?

N.B. Franca Bimbi at the University of Padua has recently begun some important research into this failure.

#### **Data on employment in Italy at 31.1.1994**

Unemployed	2,523,000 (11.3%)
Unattached workers	220,584 (1%)
On short-time and receiving the short-time allowance (Cassa Integrazione)	347,900 (1.56%)
Total workforce	22,229,000 (100%)

Source: CISL, 1994 (published in *La Repubblica* on 15.5.1994, pp.45)

N.B. Unattached workers may be considered as being in a kind of limbo which is a precursor to dismissal. The Cassa Integrazione delle Redditi is a kind of state-funded allowance scheme for those on short time which is resorted to very frequently and on a massive scale in Italy, especially by the big industrial groups.

#### **Footnotes**

1. A "qualified" bibliography on working-time is suggested by A. Chiesi (1989) in "Sincronismi sociali: L'organizzazione temporale della Società come problema sistemico negoziale", Bologna, Il Mulino. A review of available literature on

- working-time is also offered by A. Marchetti (1992) in "Riduzione d'orario, occupazione, flessibilità: una rassegna della letteratura e del dibattito", which appeared in *Quaderni della Fondazione Brodolini*, L. Tronti, A. Cucchiarelli, eds. "La Flessibilizzazione del Tempo di Lavoro, Padua, Marsilio.
2. These thoughts are echoed by E. Reyneri (1988) in "L'innovazione produttiva nella rete delle relazioni sociali", *Stato e Mercato* Vol. 23, August pp. 147-176 and by a number of the authors who contributed to M. Regini's "*La sfida della flessibilità. Impresa, lavoro e sindacati nella fase 'post-fordista'*", Milan 1988, F. Angeli-IRES Lombardy.
  3. There is no shortage of literature on the topic. Mention should be made of *La flexibilité en Italie* by Maruani, M., Reynaud, E., and Romani, C., eds. (1988) Paris, MIRE-Syros Alternatives: *Les Economies non-officielles*, X Greffe, E. Archambault (1985), Paris, La Découverte and especially the research on "dual employment" by Reyneri, Gallino, Pace et al. carried out in five Italian towns.
  4. At the end of this speech, Bruno Trentin handed over his post of General Secretary to Sergio Cofferati. However, he will retain responsibility for developing and preparing the CGIL's programme. Some informed commentators are of the view that Trentin has never been keen on reducing working hours. Cofferati is seen as a secretary who will ensure continuity.
  5. Trentin deserves great respect for the role he has played in the recent history of the Italian workers' movement. Nevertheless, I would point out that his language (and indeed that of nearly all trade unionists) continues — sad to say — to be pure "tradeunionese" and as such, incomprehensible to the majority of workers. Its tendency to trade union-style demagoguery contradicts its pragmatism. Faced with a parliamentary majority and employers' representatives who have gained power and remain in power in part because they talk like the man in the street and have the common touch, the trade unions are in danger of losing support unless they too can find the right language to criticise these widely-held attitudes and the images and structures prevalent in society, thereby offering the majority and the employers an opportunity to come round to the trade union point of view.
  6. Both authors work for the CGIL's national "Contract Observatory". D'Aloia is the author of *Le temps et le Travail*, Rome, Ediesse, 1994.
  7. D'Aloia and Montagna calculate that the cost to the company of a "normal" hour worked is equal to the total annual wage (12 monthly payments + 13th. month, 14th. month, etc.) divided by the number of hours actually worked (approx. 1,600 per year). The cost of an hour of overtime is calculated by dividing the monthly wage by 173 (the contractual working year is  $173 \times 12 = 2,076$  hours) and adding an increment, normally around 25%, as provided for under the national collective agreement. For the cost of an hour of overtime to be equal to the cost of a "normal" hour, the former would have to be increased by around 50% (30% for the hourly divisor, 15-20% for the pay differential), or else the basis for the calculation would have to be changed. Furthermore, the cost of overtime is lower because it represents greater use of capital investments and hence lower fixed costs.

8. The Italian law on working hours dates from 1923 and stipulates a 48-hour working week and an increase in charges of 15% for any additional hour worked. At present, this supplement is paid only by firms in the industrial sector (those which have access to the cassa integrazione compensation fund for short-time working) whenever the 48 hour limit is exceeded. In 1937, a new law introduced the 40-hour week for workers in industry. This law was suspended temporarily during the war. The suspension has never been lifted, with the result that the basis for official purposes remains the 48-hour week. The proposal calls for a complete re-working of all rules and regulations governing working hours and rest periods
9. As some insiders have observed, until its last regional congress (in 1993) and for some considerable time before, the CGIL Lombardy had been seen as dominated by the moderates (the approximate equivalents of the migliorista group within the PdS (formerly the Italian Communist Party). Now, however, policy seems to have shifted towards a more "worker-orientated" or "leftist" position — so much so that at times, it contradicts policy at national level. This is very apparent from a comparison of Trentin's views, as quoted elsewhere in this paper, with those of the CGIL Lombardy. It should be said also that the CGIL Lombardy currently carries little weight at the national level.
10. In addition to those who spoke at the workshop, the signatories included A. Catasta (E.P. — European Parliament), F. Gilardotti (E.P. former President of the Lombardy Region), A. Cossutta and F. Bertinotti (from the Reformed Communist Party, both members of the E.P.), Jean-Paul Peulet (CFDT Rh-f4-ne-Alpes), A. Puig and J.L. Bulla (Comisiones Obreras, Catalunya), H. Scheer (Member of the Bundestag), P. Glotz (SPD), numerous trade unionists from all over Italy and various leading personalities.
11. In Italy, the Prefect is formally speaking the main political authority at the level of the Province. A regional Prefect also exists, but until now has been no more than an institutional figure of little significance. The new law restructuring the powers of local authorities (Act No. 142 of 1990) gives the mayor the power to determine business opening hours. A number of Italian cities, including Milan and Rome, have recently begun to allow businesses to open on Sunday.
12. Source: research note prepared by Asher Colombo, IRES Lombardy

# ***Working-time in Spain***

**Eduardo Rojo Torrecilla**

## ***Introduction***

There is a "before" and an "after" to any discussion about the organisation of working-time in Spain, according to whether one analyses the period before the 1994 amendments to the employment laws<sup>1</sup>, or looks at the changes themselves and their impact on how the organisation of working-time is regulated — with particular reference to the large measure of flexibility that has been introduced as a result of the new measures.

working-time must be considered both from a quantitative and from a qualitative viewpoint. As we shall see, the same thing is happening in Spain as was observed in a number of surveys carried out in the European Community towards the end of the 1980s: a greater diversity in the regulation, reorganisation, reduction and management of working-time; and an "ever-increasing range of solutions which, to a greater or lesser degree, meet the needs of companies and/or workers and which, besides varying from one group of workers to another, may also vary in the course of a person's life"<sup>2</sup>.

In dealing with the quantitative aspect, I shall be concerned with the duration of working-time. I shall be examining this on the basis of the available data from official statistical sources from 1982 onwards, by looking both at changes to the law and, in particular, changes brought about by collective bargaining at company and higher levels, to discover how and on what terms reductions in working hours have taken place.

A reduction in working hours has always been an aspiration of working people since employment based on a legal contract came of age in the wake of the Industrial Revolution, first as a way of improving the quality of life and working conditions and then, later on, during the economic crises of recent decades, "as a means of sharing out the available work as well as of improving quality of life"<sup>3</sup>. Cutting working hours does not necessarily imply any reduction in the use of productive equipment, given the widening gap "between operating times of plant and equipment, with their increasing sophistication and cost and faster rates of depreciation, and the working-time of individual workers"<sup>4</sup>.

The qualitative aspect is concerned with how far this new approach raises



important issues regarding "the way in which workers organise their lives, their time in employment and out of employment . . . , and the units of time — days, weeks, months or years — over which working hours are distributed"<sup>5</sup>.

The proliferation of fixed-term contracts which, while allowing employment to accommodate itself rapidly to economic recession<sup>6</sup>, will, at the same time, discourage companies from investing in human capital and thus become a factor limiting the competitiveness of the economy (to use the Bank of Spain's own words<sup>7</sup>); the wider range of situations where part-time employment can now be used; the increased scope for establishing, through collective bargaining, a non-standard distribution of working hours over a longer period of time; all these developments are having a pronounced effect on the "traditional" pattern of working-time.

Until a few years ago, this was that of a full-time worker on a contract of permanent employment providing services on company premises. This last point is of interest bearing in mind the recent trend in developed countries, which in Spain only applies to a small minority, towards "tele-working", a new method of organising not only working-time, but life, in as much as the two are interrelated by the fact that home and workplace tend to be one and the same thing. What we are seeing, in fact, is a new approach to working-time in which not only trade unions, but employers, are "taking the offensive" in moving from "standardisation to a plurality of forms" in the organisation of working-time, as a means of raising levels of competitiveness and productivity<sup>8</sup>.

Before going any further, a clear and precise explanation is required on three aspects which characterise the Spanish employment situation and distinguish Spain from other EEC countries.

The first aspect concerns the proportion of temporary jobs within employment as a whole, which reached 33.6 per cent of the employed workforce in the second quarter of 1994 (according to the Survey of Working Population). The overall data for 1991, 1992 and 1993 (allowing for the fact that data for the second half of 1992 and the whole of 1993 were affected by the elimination of bonuses from employers' social security contributions when employing young people under apprenticeship and trainee schemes) show the decreasing number of permanent employment contracts being entered into and the increasing number of temporary contracts. For the vast majority of people, these contracts have become the only way to obtain stable, permanent employment later on.

	<b>Permanent Contracts</b>	<b>Temporary Contracts</b>
<b>1991</b>	183,800	4,867,900
<b>1992</b>	205,100	4,205,100
<b>1993</b>	145,600	3,873,300

The 1994 reforms are to some extent contradictory: on the one hand, the legal presumption that a contract of employment is permanent has been abandoned, and it is now stated that contracts "may be entered into on a permanent or fixed-term basis"<sup>9</sup>; on the other, temporary contracts for job-creation purposes, which enabled fixed-term contracts of up to three years to be used without any objective cause to justify them, have been ruled out altogether, although it will still be possible to use these contracts to give employment to certain groups (e.g. the long-term unemployed aged over 45) who have particular difficulty in entering the labour market (and it has been announced that this type of employment will be extended in further amendments to Law 10/1994). Employers and employees are now permitted, if they so wish, to set longer periods than are specified by law so far as temporary contracts are concerned and also to determine within what time-scale the activities are to take place<sup>10</sup>.

The scope for using temporary contracts has been considerably increased by the new regulations governing temporary employment companies. These are companies which will provide the user company with workers, to the extent permitted by Law 14/1994, if the company considers it in its interest to use the services of workers who are not its own employees in a strictly legal sense (although it is liable if the temporary employment company fails to honour its obligations to the worker).

The second point concerns the activity rate, which is 49.2% of the population of working age, a very high percentage for this country but one which is eight to nine per cent on average below that in the more developed European countries, the US and Japan, despite the steady influx of women into the workforce (the proportion of women workers reaching an all-time high of 35.6% in the second quarter of 1994). This large increase in the female activity rate, particularly in the 25 to 40 age group, is offset by the continuing decline in the proportion of men in work. This has, at least until the 1994 employment reforms, been brought about, first, by the declining number of men aged 55 and over in the workforce<sup>11</sup> as a result of rationalisation and reorganisation in recent years in certain industries or sectors which have typically depended on the intensive use of male labour; and, secondly, by the declining number of young men in the labour market, particularly in the 16 to 20 age group, no doubt largely as a result of their staying on in education in response to the meagre prospects of finding work.

The third and final point is concerned with the high rate of unemployment, more than 24% of the working population. This is of particular concern to young people seeking their first job and the long-term unemployed. There has been some recovery in employment in the second half of 1994 but this is not enough to mitigate the severe crisis in 1993 which saw a net loss of 423,000 jobs. The

loss was felt particularly among "groups at each end of the age range", men with no education or only elementary education, and occupations associated with low skill levels<sup>12</sup>.

Finally, I would like to add a few thoughts on what I think is the right way to approach the current theoretical debate — with a view to subsequent implementation — on the organisation of working-time. For these ideas I am indebted to contributions from Juan N. Garcia Nieto<sup>13</sup>, A. Gorz and A. Schaff, among others.

It seems to me that the age of traditional industrialism is coming to an end, as is the archetypal socio-economic pattern based on large industrial concentrations and adult male workers, with work and production organised along Taylorist lines. This, I think, will lead to a substantial change in the way we use our non-working and working-time, especially in relation to the world of work. Economic developments, the increase in unemployment and the ever-greater number of workers combining or alternating periods of temporary work with periods of unemployment, are all leading to work which is less and less secure, especially for young people. All of this "goes hand in hand with the rediscovery of non-working-time which, although at present it may be experienced by many as enforced leisure, should enable new vistas to be opened up for the development, independence and creativity of the worker"<sup>14</sup>.

Moreover, the demise of the work patterns of industrialism, "the same working day and the same working hours for everyone", and the trend towards a reduction in working-time, should provide a stimulus to trade unions to draw up or put forward policies on working-time to take the needs of different groups into account. If they fail to do so, trade unions will leave the door open to individual negotiation between employer and worker on terms which would clearly put the latter at a disadvantage.

In particular, serious consideration should be given to the possibility of redistributing and sharing out the available work by extending voluntarily chosen part-time work, which would also, on many occasions, allow family duties to be shared in a better way.

Moreover, sharing out work can help people to rediscover "free or non-working-time" for cultural and personal development and for relating to other people, and to foster a culture of solidarity which is, I believe, reaching a state of crisis, particularly owing to a lack of communication among human beings. There is a need to promote this culture through negotiation on the part of workers' organisations, rather than waiting for working arrangements to be imposed or decided by company management. It is significant, as well as laudable, that one of the most representative trade unions should have admitted its failings in this

respect in declaring that "flexible hours during the working day, voluntary part-time work, flexibility over holiday periods, and many other possibilities flowing from an appreciation of the value of non-working-time, are not properly taken into account in collective agreements . . . , and when they are, it is the interests of the employer that are favoured, rather than those of the workers"<sup>15</sup>.

### ***The quantitative dimension***

The situation in Spain needs to be analysed from two angles: firstly, a consideration of the legal framework and how it has affected the reduction in working hours; and secondly, a review of negotiated cross-sectoral agreements and collective agreements at lower levels to see how these have given a major boost to the process of reducing working-time.

It should, of course, be clear from the outset that these two viewpoints are closely linked. An important point in Spain — and also legal arrangements in most of Europe — is the phenomenon of "agreed or arranged law, that is, when an existing trade union agreement is incorporated into the law". The concept of agreed law and the manifold tendency for a large part of the law to reflect the terms and balances of labour accords are eloquent reminders of the changing relationship between these two regulatory sources, which, as has been emphasised in the writings of the most respected employment law specialists, "reflects a definite balance of power within society and the special role which has been assumed by collective autonomy as a privileged instrument in changing the political, economic and social system"<sup>16</sup>.

It is worth making a general point about this very important issue. Those working in the field of employment law should ask themselves about the present role of the law on the one hand, and agreements on the other, in regulating employment under different legal systems. Can it still be accepted as a general principle that collective bargaining adds to and improves on legal requirements, or does this notion have to be qualified in the light of the changes which have taken place not only in the law, but also on the economic and social fronts?

There is no single answer to these questions, which can only be answered through a detailed examination of the situation in each country. While it is dangerous to generalise, as Otto Kahn Freund affirmed, "it is especially so in this area because of the many cultural, economic, geographical, historical and political factors which determine the dividing line between legislation and collective bargaining, and their meanings and interactions are liable to change very rapidly"<sup>17</sup>.

It is clear, however, despite what has been said, that all over Europe derogations from the law are being permitted where these derogations are the result of collective bargaining and not individual contracts of employment, and that this can sometimes involve a paring down of the individual rights of workers. Employment law is no longer a collection of individual rights and is so altering the relations between the factors of production that it has ceased to be taboo for collective bargaining to establish conditions which are below the legal minimum levels applicable to certain aspects of employment<sup>18</sup>. There is thus a growing tendency for the relation between law and collective agreements to be one of default (i.e. the state provides legal regulations which will only be applicable if no provision is made to the contrary, in any sense). This is gradually gaining ground at the expense of the traditional "supplementing" relation (where the state lays down minimal standards which may not be undercut in a collective agreement on conditions less favourable to the workers)<sup>19</sup>. However, there is no doubt that from the standpoint of progress the state cannot cease to concern itself with the problems arising from employment relations. It must attempt to reconcile the growth of autonomy among social groups with its role in laying down general guidelines for the development of Employment Law<sup>20</sup>.

A practical example of this tendency in the Spanish context is the *Acuerdo Interconfederal* (cross-sectoral agreement between employers and unions) signed on 15 February 1983, in which a government proposal to reduce the working week to 40 hours (a plank in the electoral platform of the Socialist Party which won the election in October 1982) was taken up by the social partners, who incorporated it into the text of the agreement. The programme was implemented by Law 4-1983 of 29 June, which laid down maximum legal working hours ("jornada máxima") and annual holidays and also, incidentally, gave rise to a wide-ranging debate on legislation to establish a model for labour relations. The debate, which has great practical relevance in the context of the 1994 legislative reforms, focused on whether the terms of an agreement could take precedence over the provisions of statute law. The issue was therefore concerned with the "areas" of the law and of collective agreements and was resolved at the time in a way that favoured the primacy of statute law, with a call to the legislator to ensure that the law did not stifle the negotiating process, in a Judgement of the Constitutional Court, No. 210/1990.

Also noteworthy was the *Acuerdo Marco Interconfederal* (cross-sectoral framework agreement) of 5 February 1980 and its impact on the organisation of working-time. The agreement accepted, and made it possible for full legal recognition to be given to, the organisation of working-time taking place in tandem with the reduction in working hours "with the result that the reduction in working hours in the first half of the 1980s coincided with the progressive

abandonment of the week as the unit of calculation (as was usual until the Labour Relations Law of 1976) and its replacement with the year'<sup>21</sup>.

The Spanish legal framework has undergone sweeping changes between the Law of Employment Contracts of 1944 and the present regulatory framework, with a reduction in the working week from 48 hours to the present 40. However, these 40 hours may be calculated in a great variety of ways, as I shall show later on when considering the management of working-time.

From 48 hours in 1944, the working week was reduced to 44 by the 1976 *Labour Relations Law*. This was reduced to 43 (or 42 for continuous work) in the original 1980 draft of the *Ley del Estatuto de los Trabajadores*, (workers' statute law — LET). The process of reduction was completed in the June 1983 Law which has already been mentioned, which fixed the working week at 40 hours calculated on an annual basis, that is, a total of 1,826 hours and 27 minutes (after allowing for public and annual holidays).

Since that time there has been no change in the law in this area, although in several general elections a number of parties on the left have proposed further gradual reductions in working hours in line with repeated trade union demands, with the eventual aim of a 35-hour week as advocated by the European Trade Union Confederation (ETUC).

On a strictly legal front, the debate has shifted away from "homogeneous" reductions in working-time toward a more flexible use of working-time and the development of flexible approaches to employment to allow the amount of available employment to be more evenly distributed; this idea has been given its fullest expression in the explanatory preamble to Law 11-1994 in which it is argued that any policy on working-time should be formulated according to the two yardsticks of "sharing the available volume of work, but also developing a new legal framework to enable the efficiency of the productive fabric to be maximised", that is, both from the quantitative and the qualitative viewpoints. It has yet to be explained, however, and I believe that this is a proper criticism to make, why the legislator has deliberately abandoned any further quantitative reductions in working hours and has left it to collective bargaining to make any further progress in this direction. Clearly, a progressive policy in this area needs to be based on both of these approaches and establish close relations of synergy and mutual support between them. It should lay down general rules and leave for subsequent negotiation, as being the proper forum, "the task of making the organisational needs of companies compatible with the interests and aspirations of individuals" (explanatory preamble to Law 11/1994).

It is through collective bargaining that most progress in reducing working-time has been made, especially in company-level agreements and in agreements

negotiated in the tertiary sector. From the available statistical information (Employment Statistics Bulletin of the Ministry of Labour and Social Security<sup>22</sup> and annual reports on collective bargaining prepared by the National Consultative Commission on Collective Agreements), the following aspects may be highlighted:

Firstly there was a gradual, creeping reduction in average working-time (hours/year) in Spain from 1982 onwards (following full implementation of the cross-sectoral framework agreement of 1980, subsequently strengthened by the *Ley de Jornada Máxima* (Law on Maximum Working Hours) of 1983).

	All Agreements	Company Agreements	Other Agreements
1982	1877.3	1842.8	1883.5
1983	1845.2	1824.3	1849.6
1984	1798.0	1797.7	1798.1
1985	1793.1	1781.4	1795.5
1986	1786.8	1772.9	1789.7
1987	1782.1	1761.8	1786.0
1988	1778.8	1755.6	1783.1
1989	1772.2	1743.5	1777.3
1990	1769.7	1739.1	1775.1
1991	1768.0	1733.3	1774.0
1992	1766.5	1727.8	1773.5
1993	1765.4	1727.4	1770.4

It remains to be seen how far average working hours in 1994 will be affected by the significant increase in part-time working (nearly 60% for women) following the employment law reforms on the approval of Royal Decree Law 18/1993 of 3 December (BOE, 7) with over 600,000 part-time workers being hired in the first eight months of the year. This will inevitably lead to a reduction in average working hours which should be "read" in the following way in order to be understood properly: full-time employment will probably continue to decline in terms of average working hours per year; whereas part-time working and the number of hours worked by part-time workers will increase. Incidentally, it is worth noting here that part-time working was already increasing significantly in recent years (although the rate of increase was well below the European Community average); the number of part-time workers hired was 293,000 in 1988; it rose to 357,000 in 1989; 411,000 in 1990; 470,900 in 1991; 539,700 in 1992; and reached 635,900 in 1993.

There were also major differences between the primary, secondary and tertiary sectors. Whereas the average number of hours in the secondary sector in 1993 was 1,784.7; in the primary sector it was 1,737.7; and in the tertiary sector it was 1,748.2. Nonetheless, all three sectors have shown reductions averaging

more than 100 hours in the last 10 years. This has not affected Spanish productivity rates although there is a lively debate in political, academic and trade union circles as to whether or not it has had any effect on the growth of wage costs.

Figures for all agreements in the agricultural sector show that hours worked per annum have fallen from 1,900.1 hours in 1982 to 1,737.7 in 1993; in the industrial sector they were down from 1,885.3 hours to 1,784.7 hours; and in the services sector from 1,856.8 to their present level of 1,748.2.

It should be noted, however, that there has been a slowing down in the rate of decrease in working hours per year in the last few years, with the emphasis in negotiations now being placed not so much on reducing hours but on a more efficient distribution and use of working-time. This is connected with the economic downturn which began at the beginning of the 1990s. If we look at the data for 1992 (the most recent I have been able to extract with any degree of reliability from the information provided by the National Consultative Commission on Collective Agreements), and compare them with the data for the previous year, we find that agreements incorporating a significant reduction in working hours (more than 23) account for only 3.67% of the total and only affect 2.87% of the workers. In 80.02% of agreements, affecting 74.13% of the workers, there was no reduction at all.

#### Agreed number of working hours per year

	Total	Under 1,712	1,712-1,758	1,759-1,803	1,804-1,826	1,826 hours
No. of agreements	4,430	648	439	1,597	513	1,233
No. of companies	960,680	27,298	6,464	428,600	155,235	343,083
No. of workers	6,753,711	695,748	350,469	3,314,754	988,081	1,404,659
Average working day	1,776.29	1,582.61	1,741.77	1,788.76	1,812.41	1,826.0

Finally, if we look at the years 1991, 1992 and 1993 which are those for which information is available for the secondary and tertiary sectors, it can be seen that there has been a significant fall in the average number of hours worked by full-time workers, while in the last two years part-time workers have seen a definite increase in the number of hours worked as a result of rapid growth in this type of employment, and flexible management of working-time in the construction industry and services sector. In the services sector, productive and occupational patterns in Spain are slowly converging with those of most European countries.



Average actual working-time per worker, by industrial sector and type of working arrangement, changes are absolute variations, in hours, compared with the same period the previous year.

Total	Total	Industry	Construction	Services
1991	-9.3	-11.8	-21.3	-4.1
1992	-3.6	-6.3	-1.0	-1.2
1993	-9.4	-7.8	-1.2	-10.3
Full time				
1991	-10.0	-11.8	-24.1	-5.1
1992	-1.7	-5.7	-1.3	-0.8
1993	-5.3	-6.5	1.5	-5.9
Part-time				
1991	-8.5	-0.8	-68.6	-4.2
1992	10.1	-13.1	43.9	12.2
1993	7.2	3.4	0.7	8.2

### ***The qualitative dimension***

I shall now consider legislative changes in effect under Law 11/1994 as from last June, in other words, how the new legal framework regulates working-time which, as legal specialists have pointed out, "is a vital factor in any reform of the labour market, although this may not be its only or even its main purpose"<sup>23</sup>.

We are concerned with such issues as how part-time working is structured, not only as a mechanism for sharing employment but also as a response by companies to fluctuations in production, or organisational requirements; and a fundamental attitude on the part of workers to a different way of organising their lives or working-time or, as is often the case, as the only means of access to the labour market given the impossibility of finding full-time employment.

We are concerned with the regulations that apply to temporary employment as a mechanism for eliminating the supposed "inadequacies or rigidities" with a view to doing away with permanent jobs, a mechanism which is even more flexible when organised by a company providing temporary staff, where a worker who is hired does not belong to the user-company, which only becomes liable for any breaches by the temporary staff company; the non-standard distribution of working-time under arrangements or agreements, allowing working-time to be spread with great flexibility over different time scales and juggling with the flexible use of the rules on "maximum normal working hours"

(“*jornada maxima*”) and “overtime” (“*jornada extraordinaria*”); the working week of less than five days, another change from the old system, in as much as it can arise from a non-standard distribution of working hours to achieve a better use of productive resources; shift working; partial early retirement, where a reduction in working hours before a worker reaches retirement age (65 in Spain), provided that the contribution period for a contributory pension has been completed, is combined with the hiring of unemployed workers to cover the gap in hours worked left by the person taking “early retirement”; flexitime working to bring down the rate of absenteeism in companies and workplaces; combining work with training, including the use of time off for study or theoretical training required by young people in certain types of employment; seasonal work or other work restricted to certain times of year;<sup>24</sup> or rules concerning time off work, with or without salary deductions, to combine work responsibilities with caring for children<sup>25</sup>. In my exposition I shall concentrate only on those aspects which I consider most relevant to an understanding of the new flexible system governing the organisation (management) of working-time in the context of Spanish Law.

It must be said straight away that the importance of the employment law reforms will not have any practical effect, or rather, will not affect conditions of employment, until a reasonable time for collective bargaining has gone by and a number of regulations, which the government should approve during the last quarter of 1994, have been fully applied. The Community Directive on working-time of 23 November 1993 has, with unusual speed, now been largely incorporated into Spanish law<sup>26</sup>.

The key idea behind the new legislation is to make employment law more flexible, and to reduce the role of the law as a primary and essential source of regulations for working conditions, while increasing the role of collective agreements (as incorporated in the statutory or non-statutory collective agreements or company arrangements) and, to a lesser extent, individual agreements between employer and worker.

In arrangements actually made for the organisation of working-time, collective agreements will take on a greater importance, as will company-level arrangements which may be used in the absence of an agreement (see, for example, art. 34.2 of the LET, governing the non-standard distribution of working-time over the year) or may even modify — and this is the really important point — the terms of a collective agreement (see, for example, article 41.2 of the LET on altering the terms of an agreement on working-time under a company arrangement between the management and the staff representative, provided of course that the alteration is in response to substantially changed circumstances at work)<sup>27</sup>.

This key concept is something on which I have reservations, in common with a broad cross-section of expert opinion in the field of labour law and the trade union movement. The undermining of the position of the weaker party in the employment relationship to increase the power of the employer, and the unwarranted increase in the power to control the workforce for reasons of geographical mobility or changing circumstances, or the reduced legal protection where a contract of employment is terminated, are not adequately counterbalanced by expanded rights to information, consultation and negotiation given to staff representatives or representatives of trade unions.

To put this another way, the dominant feature of the employment law reforms is actually "a reoccupation of territory formerly occupied by legislation and collective agreements, to allow the unilateral exercise of power by the employer"<sup>28</sup>. It has therefore been accepted, as a fundamental principle of the legislative changes, that increased employer-power may be beneficial in the medium term, without considering the dangers to social cohesion and the possible organisational breakdown of the productive fabric, not to mention increased welfare spending, which these changes may bring in their wake<sup>29</sup>.

Another comment I would make at this early stage is that these changes in the regulations governing working-time under the new legislation could have important implications, particularly in those aspects of a worker's health and family life which are affected by the changes. One need only think of the classic example of shift work or night work and how more employer-flexibility in this area could be harmful to the health and non-working life of each worker and especially, it must be admitted, to women workers.

The regulations on the organisation of working-time are contained not only in Law 11/1994 but also in Law 10/1994 insofar as it relates to apprenticeship contracts and particularly the allocation of working-time between theoretical and practical training for young people in this type of employment, and also to part-time employment<sup>30</sup>. I shall now briefly discuss these two types of employment with reference to the regulations on working and/or training time.

In the explanatory preamble to law 10/1994 we are told that training arrangements (both of the apprenticeship [*"contrato de aprendizaje"*] and training period [*"contrato en prácticas"*] types) 'provides a suitable combination of actual work and training and assigns a fair value to the services or payment received by the parties' and is therefore the most suitable means of "providing an immediate response to the problem of youth unemployment". It has to be said in passing, however, that no specific reference is made to first-time job seekers or to more severely disadvantaged young people with even less chance of finding a job, although the Minister of Labour himself has admitted in parliament that the apprenticeship contract is intended to "help young people

between 16 and 25 with no previous work experience or training to find employment".<sup>31</sup> The preamble also refers to this as a "permanent instrument to integrate young people and to provide worker training without which Spanish companies will never become competitive". Consequently, the law provides for training for not less than 15% of the maximum working-time agreed in the relevant collective agreement. This training period may alternate with periods of work or may be taken all at once, according to the terms of the particular agreement or, if there is no agreement, in the contract of employment, having regard to the particular features of the training process<sup>32</sup>.

There is nothing to be said, from my point of view, about the philosophy underlying these measures concerned with contracts; but it is worth remembering that they were already very largely catered for in the previous regulations and the actual results were not exactly impressive during the time they were in force. The new regime should therefore avoid a mismatch developing between theory and practice in the way the training process is organised. This is an area where the authorities responsible for labour and employment, and the employers' and trade union organisations have an important role to play in avoiding misuse or abuse of the regulations and in preventing measures to encourage staff training from becoming just another formula for reducing labour costs.

Unquestionably, the new regulations will have to overcome a stigma which affected the previous regulatory framework and was echoed by one expert in employment law in stating that "the use of temporary training positions ... may sometimes become a mechanism not so much for providing training as, apparently, for undermining job security"<sup>33</sup>. This reservation still appears reasonable in as much as under the new arrangements any failure by the employer to provide theoretical training does not lead to the substitution of an ordinary permanent contract in place of the trainee contract, but only to a requirement that the company pay either the difference in wages between the time actually worked and the time allocated to theoretical training under the contract or, where appropriate, a penalty of between Ptas. 50,001 and 500,000 for infringing the regulations governing the contract. However, nowhere in the regulations is there any reference to the training contract being converted into a permanent position despite the abuse of legal process in the way the trainee was hired.

The regulations on part-time work as set out, for legal purposes, in a contract which may be either permanent or temporary, incorporate a further measure of flexibility as a legal principle, although the distribution of working-time has not been subjected to a process of deregulation.

For one thing, it is up to the parties themselves to decide the amount of time worked, provided that it is less than the habitual amount (unlike the previous

system, where it had to be less than 2/3 of the time habitually worked); for another, working-time may be reckoned on an annual, as well as on a daily, weekly or monthly basis as had been the case under the previous legislation.

The new regulations give scope for a great deal of variation in the organisation (management) of working-time: daily full-time work, but for fewer days, as reckoned on a weekly, monthly or yearly basis, than is "habitual" in the activity concerned; daily work, but with a working day shorter than the "habitual" one; or a combination of these two options<sup>34</sup>; as far as the distribution of working-time is concerned. However, the employer's powers are limited in that the number of working hours must be specifically stated in the contract of employment and it therefore follows that any alteration has to be made according to the proper procedure (art. 41, LET) for substantial alterations to the terms of employment.

As far as working hours are concerned<sup>35</sup>, regulatory limits are laid down by article 40.2 of the Constitution which requires the authorities to take action to establish guaranteed limits on working hours and to safeguard the right of all employed persons to regular paid holidays. Law 11/1994 has abrogated all regulations previously in force except for Royal Decree 2001/1983 of 28 June, which remains in force for a transitional period of one year. This reasonable interim measure will be unaffected by any alterations required during that time, bearing in mind that the regulations for special working hours contained in the decree (e.g. in the areas of transport, work at sea, caretakers of buildings, etc.), could hardly be covered by legislation of a general nature such as the LET.

The new article 34 of the LET has retained the 40-hour week as the basic norm, and has made no reduction in working hours compared with the previous regulations (which had last been amended in 1983, as I have already indicated). Working hours may be spread or calculated over a range of units or periods of time under the broad terms in which the law is drafted: the day, the week, the month or the year. It is for the parties to determine the amount of working-time through negotiation or collective agreements. This can also be done by individual agreement provided that the agreement improves on the terms of an existing agreement and does not or is not likely to discriminate against other workers. It should be remembered here that the Constitutional Court has accepted this possibility in a number of judgements (the last and most significant being No. 208/1993 dated 28 June), although it clearly and strongly emphasised in that judgement that "the massive use of individual autonomy to act systematically to the detriment and exclusion of collective autonomy would hardly be compatible with the constitutional basis of our system of labour relations which seeks to make trade union freedom, with the resulting prevalence

of the collective over the individual, compatible with free enterprise which is a proper area for the exercise of individual autonomy”.

As far as the distribution of working-time is concerned, the only limits laid down in the new regulations are prohibitions on exceeding the agreed annual number of working hours (or, where appropriate, the legal maximum number of hours resulting from the 40-hour-week rule), and on any change to the statutory minimum entitlements (12-hour daily and 36-hour weekly rest periods and 30 calendar days annual leave) which would be to the detriment of the workers — although, as can readily be seen from the drafting of the law, these minimum entitlements are capable of being interpreted and applied flexibly in numerous circumstances<sup>36</sup>.

Thus, setting a limit of a 40-hour week of actual work “as reckoned on a yearly basis”, offers scope for a non-standard, flexible distribution of working-time since, provided that the legal minimum rest periods are observed, some “switching between weeks” of working hours may occur, provided of course that the legal limit or the limit fixed in the agreement is not exceeded.

The maximum of nine normal working hours has been maintained (eight hours for persons under 18, including time spent in training and regardless of whether the work is done in more than one company — an invariable rule which the parties cannot change at will) unless there is an agreement for a non-standard distribution of working hours.

The general rule until Law 11/1994 was that this limit could not be exceeded, with the result that all hours worked in excess of nine were counted as overtime. This was confirmed by the Supreme Court in a Judgement of 22 December 1992. After the reform came into effect (and this is further evidence of the flexibility which I have repeatedly been emphasising), the rule became a guideline which could be modified to the detriment of workers. Nothing, for example, prevents a 10- or 11-hour working day at certain times of the year from being set by agreement or, where there is no agreement, by a company-level arrangement.

It is therefore clear that under the present regulations, unless the parties determine otherwise through collective bargaining, there is no “maximum” working week and the only limit on overtime (work done in excess of the agreed standard annual, weekly or daily amount) is an annual limit of 80 hours although it has been shown that it is possible in practice for up to 15 hours’ overtime to be worked in the course of an “atypical” week, while respecting the 12-hour rest period, if a normal maximum working day of nine hours has been set<sup>37</sup>.

However, flexible management of working-time has made two further advances: firstly, the regulations make it possible not to include within those eighty hours, hours which although counted as overtime are offset by time off taken in the

four months after the overtime was worked; and secondly, under the regulations, overtime is payable at a rate set by the parties and, where no rate is set, at the same rate as for an hour of normal working. As a result, as has been shown by experts in employment law, it is perfectly possible in practice for normal working hours to be extended for a further eighty hours, "which is a 4.37% increase in the annual total of 1,827 hours; this extra time can be used by the employer in whole or in part, or not used at all, and can be distributed as he sees fit"<sup>38</sup>.

The next question we must ask ourselves is: how are working hours distributed? As a statement of principle, the presumption is that there should be "order or regularity or homogeneity", that is, an identical, weekly, daily or hourly period throughout the year; but, if the parties so agree, working hours may be unevenly distributed over such periods of time (up to one year) as they see fit. Any such agreement must be entered into collectively. Where no agreement exists, there can be a company arrangement, but not an individual arrangement since the presumption is that the subordinate position of the worker makes it impossible to negotiate on equal terms.

We also find greater flexibility in the distribution of weekly and annual rest periods.

The general rule for weekly rest periods is still a minimum of 36 hours, but this can now be calculated over a period of 14 days (instead of one week as before), the only exception being that people under 18 must be given an uninterrupted break of two days every week although it should be noted that the government has authority to make regulations to extend or limit this period<sup>39</sup>. Rest periods are to be established by collective agreement, individual arrangement between employer and worker or at the sole discretion of the employer exercising his decision-making and organising powers.

With regard to annual rest/holiday periods, the new regulations have done away with all the previous rules concerning the employer's prior right to determine the holiday period as well as the prior rights of certain groups of workers to choose the time most suitable to themselves. The parties now have full discretion to agree on how, and over what periods, to distribute the 30 calendar days (or more if the agreement so provides) of holiday.

The regulations regarding night work provide further evidence of that increased flexibility in the organisation (management) of working-time which is the main feature of the new legal framework. Within this area, Law 11/94 is largely modelled on the Directive of 23 November 1993 (as it is, one might add, for shift work). The most important points concern the distinction between night work and night worker and rates payable for night work.

Night work is defined as work done between the hours of 10.00 pm and 6.00

am the following day; whereas a night worker is any person working for not less than three hours during those hours (“or who can be expected to work not less than one third of his annual working hours during those hours of the night”).

On the question of payment, the maximum wage is no longer determined by law (not less than 25% more than the basic rate under the previous legislation), but must now be fixed by agreement between the parties whether by collective or individual agreement, with all the attendant uncertainties over the rights of workers to complain if there is no agreement in which the rate of pay is expressly stated.

Finally, flexibility in reckoning working hours and fixing the times of the working day for day workers has been limited somewhat by a prohibition on working more than eight hours per day within an overall reference period of 15 days; there is also a prohibition on overtime for night workers “at any time”.

Setting the times of a working day means fixing a period of time during which employees provide their services, i.e. the times at which the employee’s daily activities begin and end; deciding whether this should take place as a continuous process or with permitted breaks; whether the work can be done in shifts; and whether the times at which the employee starts, performs and finishes the work can be organised with a greater or lesser degree of flexibility<sup>40</sup>.

Law 11/1994 has nothing to say on this point. It makes it a matter for a collective agreement, an arrangement between employer and worker or for determination by the employer as the decision-taker and organiser. However, once a working day has been fixed, alterations can only be made according to a procedure set out in article 41 of the LET — in other words, there has to be a genuine reason and formal rules have to be followed by the management in making the alteration.

All references to flexible times for the working day, which previously required formal approval from the staff representative to be implemented within a company, have also been eliminated. Consequently, this area has been made a matter for free collective bargaining or, in its absence, individual arrangements or left, finally, for the employer to decide. The concepts of “continuous shift” (“*jornada continuada*”) and “split shift” (“*jornada partida*”) have been discarded and replaced by an open-ended rule which provides that all workers are entitled to a rest period of not less than 15 minutes (paid or otherwise, as decided by formal agreement) where work continues for more than six consecutive hours. The minimum rest period is 30 minutes for people under 18 working without a break for more than four and a half hours.



## Summary and conclusions

In this study we have attempted to describe and highlight important changes in the statutory regulations governing the organisation of working-time in Spain, with implications for collective bargaining, as a result of the 1994 amendments to the employment legislation.

The increased flexibility provided by the new legislation can be seen in a number of ways, according to whether it is used by employers unreasonably to extend their power to manage and control their employees, or becomes a genuine means of taking account of the various needs and demands within the world of work to ensure that non-working-time and working-time are better used and organised.

The regulations have given broad scope for the "rules of the game" on working hours to be determined through collective bargaining. The social partners have thus been given a vital responsibility to ensure that collective interests and the individual demands of workers are properly co-ordinated. Failure to come to agreements will encourage unilateral action by employers to lay down the rules as part of their decision-making power. The main focus has thus largely shifted from the legal sphere to the sphere of agreements, particularly to agreements within each industry or area of activity, where the specific features of each activity can be regulated with the greatest precision.

Social groups, particularly trade unions, have also acquired new responsibilities in defending the interests of each and every worker without the regulatory umbrella by which they were formerly protected. This will certainly be difficult — but they can succeed if they strengthen their position at the workplace and if they can find ways to subsume within their platforms of demands the varying, and sometimes contradictory, interests of all the individuals who today make up the changing world of work.

### Footnotes

1. Law 10/1994 of 19 May on urgent measures to promote employment (BOE Official Gazette, No. 23); Law 11/1994 of 19 May, amending certain articles of the Ley del Estatuto de los Trabajadores, (LET) (Workers' Statute Law); the Ley de Procedimiento Laboral (Law of Procedure in Employment Law); and the Ley sobre Infracciones y Sanciones en el Orden Social (Law on Infringements and Penalties in Employment Matters) (BOE, 23); and Law 14/1994 of 1 June, on temporary employment companies (BOE, 2).
2. LL. Fina, "Por una nueva cultura de la organización del tiempo" (Towards a new culture of the organization of time") *Economía y Sociología del Trabajo*, Nos. 15-16/1992, p. 18.

3. L. Cachón, "Presentación" ("Presentation"). *Economía y Sociología del Trabajo*, Nos. 15-16/1992, p. 5.
4. LL. Fina, "Por una nueva cultura...", op. cit.
5. M.R. Alarcon, "Formas de reordenación y reducción del tiempo de trabajo". (Methods of reorganizing and reducing working time). *Economía y Sociología del Trabajo*, No. 15-16/1992, P.20
6. A significant example of this is Spanish industry which carried out a large part of its productive reorganization between 1992 and 1993 and has reduced temporary staff by almost 20% during the past year. This reduction has been made possible by a more flexible legal framework for fixed-term contracts as a result of the 1984 legislative changes. Cf. "Empleo y paro según la Encuesta de Población Activa del segundo trimestre de 1994". (Employment and unemployment as shown by the Survey of Working Population for the second quarter of 1994). *Bank of Spain Economic Bulletin*, September 1994, p. 21.
7. 1993 Annual Report, Madrid, 1994, p .63.
8. The quote refers to the Netherlands but seems to me no less applicable to companies in other countries including, in large measure, Spain, although our business culture has yet, I think, to incorporate some of the modern features found in other European countries. Cf. W.A.M. de Lange, "La Configuración del tiempo de trabajo en los Países Bajos" (The organization of working time in the Netherlands). *Economía y Sociología del Trabajo* Nos. 15-16/1992, p.75.
9. While it is true that this presumption had become increasingly invalid in practice, through the use and abuse of temporary contracts, it seems to me a matter of concern that the "regulatory philosophy" is full acceptance of the equivalence of these two types of contract as to duration, which would mean returning to past eras which we had thought long forgotten.
10. Article 15.1 b) of the *Ley del Estatuto de los Trabajadores (Workers' Statute Law)* provides that temporary contracts related to production needs shall have a maximum duration of six months within twelve months of a qualifying situation arising, and that "the maximum duration of these contracts or the period within which they may take place may be adjusted via industry-level collective agreements, according to the seasonal nature of the activity within which such situations may arise".
11. J.F. Jimeno and L. Toharia, "El Mercado de trabajo Español en el proceso de convergencia hacia la unión económica y monetaria Europea" (The Spanish Labour Market in the Process of Convergence towards an Economic and Monetary European Union). *Papeles de Economía Española*, Nos. 52-53/1992, pp. 78-107.
12. *Bank of Spain Annual Report*, op. cit., p. 63. The report is particularly critical of collective agreements which failed to take account of recession and unemployment by fixing wage increases in 1992 and 1993 which, in the bank's view, were more than the economic situation could sustain.
13. E. Rojo, "Una primera aproximación a las reflexiones de Juan N. García-Nieto sobre el sindicalismo y la realidad socio-económica" ("A first approximation to

- the thoughts of Juan N. García-Nieto on trade unionism and the current socioeconomic climate"). *Suplementos de Cristianismo i Justicia*, No. 90, November 1994, pp. 6-21.
14. *Ibid.*, p. 11.
  15. "Comisiones Obreras, un espacio para hombres y mujeres" (Comisiones Obreras, a space for men and women). Papers for the First Conference, Madrid, March 1993. The paper states clearly and forcefully that "trade union organizations are highly male-dominated and everything is geared to men: working-times, language, organizational arrangements; everything is based on a male-oriented social organization".
  16. G. Ferraro, *Ordinamento, ruolo del sindacato, dinamica contrattuale de tutela*. Padua, Ed. Cedam, p. 424.
  17. Trabajo y derecho (Work and Law). Madrid, Ministry of Labour and Social Security 1987, p. 95. The respected jurist risked the broad generalization that "...employment legislation is tending to prevail over collective bargaining where the capacity of workers to bring political pressure is greater than their capacity to bring trade union pressure, and this is a proposition which cannot be reversed lightly".
  18. Cf. U. Romagnoli, "La desregulación y las fuentes del Derecho de Trabajo" (Deregulation and the sources of Labour Law). *Cuadernos de Relaciones Laborales* No. 1-1992, p. 23.
  19. See I. Garcea Perrote, *Ley y autonomía colectiva (Law and collective autonomy)*. Madrid. Ministry of Labour and Social Security, 1987.
  20. This was the view taken by a former french Minister of Labour, M. Delabarre, "Face aux défis économiques et sociaux" (Meeting Economic and Social Challenges). CFDT-Aujourd'hui No. 86/1987, p. 75.
  21. F.J González de Lena, "Reducción y reordenación de la jornada de trabajo en España" (The reduction and reorganization of the working day in Spain). *Economía y Sociología del Trabajo* Nos. 15-16/1992, p. 85.
  22. The most recent issue consulted was No. 111 for April 1994. Incidentally, collective bargaining in 1994 has come to a standstill as a result of the debate on the employment law reforms and therefore most of the main agreements were not signed until well into the year; even at the time of writing several important agreements, such as the textile industry agreement, are still awaiting signature because of differences over the non-regular distribution of working hours made possible by the new regulations contained in Law 11/1994.
  23. J.I. Garcea Ninet, "Ordenación del tiempo de trabajo" (The organization of working-time), in *Comentarios a las leyes laborales, la reforma del Estatuto de los Trabajadores (Comments on the Employment Laws, the reform of the Workers' Statute)* (edited by E. Borrajo Dacruz). Madrid, EDERSA, 1994, T.I. Vol. 2, p. 8.
  24. For a theoretical point of view, see a detailed analysis of atypical working hours in M.R. Alarcón, *La ordenación del tiempo de trabajo (The organization of working-time)*, Madrid, Ed. Tecnos, 1994.

25. In Spain this applies (art. 37 of the *Ley del Estatuto de los Trabajadores*) to workers responsible for a child aged six or under or a physically or mentally handicapped person. Such workers are entitled to a reduction of between one-third and one-half of their working hours with a proportional deduction from their wages.
26. Aspects of other Community Directives on salaries and wages have also been incorporated and recognition has been given to the principle of equal pay for "work of equal value", as required by the Directive of 10 February 1975 on the principle of equal pay for male and female workers.
27. According to the explanatory preamble to the new legislation, the intention is to establish a generic arena of interaction and to lay down the rules of play "such that negotiations between the parties can take place freely to enable the organizational needs of companies to be compatible with the interests and aspirations of individuals".
28. S. González Ortega and A. Baylos, "Las medidas de reforma del mercado de trabajo: de los propósitos a las realidades" (Labour market reform: from intention to reality). *Gaceta Sindical*, July 1994, p. 12.
29. E. Rojo, "*Derecho del Trabajo y Constitución*" (Labour and Constitutional Law), Cuatro Semanas and Le Monde Diplomatique, March 1994, p. 6.
30. Law 10/1994 of 19 May is the result of a draft law considered in parliament under the emergency procedure provided by Royal Decree-Law 18/1993 of 3 December. Also applicable to apprenticeship and part-time employment is Royal Decree 2317/1993 of 29 December (BOE, 31).
31. Daily Report of Proceedings in the Senate, plenary session of 27 April 1994, No. 32. Opening speech in general debate on the Draft Law on urgent action to encourage employment, p. 1589.
32. However, Law 10/1994 itself (art. 3.2 e.) does allow for one other probability: that theoretical training will be replaced by the prior acquisition of knowledge through a professional/vocational training course which is appropriate to the skill or job for which training is required.
33. F. Pérez Amorós, "*Medidas de fomento del empleo*" (Measures to encourage employment) in M.J. Rodríguez Ramos (Eds.), *Formación profesional, contratación y mercado de trabajo* (Vocational training, employment and the labour market), University of Seville publications No. 55/1991, pp. 99-113.
34. L.M. Camps Ruiz, *La nueva regulación del mercado de trabajo* (The new labour market regulations), Valencia, Ed. Tirant lo Blanch, 1994, p. 141.
35. See C.L. Alfonso Mellado and J. García Ortega, *Jornada y ordenación del tiempo de trabajo* (The working day and the organization of working-time), Valencia, Ed. Tirant lo Blanch, 1994.
36. For example, the 12-hour break between work periods is not applied in some industries and activities because of their specialized nature; in shift work, working-time is calculated over a period of four weeks, and in road haulage rest periods may be reduced to 10 hours.

37. C.L. Alonso Mellado and J. García Ortega, *Jornada y...*, Op. cit.
38. M.R. Alarcón, "Tiempo de trabajo en la reforma laboral" (working-time in the new employment legislation). *Relaciones Laborales* No. 17-18/1994, p. 64.
39. Some industries have specific rules on this point. In mining, for example, the minimum rest period is two days, and in shift work rest periods can be reckoned over a four-week period.
40. See M.D. Román de la Torre. "El horario de trabajo" (the working day). Various authors, *Estudios sobre la jornada de trabajo* (*Studies on the working day*). Madrid, Ed. Acarl, 1991, pp. 581-602.

# **A working-time policy for jobs and an improved quality of life**

**By the European Trade Union Institute**

By way of preparation for the ETUC-ETUI conference "*A time for working, a time for living*" held in December 1994 the ETUI produced a series of working papers. The following contribution to this discussion has been drafted by Reiner Hoffmann (ETUI Director) on the basis of the papers by Jean-Jacques Danis ("working-time: historical, cultural and social aspects"), David Foden ("Experience compared: the USA and Japan"), Giuseppe Fajertag ("Working less to enable everyone to work?"), Jean-Jacques Danis ("Job creation by means of working-time policy and the search for sources of new jobs"), Martin Hutsebaut ("Flexible work, atypical work and reduced working-time: the question of social rights and social security"), Heikki Aintila ("Individual working-time and plant/service operation time") and Antonia Ramos Yuste ("The distribution of productivity gains").

## ***The reduction of working-time***

The struggle waged around working-time is as old as the labour movement itself. In 1800 daily working-time was between 10 and 12 hours and in the period between 1830 and 1860 it rose to between 14 and 16 hours. Average weekly working-time around this period is estimated to have been around 85 hours. At the same time working conditions were appalling and there was widespread use of child labour. The first steps to place a legal limit on working hours were taken in England with the passing of the first *Factory Act* in 1833. This Act, which stipulated that working hours should be between 5.30 am. and 8.30 pm., otherwise contained few binding regulations, though it did also place restrictions, for the first time, on the hours that could be worked by children: workers aged between 13 and 18 could work no more than 10 to 12 hours a day. The law initially related exclusively to the English textile industry, in which workers aged under 18 accounted for 46% of the total workforce. In France, minimum protection for children was not introduced until 1874 and the ban on the employment of children under 13 years of age was not imposed until 1882.

The struggle waged by the trade unions during this period found some support among progressive employers who had already placed restrictions on child and

female labour in their own factories and called for these restrictions to be extended to all factories in order to avoid a situation of unfair competition. Limitation of the working day to 10 hours was achieved in England in 1850, in Germany from 1891, and in France from 1904. At this time the 60-hour week was already the general practice in the United States.

**Table 1: Weekly working-time in 1837**

Country	Weekly working-time
England	69
United States	78
France	72 to 84
Prussia	72 to 90
Switzerland	78 to 84
Austria	72 to 80
Tyrol	78 to 80
Saxony	72
Baden	84
Prussia (Bonn)	94

In retrospect it can be seen that working-time has been reduced, in the course of 100 years, by half, from more than 3,000 hours to 1,700 hours a year. This trend was accompanied by a considerable increase in labour productivity: between 1830 and 1990 productivity increased 25-fold.

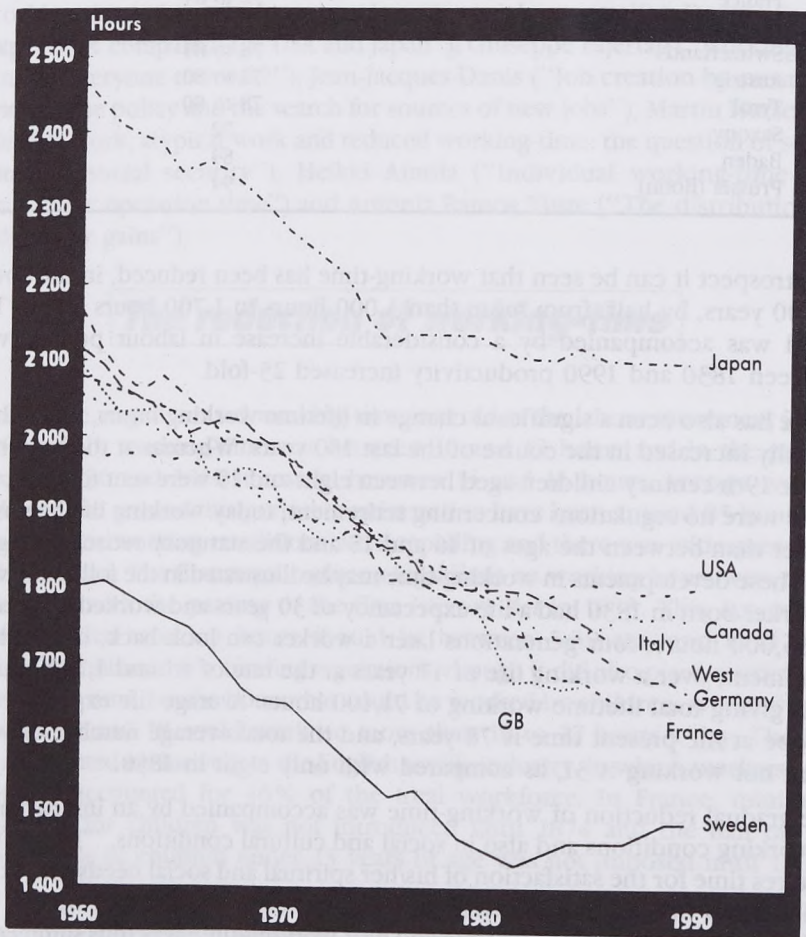
There has also been a significant change in lifetime working hours, which have actually increased in the course of the last 150 years. Whereas at the beginning of the 19th century children aged between eight and 10 were sent to work, and there were no regulations concerning retirement, today working life begins no earlier than between the ages of 16 and 18 and the statutory retirement age is 65. These developments in working-time may be illustrated in the following way: a worker born in 1830 had a life expectancy of 30 years and worked an average of 66,000 hours; four generations later a worker can look back, on reaching retirement, over a working life of 47 years at the rate of around 1,700 hours a year, giving total lifetime working of 71,400 hours. Average life expectancy in Europe at the present time is 78 years, and the total average number of years spent not working is 31, as compared with only eight in 1850.

The gradual reduction of working-time was accompanied by an improvement in working conditions and also in social and cultural conditions. "The worker requires time for the satisfaction of his/her spiritual and social needs, the extent and number of which are determined by the general state of the culture". The relationship between working-time and non-working-time was thus summed up

already long ago by Karl Marx. Average annual working-time in Europe is currently 1,700 hours per worker, though there are quite considerable differences in this respect between one country and another. In Spain annual working-time is around 2,000 hours, while in the Scandinavian countries it is barely more than 1,500 hours.

When examining working-time developments, the last thirty years may be divided into three periods. Between the mid-1960s and the beginning of the 1980s the reduction in working-time was the result, above all, of the reduction in the

**Table 2: Annual working-time in the principal developed countries: 1960-1990**





working week and the increase in the number of days of annual leave. Until 1973 the reduction, due in the main to collective agreements, was particularly significant in the most dynamic capitalistic sectors where productivity gains were considerable, with high pay and a high degree of concentration. The process was linked to a phase of economic growth accompanied by a reorganisation of the production system and a transformation of labour relations. By contrast, as from 1974 significant reductions in working-time were introduced in less dynamic sectors and small businesses. Since 1980 average working-time has been falling almost exclusively on account of the spread of part-time work. It is also possible to observe an increasing diversification of the length of working-time with standard working hours being increasingly replaced by various forms of atypical working-time.

Since its founding in 1973, the European Trade Union Confederation (ETUC) has consistently argued for a reduction of working hours in Europe. However, given the differing orientations and positions of its member confederations, the ETUC's demands have frequently been the outcome of compromises. While the Nordic trade unions regard a reduction of working-time primarily as a means of improving the quality of life, others see it principally as an employment policy instrument and a weapon in the fight against unemployment. The question of whether working-time reductions should be introduced by means of binding legislation or via collective agreements has also frequently proved controversial; yet this is a question which can only, in the final analysis, be assessed against the backgrounds of the different industrial relations systems.

The ETUC Congress held in London in 1976 decided on the first steps for an improved co-ordination of working-time reductions, particularly as regards the reduction of the working week and longer holidays. In 1979 the Munich Congress expressed the importance attached by the ETUC to developing a range of strategies geared to the achievement, in the medium term, of a 10 per cent reduction of working-time, without loss of pay. The main steps envisaged to this end were:

- reducing the working week to 35 hours;
- extending annual holidays to six weeks;
- giving workers the right to a full pension at the age of 60 years;
- raising the school-leaving age to 16 years; and
- extending the right to time off for vocational training and further education.

In the light of developments in the labour market and the increase in unemployment in Europe, the ETUC, at its Congress in The Hague in 1982, called for a reduction or complete abolition of overtime, compensation for which should, in all cases, take the form of time off in lieu. In addition, more attention should be paid to the satisfaction of social needs, in order to take account, among other things, of the increasingly diverse lifestyles favoured by workers. The

increase in part-time work was not rejected out of hand, for it was acknowledged that, given the differences in living situations, part-time work could certainly represent an appropriate solution to needs in many cases. However, it was stated that part-time work must always be voluntary and should always be introduced after consultation with the workers' representatives. It was further stated that part-time workers must be guaranteed the same entitlements as those enjoyed by full-time workers.

At the Luxembourg Congress in 1991, the ETUC once more stressed its view that the reduction of working-time could take various forms and could be expected to entail positive effects for employment in Europe. In reaction to the increasing demands from employers for flexibility, the ETUC expressed the view that any change in working-time should take account of the effects on working conditions and more particularly on women's employment opportunities. Since it appeared that no significant progress in this respect was to be expected from the Social Dialogue, the European Commission was requested to draw up proposals for binding regulations to be introduced by means of a Directive.

### ***Towards a new conception of work***

The changes currently affecting society are accompanied by a growing demand for individual fulfilment and self-determination, and by shifting perceptions of interests and changes in lifestyles. The traditional conception of working-time is far too rigid to meet this extremely diversified expression of workers' interests. The demands for control over one's own time must be translated into original ideas in the working-time policy field. This requires that the relationship between working-time and non-working-time be considered in a total perspective. It is also a question of a completely new conception of the meaning, purpose, status and role of work. This is an area which has been tackled by many social scientists since the beginning of the 1970s, though it was some considerable time before their thinking found its way into discussion within the trade unions<sup>1</sup>.

In all industrial societies, work — and, more specifically, occupational activity — is an important factor of social integration. Its importance in this respect will not disappear in the future. Even so, it suffices to consider the development of working-time in the last 150 years in order to realise the extent to which traditional conceptions of the role and function of occupational activity are subject to shift and change. Work is no longer defined merely as a means of earning a livelihood but increasingly also from the standpoint of its social and

ecological purpose and impact. Central to this question are changes in family relationships and the increasing search for ways of reconciling work with family responsibilities. In the words of P. Gilliland, consultant to the Council of Europe: "The profound transformations resulting from changes in behaviour and family structures, and the ageing of the population, point to the need to recognise that paid work and family tasks can be regarded as equivalent forms of activity."<sup>2</sup> Jon Eivind Kohlberg (Bergen University, Norway) argues along the same lines: "As social scientists we should be sensitive to the (...) fact that our conventional conception of work is that of paid work. (...) This definition of work is often arbitrary. To give an example, the care of children in the family is regarded as non-work, but if kindergarten personnel do exactly the same work it is conceived of as work. Some commentators who are worried about the future of work have suggested expanding the whole concept. They argue that the concept should include all activities which could be considered necessary to maintain societal institutions."<sup>3</sup>

Of course, the idea of expanding the notion of work is controversial. The trade unions themselves, in their capacity as "labour market partners", have found it difficult to free themselves of the traditional meaning of "work", which was always understood in terms of earning a livelihood. For the trade unions too, therefore, a changed approach to and understanding of the nature of work entails also, in the final analysis, an extension of their concept of representation of interests, which can no longer be confined exclusively within the boundaries of earning a living, i.e. questions pertaining to or arising within the workplace. Such a changed understanding of what constitutes the sphere of trade union representation of interests can open up new prospects in a changing society. This point has been argued, among others, by Robert Taylor: "The trade unions must also remain crucial institutions in pressing urgently for a radical agenda of social reform. They believe in fairness not only in the workplace but also in society as a whole. (...) There is also welcome evidence that trade unions are much more sensitive than they used to be to the needs and the feelings of the rest of society. They are now concerned with the wider interests of the citizen. (...) Through a wider bargaining agenda trade unions can also integrate the needs of the workplace with those of the community."<sup>4</sup>

As has been shown in various studies, an ever increasing number of workers of both sexes wish to take a break in their career or to reduce their working hours for a certain period, in order, for example, to bring up their children or to care for an elderly or sick family member. And so it becomes clear that an extension of the concept of work is required not on theoretical grounds alone but also because it can offer the trade unions a multitude of opportunities for the development of an "à la carte" working-time policy.

## ***Working-time reduction and the protection of jobs***

It is today generally accepted that the current pattern of unemployment is predominantly structural in nature and that an improvement in employment levels can be expected neither as a result of a more buoyant economy nor in response to classic economic policy measures designed to promote growth<sup>5</sup>. Annual economic growth of three per cent would be required merely to preserve the current employment situation. If new jobs are to be created, this requires growth of at least five per cent until the year 2000. Not only is such economic growth rather improbable; it would, in any case, come up against considerable ecological limits. Nor will a drastic reduction of working-time provide for a return to full employment in Europe; but it can make a significant contribution to the reduction of unemployment, a contribution summed up by Guy Aznar with the slogan "Working less to enable everyone to work"<sup>6</sup>.

That appropriate working-time policy measures can exert a positive effect on employment levels has also been shown in the European Commission's white paper, *Growth, Competitiveness and Employment*<sup>7</sup>. In the northern EU member states in particular, it is claimed that the reduction in average working-time enabled an eight per cent rise in the numbers of those in work. In the Netherlands as much as half of the 30% increase in employment has been said to be attributable to the reduction in average working-time. The conclusions drawn by the European Commission are not, however, without ambivalence from a trade union standpoint. It is clear from the recommendations concerning a reform of the labour market, in particular, that it is principally a question of measures geared to deregulation and greater flexibility, i.e. measures which are clearly at variance with workers' social welfare and protection needs. Greater flexibility of labour markets can be achieved in a manner compatible with the various new working-time options favoured by workers. Strategies geared exclusively to companies' business and production requirements do not meet the new working-time aspirations and offer no guarantee that jobs will be preserved or created.

Even employers are no longer unanimously opposed to working-time reductions, particularly in so far as they are compatible with new production systems and the growing tendency towards specific forms of flexibility. The employers' major concern, however, is to reduce unit labour costs to a minimum for reasons of competitiveness. Generally speaking, they are prepared to accept working-time

reductions only where there is no demand for full wage compensation. It is surprising that in this context reference is so rarely made to the costs of unemployment, for these in turn have considerable effects on the competitiveness of the European economy. The Council of the European Union has stated (*Action on jobs*) that the costs of unemployment for the 12 EU countries are estimated to be equivalent to the total GDP of a country such as Belgium. On top of the expenditure on unemployment benefit, account must also be taken of the shortfall in tax revenue and social security contributions. The total costs of employment to society as a whole cannot be expressed with any real precision but estimates have been produced according to which an unemployed person represents a cost to society of some 17,500 ECUs per year.

### **Productivity, competitiveness and employment**

The link between developments in productivity and the reduction of working-time is not contested. As has been shown by Dominique Taddéi and others, improvements in productivity have either led to pay increases (where trade unions have geared their pay policy to considerations of productivity) or they have been used to achieve reductions in working-time<sup>8</sup>. In the last thirty years labour productivity in the European Community has risen by an average three per cent per year. As can be seen from Table 3, this increase is attributable, in particular, to the favourable productivity developments between 1962 and 1973. In the 1980s productivity in Europe increased by only two per cent per year, while in the period 1991 to 1993 an annual drop of 1.3% was recorded. However, during this period the situation was no more favourable in the United States and Japan. Unemployment rates, on the other hand, did exhibit considerable differences (EU 11%, USA 6.8%, Japan 2.4%).

**Table 3: Employment, growth, productivity and real wages**  
(EC, USA, Japan, average rate of growth, in per cent, 1961-93)

	EC	USA	JAPAN
<b>1961-1973</b>			
Employment	0.3	1.9	1.4
Active population	0.3	1.9	1.3
Real GDP	4.8	3.9	9.6
Productivity (1)	4.4	2.0	8.1
Real wage rate (2)	4.5	2.0	7.7
Unemployment rate (3)	2.6	4.9	1.3
<b>1974-1990</b>			
Employment	0.4	1.9	0.9
Active population	0.7	2.0	1.0
Real GDP	2.3	2.3	3.9
Productivity (1)	1.9	0.4	3.0
Real wage rate (2)	1.5	0.4	2.9
Unemployment rate (3)	8.3	5.5	2.1
<b>1974-1985</b>			
Employment	0.0	1.8	0.7
Active population	0.7	2.0	0.8
Real GDP	2.0	2.2	3.7
Productivity (1)	2.0	0.4	3.0
Real wage rate (2)	1.7	0.3	2.9
Unemployment rate (3)	10.8	7.2	2.6
<b>1986-1990</b>			
Employment	1.3	2.3	1.5
Active population	0.8	1.9	1.4
Real GDP	3.2	2.6	4.6
Productivity (1)	1.8	0.2	3.0
Real wage rate (2)	1.1	0.6	2.7
Unemployment rate (3)	8.3	5.5	2.1
<b>1991-1993</b>			
Employment	-0.7	0.2	0.9
Active population	0.3	0.6	1.0
Real GDP	0.6	1.1	2.1
Productivity (1)	1.3	1.0	1.1
Real wage rate (2)	1.1	0.6	0.6
Unemployment rate (3)	11.0	6.8	2.4

(1) real GDP per employed person

(2) real wage per wage earner (deflated with the GDP deflator)

(3) as a per cent of active population, end of period

Source: Social Dialogue, Macroeconomic Group, meeting of 14 September 1993, Annexes to discussion paper: *Possible macroeconomic strategies for reducing unemployment in the EC*

However, in order to gain a more accurate idea of productivity gains in the different national economies, developments in actual working-time would also have to be taken into account. Yet such a calculation is hardly straightforward, on account of the lack of relevant statistics. In its report on "*Employment in Europe*" the European Commission states: "Unfortunately it is not possible with the data available to distinguish between the numbers employed and the volume of work performed in earlier years nor, therefore, to examine the change in productivity growth on a more meaningful basis than in terms of the numbers in employment."<sup>9</sup>

In order to assess the scope for further reductions in working-time the development of real pay in comparison with the GDP has to be taken into account. In specific figures, the share of wages in Community GDP fell from 76.9% in 1981 to 71.2% in 1991. In other words, since the 1980s real wages have risen less than productivity, while the rate of unemployment has doubled. In comparison with the years 1961-1973 unit labour costs fell from 100 to 91.2%, while the rate of unemployment rose from 2.1% to 11%. These figures clearly indicate the need for a further reduction in working-time, which is in no way incompatible with all the calls for competitiveness of the European economy. Indeed, reports issued by the World Economic Forum and the International Institute for Management indicate that it is not the countries with low wages and low social security contributions which top the list as far as international competitiveness is concerned. In the future, competitiveness will be enhanced by working-time innovations which take account of workers' needs for shorter and more flexible working hours, while at the same time offering firms greater operating flexibility and an extension of plant utilisation time.

### ***Working-time in the USA and Japan***

In the discussion on the reduction of working-time reference is frequently made, in particular by employers' federations and conservative governments, to the significantly longer hours worked in the USA and Japan, for it is believed that these differences decisively affect competitiveness within the Triad. It may, accordingly, be appropriate at this point to outline some of the features of working-time in the USA and Japan<sup>10</sup>. In comparing working-time it is important to take account of the different systems of industrial relations. In the USA the trade unions have become rather weak and are compelled to operate within a collective bargaining system that is decentralised and characterised by major conflicts of interest. Generally valid minimum labour standards are far

from adequate and in many cases non-existent. Considerable imbalances have for years been a feature of the American labour market, evidence of this being the relatively large number of badly-paid, low-skill jobs.

Striking contrasts are also a feature of the Japanese industrial relations system, in particular on account of the unequal treatment accorded to the so-called "core" and "peripheral" workforces. The core workforces, characterised by high levels of training and considerable scope for flexibility within the firm, generally enjoy job security ("lifetime employment"). Among these workers the trade unions have relatively broad scope for bargaining at company level. The flexible peripheral workforces, on the other hand, serve as "labour buffers" to enable adjustment to current conditions of demand. Fixed-term contracts, part-time employment and sub-contracting are features contributing to the job insecurity suffered by these groups of workers<sup>11</sup>.

Although the American trade unions played a pioneering role in the struggle for the eight-hour day, the working-time question has been much less present in political debate in the USA in recent decades than in Europe. Average actual weekly working hours for full-time workers are, generally speaking, far above 40 hours. The lack of general minimum labour standards, in the European sense, has encouraged the formation of a second labour market subject to the constantly fluctuating conditions on the market. The income of many part-time workers (the "working poor") is far below the minimum subsistence level and it is not uncommon for part-time workers to hold several jobs concurrently. The fact that the American economy is able to boast such record figures for job creation is certainly attributable to the formation of this low-wage market.

In Japan too, working hours are still today considerably longer than in the countries of Western Europe. The discussion on working-time in Japan was set in motion in particular as a result of pressure from abroad, since it was assumed that the Japanese trade balance surpluses were attributable to unfair competitive advantages resulting from the longer working hours. In 1988 the Japanese trade union confederation (RENGO) declared as a bargaining goal a reduction in annual working hours from 2,100 to 1,800 by 1993. In the meantime, though some progress has been made, the original goal has not been achieved. It is difficult to forecast the future evolution of working-time in Japan. However, there too it is noticeable that the younger generations attach significantly more importance to a reduction of working-time and the associated improvement of living and working conditions. According to some experts, however, the nature of the Japanese labour culture is such that it is not easy to push through claims for more time "free from work". The term "joka", usually rendered as "free time", actually means, if literally translated, "time left over after work", thus clearly showing the cultural difference in the meaning of free time.



Comparisons of working-time developments in the USA and Japan, which attempt to point to longer working hours as a factor of competitiveness, are of limited validity only, since they take no account of the specific cultural conditions and the different industrial relations systems. The same objection may certainly be raised in relation to comparisons among countries within Europe. Even so, in Europe there is a significantly more marked trend towards reducing working-time to an average of 1,700 hours a year. Another factor to be taken into account here is the type of welfare state system which is characteristic of Europe, in so far as the more stable form of social security provision constitutes a considerable competitive advantage.

### ***An active working-time policy***

In trade union circles it is generally recognised that there can be no avoiding the need for a drastic reduction in working-time if the bitter advent of a split society in Europe is to be averted. The trade unions have come to realise that a rigid working-time policy, geared exclusively to the introduction of the 35-hour week, is no longer appropriate in the current state of society. What is needed is a broad-based discussion of innovative working-time policies, involving the search for an approach which moves beyond a narrow understanding of earning a living and seeks to encompass the daily concerns faced by men and women in their working lives. In this situation there will be no easy solutions; it is a question of paying closer attention to the extremely complex factors which affect working-time policy. Below we outline a few components of an innovative working-time policy which seeks to take account of the new and changing social background.

#### **Working-time reduction and company operating hours**

Working-time strategies devised by the trade unions in Europe continue to differ depending on the various national circumstances. However, unlike in earlier years, the need for a significant redistribution of work, in order to stem the tide of mass unemployment in Europe, is today hardly contested. The general goal of trade union working-time policy ought to be the introduction of the four-day week and the associated reduction of weekly working-time to 30 or 32 hours. Only on the basis of a major reduction of working-time of this order is it possible to ensure that the employment effects will not be negated by productivity gains and that an effective contribution will thus be made to the reduction of unemployment. A significant reduction of working-time will, in addition, serve

to meet the demand for greater compatibility between family and working-life. At the same time, possibilities for more diverse working-time arrangements must be created, in order to take account of workers' changed preferences and specific living situations and increase their scope for personal choice.

A drastic reduction of working-time must also, on the other hand, take greater account of firms' demands for greater flexibility. Back in 1985 Drèze already put forward the view that the general introduction of the four-day week, accompanied by an extension of company operating time to six days, could represent a promising model. In this way plant operation time could be extended by up to 35% and possibilities would be created for the creation of part-time jobs, leading to positive effects in terms of the distribution of employment. Drèze did admit that such a model — in particular in so far as Saturday is included in plant operating time — can entail social disadvantages<sup>12</sup>. In this connection, it is, above all, a question of developing new and innovative approaches to work organisation at workplace level, enabling flexibility to be achieved in a socially tolerable manner. Already today there exist many practical examples to show that such positive flexibility can be achieved according to patterns which will certainly prove acceptable to workers. In order to ensure that such new working-time models entail generally positive effects for the quality of life, it is important to ensure also that they do not lead to a deterioration of working conditions and, in particular, that occupational health and safety considerations are an integral component of all such models<sup>13</sup>.

Another particularly controversial aspect for the future is the question of the extent to which working-time reductions can be introduced without loss of pay. In a number of cases the trade unions have already shown that they are prepared to accept limited reductions in pay in return for shorter working hours, in so far as this is linked to the guaranteed creation or preservation of jobs. If workers show in this way their concern to create and preserve jobs, and if they come to value increased free time more highly than short-term increases in their pay, this too is an expression of practical solidarity with the unemployed in our society. Even so, a solution must be found in each case to the problem of loss of pay. As pointed out by Dominique Táddei in a study for European Commission DG II (Economics and Finance) issued in 1989: "In the light of developments in purchasing power since the beginning of this decade, it is hardly to be expected that wage-earners will be prepared to accept a significant drop in purchasing power. As a result, in particular, of the steep rise in household indebtedness, cuts in pay would mean a disproportionate drop in disposable income after payment of interest and other deductions."<sup>14</sup>

If the idea of accepting a cut in pay in return for shorter working hours is hardly conceivable for broad categories of employees, such a trade-off may become an

interesting option for sizeable and growing minorities of men and women workers. Patricia Hewitt, looking to the trade unions, devised the following proposal: "Unions could also consider ways of offering their members greater trade-offs between time and money within the pay bargaining round (...) Even if only a few people decide to trade part or all of their wage rise for shorter working hours, that is no reason not to offer the choice."<sup>15</sup>

## **Part-time work**

Part-time work has become more widespread in all European countries — albeit to varying extents — in recent years<sup>16</sup>. The reasons for this are many and varied. Frequently the main considerations are material ones, in so far as a part-time job can represent a solution to the need for an additional family income, in particularly where women's work is concerned. In many such cases, moreover, part-time work constitutes the only option for a woman wishing to return to work after a break from occupational activity. Other factors are, however, frequently involved: social and behavioural attitudes are changing and there can be many individual reasons for wishing to work on a part-time basis for a certain limited period (e.g. childcare or other family reasons, educational reasons, etc.).

A number of studies have shown that in virtually all European countries there is a marked interest, including among full-time workers, for part-time occupational activity. Part-time work is currently more widespread in the northern EU countries where it represents between 20% and 30% of employment, whereas in the southern countries it accounts for no more than around seven per cent. A marked structural feature of part-time employment is that it is practised predominantly by women: in Germany 90% and in Great Britain 79% of part-timers are women; predominantly these women are aged between 25 and 44. Such a trend is clearly attributable to the traditional social behavioural pattern according to which women, during this period of their lives, take the prime responsibility for the household and for childcare.

A further feature of part-time work is that it is more prevalent in the services sector, while in industry it is confined principally to the textile and clothing sector. Company size is also a significant factor, part-time work being encountered more frequently in small and medium-sized enterprises than in large firms. A further distinguishing characteristic is that part-time work is generally associated with significantly worse working conditions and terms of employment, with severe discrimination being observed in terms of both pay conditions and social security entitlements. Part-time workers are thus frequently regarded as second-

class workers and, in addition, deprived of opportunities for further training and for promotion.

More positive experiences are encountered, in particular, in the Scandinavian countries and The Netherlands. In these countries practical measures were taken very early on to counteract the discriminatory conditions (low pay, low qualifications, unpleasant working conditions) attached to part-time work and to ensure its use rather as a means of reconciling occupational and family life. This approach was, generally speaking, supported by the trade unions. Reference may be made, for example, to the commitment shown by the Dutch trade union confederation FNV which has shown practical support for innovative forms of part-time work<sup>17</sup>.

As long as part-time work is regarded exclusively as an instrument for the deregulation and increased flexibility of labour markets, few positive effects are to be expected in the fight against unemployment and reorganisation of working-time. Accordingly, the extension of part-time work can certainly represent a useful component of working-time policy, but it must, as a matter of principle, be practised on an exclusively voluntary basis, be subject to appropriate social security provision and guaranteed against all forms of occupational discrimination, while all workers involved must be offered the guaranteed opportunity to return to full-time work if and when they so wish<sup>18</sup>. This means, in the final analysis, that part-time work should not be confined to the so-called low-pay sectors but should be available in all sectors, including for highly skilled and qualified groups of workers. That part-time work is a possibility for managerial staff also, provided innovative forms of work organisation can be devised, is shown by a study produced on the basis of the experience of the Hamburg public services department, commissioned by the Hamburg Senate office for equality<sup>19</sup>.

Changing values and behavioural attitudes and the wish to reconcile occupational activity and family life have significantly contributed to the increased interest shown in part-time work during specific periods of life. As such, a good case can undoubtedly be made for demanding more jobs of this type in both the private sector and the public services.

### **Reduction of overtime**

In pursuit of the goal of creating new jobs while at the same time improving working and living conditions, the trade unions have for many years been demanding a reduction in overtime. According to their estimate, overtime accounts for some three per cent of total hours worked. Given the dramatic proportions attained by unemployment in Europe, a drastic restriction of overtime

is an effective instrument for the creation of new jobs: a radical cut in overtime would serve to create up to one million jobs in Europe in the coming years<sup>20</sup>. Such a reduction would, at the same time, substantially enhance the competitiveness of firms. For overtime is not merely a means of effecting a flexible response to fluctuating production levels resulting from the state of orders but also, in many cases, an expression of poor organisation and bad management in companies. Ergonomic research has shown that the individual worker's performance falls off steeply after six hours. In addition, overtime leads to an increase in occupational accidents and hence to absenteeism. All in all, labour productivity is much lower during overtime and it can be shown that, even from the company standpoint, systematic overtime does not represent an economic solution. And yet, in spite of these findings, it has not so far been possible to restrict overtime to any significant extent and measures are thus required which will lead to a more effective reduction of the amount of overtime worked. One appropriate instrument to this end could be to raise employers' social security contributions. A proportionate reduction in these contributions should be allowed, by the same token, in the case of working-time reductions, thereby enabling an overall reduction in labour costs.

### ***Reducing lifetime working hours***

In the future innovative working-time proposals must be geared, more strongly than in the past, to meeting workers' individual working-time preferences, on the one hand, and firms' increased demands for flexibility on the other. Such innovative approaches must entail far more than a reduction of weekly working hours. In order to take greater account of individual working-time preferences, patterns of options should be developed to extend over the whole of the individual's working life. This includes the retirement age; it should no longer be taken for granted that men and women will cease their working life between the ages of 60 and 65, for there are many who are keen to continue working beyond this age. Alongside a guaranteed entitlement to a retirement pension — e.g. as from the age of 60 — regulations for a gradual transition to retirement should be created, enabling some occupational activity to be continued after the age of retirement. Nor can it be taken for granted that men and women of working age will necessarily work on a full-time basis for 25 to 35 years. During their working lives men and women are faced with many types of demands and opportunities, whether family, educational or other, to which a reduction in working hours, or some form of career break, may constitute an appropriate

response (parental or educational leave, sabbaticals, etc.). A working policy which takes account of these factors could make a substantial contribution to reconciling the demands of occupational activity and family life and could help to overcome the traditional role split between the sexes. Back in the early 1980s André Gorz called for a substantial reduction of lifetime working hours<sup>21</sup>. Just how relevant this demand still is today is shown by former European Commission President Jacques Delors' proposal that lifetime working hours should be reduced to 40,000 by the year 2010.

### ***Demands on the social security system***

New working-time patterns developed in the context of a more flexible labour market pose considerable new challenges to the social security systems. Though the social security systems hitherto existing in Europe always displayed considerable points of difference, they were, nonetheless, all fundamentally based on the concept of the "standard full-time worker" and are not, as such, in a position to cope with the new demands. Furthermore, the social security systems in most European countries are currently faced with very severe financing problems. In recent years a range of new tasks and additional outlays have been imposed upon these systems (e.g. in the fields of labour-market policy, programmes for the long-term unemployed, etc.) without any simultaneous development of new financing instruments. The increased flexibility of the labour market, on the one hand, and changing attitudes to the purpose and value of occupational work, on the other, require the adoption of structural measures which will call into question existing conceptions and lead to new ways of thinking. "On both counts, i.e. the option of shorter individual working hours and the social need for a redistribution of the available volume of work, it is clear that there is an urgent need to devise new legislative provision. The nucleus of such new provision will have to be the subsidising of low pay and the uncoupling of social security entitlements from paid work"<sup>22</sup>.

The creation of new possibilities for flexible work ("work" in the broadest sense) in the framework of a dynamic and active labour market policy raises the whole question of the structure of the social security system and, in particular, of a guaranteed minimum income. In the countries with dual social security systems, i.e. a basic form of insurance supplemented by a system of occupational insurance, the problem of social protection arises less acutely, in so far as social benefits are available independently of previous occupational activity. In other countries, by contrast, the system of social security provision is exclusively linked to the

system of paid employment, which means that persons without a record of previous occupational activity have no social security entitlements whatsoever.

Accordingly, the flexible organisation of the labour market — in the context of new working patterns and attitudes — requires a fundamental adaptation of national and European social and labour legislation in order to give the new “atypical” or “non-standard” forms of employment relationship a grounding in labour law and to ensure that the workers concerned enjoy appropriate social rights in this respect. Whatever differences may continue to exist in the social protection field in the future, there is a need to devise new solutions at European level also — not least in order to avoid distortions of competition. This is a matter not just for the EU authorities but also for the social partners. One element of particular importance here is the guarantee of individual minimum insurance. In order to ensure that basic insurance of this type does not lead to the neglect of an active labour market policy and hence help to perpetuate unemployment, the concept of a guaranteed minimum income should be linked to an entitlement to “guaranteed minimum employment”. In this respect, Guy Aznar has stressed that “the introduction of an unconditionally allocated subsistence income would actually reinforce the two-tier society, since it would institutionalise the social exclusion of all those who, in exchange for a minimum guaranteed income, would be pushed out of the labour market once and for all and thereby deprived of an essential right to self-fulfilment”<sup>23</sup>. André Gorz has already stated in this same connection: “The guarantee of an income independently of a job will bring freedom only if it goes hand in hand with the individual’s right to work, i.e. to contribute to the creation of social wealth (...).”<sup>24</sup> Though any practical recourse to the concept of a minimum income is still a matter for careful analysis, the general need for such provision has become less controversial than in the past. When considering the question of an individual reduction of working-time and the associated compensatory allowances, another proposal put forward by Guy Aznar is worthy of attention: “Since it is not possible to receive the same pay in return for shorter working hours, everyone will receive a supplement to their pay, a “worksharing allowance”, which I also call the “second cheque”. Of course, it is not a real cheque, but a transfer mechanism which can take various forms (e.g. exemption from social security contributions).”<sup>25</sup>

The urgent need for reform of the social security system is evident. However, it is not a question of dismantling the welfare state so much as of redesigning it. Approaches to this task are many and varied but at present no more than tentative beginnings have been made. Possibilities to this end include, for example, a system of differentiated contributions, tax reform, and also financing by means of private complementary insurance funds.

## **Arguments and proposals for further discussion**

1. A drastic reduction in working-time can represent one contribution to a solution of employment problems in Europe. A traditional policy of growth cannot serve to create new jobs to the extent necessary. Nor, in any case, is such a policy desirable from an ecological standpoint ('limits to growth').

2. Innovative approaches to working-time must take more account than in the past of the individual wishes expressed by workers. It is necessary to view working-time increasingly in the light of a broader awareness of 'living time'. The need for a four-day, 30-hour week is increasingly recognised. An innovative working-time policy ought, at the same time, to take account of lifetime working hours and allow for career breaks at certain periods or intervals (educational leave, sabbaticals, parental leave, etc.).

3. An innovative working-time policy must contribute to reconciling occupational activity and family life and to overcoming the traditional sexual division of labour. Part-time work, if organised in an appropriate and socially tolerable manner, can make a significant contribution to this end.

4. Part-time work must, as a matter of principle, be practised on an exclusively voluntary basis, be subject to appropriate social security provision and guaranteed against all forms of occupational discrimination; all workers involved must be offered the guaranteed opportunity to return to full-time work if and when they so wish.

5. A drastic reduction of working-time will not be possible without any loss of pay. Differentiation in this regard must take account of income levels. For low-paid groups of workers compensatory mechanisms must be created.

6. A drastic reduction of working-time can contribute to improving the competitiveness of the economy:

- the new jobs created as a result of working-time reductions will serve to reduce the overall cost of unemployment to society;
- innovative working-time models enhance firms' capacity for innovation; they require new forms of work organisation and contribute to improvements of productivity; and
- overtime is an expression of poor workplace organisation and bad management. A significant reduction in overtime can raise competitiveness.

7. Changing attitudes to paid work, the increased flexibility of labour markets and the financing problems of the social security systems pose new challenges



and call for a modernisation of the welfare state and the introduction of guaranteed minimum social insurance provision.

8. There is a need for a broad-based public debate on innovative working-time policies, moving beyond a narrow understanding of paid work and taking more account than in the past of the life experiences of workers of both sexes.

9. Progress in the direction of European economic integration has contributed only to a limited extent to social integration. A Europeanisation of collective bargaining and hence working-time policy can help to remedy the social policy deficits of European integration. In the framework of the social dialogue, it is particularly important that the employers' federations should become partners capable of signing agreements, failing which the European Commission should prepare the requisite guidelines for an innovative working-time policy.

## Footnotes

1. Here we mention just a few relevant contributions which have marked the discussion on working-time and new approaches to work in the last few years: G. Aznar, *Travailler moins pour travailler tous*, Paris 1993; Oskar Negt, *Lebendige Arbeit, enteignete Zeit*, Frankfurt/New York 1984; André Gorz, *Les chemins du paradis*, Paris 1983; G. D'Aloia, *Le temps et le travail*, Rome, Ediesse, 1994.
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3. Jon Eivind Kolberg, *Report on the future of social security systems in the light of socio-economic outlook in Member States*, Council of Europe, 30 September 1987, p. 19.
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6. G. Aznar, op.cit.
7. European Commission, *Growth, Competitiveness, Employment: The Challenges and Ways Forward into the 21st century*, White Paper, Brussels, 5 December 1993.
8. see contribution by Dominique Taddéi
9. European Commission, *Employment in Europe, 1994*, page 63
10. Cf. contributions by Linda Bell, "working-time policy in the USA", and by Hartmut Seifert, "working-time policy in Japan"
11. For a detailed account see G. Bosch, P. Dawkins, F. Michon (eds.) *Times are Changing: working-time in 14 Industrialised Countries*, Geneva, 1993.
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13. European Foundation for the Improvement of Living and Working Conditions, *New forms of work: labour law and social security aspects in the European Community*, General report by Professor Yota Kzavaritou-Manitakis on the evaluation seminar, Dublin, September 1987, 153 pp.

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15. P. Hewitt, *About Time, the Revolution of Work and Family Life*, London 1993.
16. See on this subject the contribution to this volume by C. Fagan, J. Platenga, J. Rubery.
17. FNV, *Part-time work: the Dutch perspective*, Amsterdam 1994.
18. See the contribution in this volume by Dieter Schulte.
19. M.E. Domsch, K. Kleiniger, et al. *Teilzeitarbeit für Führungskräfte*, Munich/Meringen 1994.
20. Cf. also Dominique Taddéi and others.
21. André Gorz, *Les Chemins du Paradis*, Paris 1983.
22. H. Matthies, O. Mückenberger, C. Offe, E. Peter, S. Raasch, *Arbeit 2000 — Anforderungen an eine Neugestaltung der Arbeitswelt*, Reinbek (Hamburg) 1994, p. 357.
23. Guy Aznar, "Pour le travail minimum garanti. Non au revenu d'existence; oui à l'indemnité de partage du travail", in *Futuribles*, no 184, February 1994, p. 61.
24. A. Gorz, op.cit. p. 66 (of German edition).
25. Guy Aznar, op.cit.



There is now a growing realisation that economic growth alone will not be sufficient to reduce significantly the high levels of unemployment that currently disfigure Europe. Major cuts in working time are also essential to create the jobs people need.

Recognising this, the European Trade Union Confederation, and its research arm the European Trade Union Institute, organised a conference of trade unionists, academics and politicians to discuss the issue in December 1994 under the title: "A time for working, a time for living".

This book brings together the key documents which emerged from that conference, with contributions from leading European trade unionists, such as Emilio Gabaglio of the ETUC and Dieter Schulte, leader of the German DGB, as well as from academics.

The contributions concentrate on three main issues:

- how can working-time reductions create the necessary new jobs?
- is it possible to develop ways of reducing working time which oppose the employers' strategies of greater deregulation and flexibility? and
- how can working-time reductions be shaped to take account of the growing wish of both women and men to organise their working life to meet their own personal needs?

Some of the issues tackled are controversial, in particular the question of whether it is sometimes appropriate to trade lower pay for shorter hours. But these are concerns with which European trade unionists are already being confronted.

The conference, and this book, are a contribution to a discussion already under way. But they are also intended to have practical consequences, moulding the policies of unions, national governments and European institutions.

As such this book is of interest to all those, trade unionists, academics, policy makers and others, concerned with the issues of mass unemployment, shorter working time and the creation of a new balance between work and the rest of life.

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