

New paths
in working time policy

European Trade Union Institute (ETUI)

New paths
in working time policy

edited by
Jean-Yves Boulin and Reiner Hoffmann

published with the financial support
of the European Commission

© Publisher : ETUI, Brussels
All rights reserved
First published 1999
Reprinted 2001
Cover : Geluck-Suykens & Partners
Print : ETUI Printshop, Brussels
ISBN: 2-930143-42-8
D/1999/3163/11

Contents

Foreword	7
----------------	---

Part I : Lifetime working hours

- The conceptualisation of working time over the whole life cycle 11
Jean-Yves Boulin and Reiner Hoffmann

Part II : Part-time work: a European comparison

- Developing the concept of lifetime working hours:
the potential role of part-time work 51
Colette Fagan
- Part-time work in Spain 75
Dolores Licerias
- Part-time work in the Netherlands 85
Ieke van den Burg, Catelene Passchier

Part III : Paid leave models

- Labour market leave and entry models as lifetime policy instruments 105
Herman Schmid
- Labour market policies and paid leave models:
the cases of Belgium, Denmark and Finland 125
Jouko Nätti
- Educational leave in a lifetime working-hours policy 159
Tom Schuller

Part IV : Flexible retirement schemes

- From early to phased retirement in the European Union 183
Lei Delsen, Martin Hutsebaut and Bernd Reissert

List of contributors	211
----------------------------	-----

Foreword

The reduction of working time has always been a central policy concern and demand of the trade unions. The European Trade Union Confederation (ETUC), ever since its founding, has strongly advocated a European coordination of working time policy. In 1976 at the London Congress the main demands related to a shortening of the working week and longer holidays. Then, in subsequent years, the working time policy discussion evolved within the ETUC along a variety of different paths, with new aspects such as working time sovereignty, part-time work and early retirement gaining importance. Working time policy was viewed as a way of combining improvements in working conditions with the creation of new jobs; and labour market policy aspects have come increasingly to the fore, particularly since the early 1980s on account of the chronic mass unemployment situation.

The progress in the working time discussion and the variety of differing stances adopted emerged with particular clarity at the 8th statutory congress held in Brussels. The general resolution adopted at that gathering, entitled *Jobs and Solidarity at the Heart of Europe*, stated that “working time needs to be seen over a person’s whole working life”. While stressing that the “working week will remain the key reference point”, the ETUC recognised at the same time that the different facets of working time policy, such as part-time work, early retirement, educational leave and various forms of extended leave, should be taken together, enabling working time to be viewed in the context of the whole span of working life.

But it is not just the trade unions who, over the years, have come to regard the reorganisation and reduction of working time as a means of tackling unemployment in Europe. New forms of working time arrangement and further working time reductions continue to generate controversy, but no one any longer disputes that under changed conditions and continuing structural transformation there is a need, today more than ever, for innovative working time concepts and new forms of work organisation as a contributory means to overcoming unemployment.

That the working time question has always had a European dimension can be shown by a brief glance at the past. For example, as long ago as 1979, the European Council adopted a Resolution on working time already containing reference to various fields of action such as a reduction of overtime, flexible retirement, part-time work, annual working time and combined work and training schemes.

A European Commission memorandum on the reduction and reorganisation of working time issued in 1982 stated: “In the light of the bleak medium-term outlook, there has been increasing interest (which is shared by the Commission) in the possibilities for offering employment to a larger number of people which may be created by various ways of reorganising working time, including in particular reducing the working time of individual employees.” Particular attention was drawn in the memorandum to the connection between a reduction in working time and lifetime working hours. The Commission stated: “While reductions in working time are generally expressed in terms of a shorter working week for the individual (...) positive employment effects do certainly result over a longer period from changes involving the reduction of working time over a whole lifetime.”

The European Trade Union Institute (ETUI), at the conference “New Paths in Working Time Policy” conducted in cooperation with the European Trade Union Confederation (ETUC), took up the various facets of the European discussion and sought to place the various elements of working time policy in the overall context of a concept of lifetime working hours. Trade unionists and academics from all over Europe were invited to this gathering to discuss, in a European forum, some of the extremely varied working time policy experiments and experiences encountered to date. We would like to take this opportunity to thank them all once again for their fruitful cooperation without which this book could not have been produced.

Reiner Hoffmann, Brussels
Jean-Yves Boulin, Paris

Part I

Lifetime working hours

The conceptualisation of working time over the whole life cycle

Jean-Yves Boulin and Reiner Hoffmann

1. Introduction
2. Genesis and relevance of the concept
 - 2.1. Emergence of the concept of lifetime working hours
 - 2.2. Relevance of the concept of lifetime working hours
3. Objectives pursued by a policy aimed at organising working time over the entire life cycle
 - 3.1. The creation of new jobs and redistribution of working time by a reduction of working hours
 - 3.2. Some rethinking by the trade unions
 - 3.3 Other objectives associated with implementing possibilities for an alternative distribution of working time over the life cycle
4. Aspects of a concept of lifetime working hours
 - 4.1. Reduction of the working week
 - 4.2. Regulated part-time work
 - 4.3. Lifelong learning
 - 4.4. Sabbaticals and parental leave
 - 4.5. Early retirement and flexible transition to retirement
5. Conditions and arrangements for implementing work organisation over the entire life cycle
 - 5.1. Conditions for the success of such a policy
 - 5.2. Changing demands on social security systems
 - 5.3. Implementation
6. Conclusion

References

1. Introduction

In the course of recent history, the steady momentum to reduce the amount of time spent at work has taken as its starting point ever larger time frames: beginning with the single day (the eight-hour day); then the week (free week-ends); then the year (paid holidays); and finally the entire life cycle (retirement age). In all these cases, however, and in particular with regard to the retirement age, it has been a question of imposing standardised arrangements which gave people no individual say in the organisation of their work schedules or in how, in the course of their lives, they might alternate periods spent working and others spent not working. On the contrary, the standardised regulation of working time actually contributed to carving people's lives up into three main segments – education, working life, and retirement – with the three remaining very much separate from one another. This general division was never fundamentally called into question, even though the balance between the three components has been modified as a result of longer periods spent in education and earlier withdrawal from working life.

The concept of organising working time over the whole life cycle means that individuals have some say in the distribution of the periods of time spent in and out of employment, whether for reasons that are inherently professional (qualifying training, change of career) or because their time is predominantly devoted to other forms of activity (bringing up children, voluntary work, leisure pursuits, etc.). Understood in this way, the concept is of essential relevance to the questions of striking a balance between the various social pursuits in which individuals are involved and of being able to choose how to spend one's time. At the same time, as will be described in the following chapters, it is one way of tackling the need for a redistribution of employment, as shown by the experiments with early retirement conducted in most European countries and the employment-rotation systems based on periods of extended leave that have been developed in the Scandinavian countries.

Several forms of employment and/or organisation of working time enable – at least theoretically – waged and salaried workers to exert some influence over the way their working hours are distributed in the course of their lives. Such forms include part-time work, early retirement (final or gradual) and periods of extended leave for specific purposes (training,

parental leave, or sabbaticals). But it must be pointed out that the rules and special conditions by which these arrangements are generally fenced around, and also the more general regulations attaching to tax and social security systems, or again the prevailing employment situation in most European countries – characterised by high and chronic unemployment – do not in fact offer individuals any real significant freedom to distribute their working time throughout their life cycles. The intermittent nature of working life today – unemployment, successive short-term contracts or periods spent temping interspersed with others spent out of work, part-time work, etc. – is, generally speaking, a situation endured rather than chosen, imposed on wage-earners as a result either of employment policies devised by governments and/or social partners or of employers' search for greater production flexibility. In short, alternation of this kind is a symptom of employment insecurity much more often than of any freedom of choice. Certain types of arrangement, furthermore, introduce discrimination between the sexes and/or between ages, or even between different occupational categories. Accordingly, it emerges that many such arrangements have been diverted by employers' strategies from their original purpose, a circumstance which is all the more reason to develop a trade union approach to these questions, including the need for their implementation to be subject to collectively agreed procedures.

On the basis of these various observations, we will attempt, in this introductory chapter, to describe and discuss the relevance of an approach that could, in present European labour market conditions and in the context of the social and cultural changes affecting our societies, herald the practical introduction and development of lifetime working hours.

2. Genesis and relevance of the concept

The idea of distributing working time differently over the life cycle, and in particular of enabling individuals to effect this distribution themselves, in accordance with their ambitions and the constraints to which they are subject, both inside and outside work, is not new. It appeared back in the 1960s, in particular in France with the concept of "40,000 hours" devised by Jean Fourastié (1965), and was developed in a more sophisticated mode by Gösta Rehn (1977) in the 1970s. Other authors (including Gorz 1983, 1997) attempted to resurrect the writings

of the young Marx – in *Grundrisse* – elaborating upon the idea of “moving beyond the wage-earner status” by introducing, as a transitional phase, a considerable reduction in the amount of “alienated activity” and an increase in that of “self-determined activity”. This was to be achieved by allowing greater latitude to individuals, in particular in determining the volume of hours of paid work which they are prepared to perform and in how these hours are to be distributed through their lives. More recently, as mass unemployment has taken on chronic features in certain countries, the idea of calculating working time over the whole life cycle has been reintroduced into the debate, in particular by authors who have sought to relativise the importance of the value of “work”, proposing to replace it with the notion of “activity”. Accordingly, a full-employment society gives way to a society of full activity, in which non-remunerated activities acquire a social and economic status equivalent to that conferred by paid work. In assessing these different approaches, it is important to distinguish between those which are backward-looking in nature – insofar as unemployment apparently cannot be reduced and is directly attributable to the absence of paid work, the latter concept is replaced by the much more broadly-based term of “activity” – and those which refer to a progressive concept of a change in the wage-earning relationship. In this latter instance, production flexibility as a driving force in effecting changes in working times and paces and individual and collective choice in building life paths are opposite sides of the same coin. It then remains to negotiate these transformations and invent means of collectively regulating these individual choices so as to make them more than just flexibility in new clothes. More profoundly, it is the waged or salaried relationship, the relationship to work and a new balance between work and out-of-work which has to be rethought, along the lines of the invitation contained in the recent Supiot (1998) report drawn up for the European Commission.

2.1. Emergence of the concept of lifetime working hours

An understanding of working time as calculated over ever longer segments of time

A historical examination of the movement to reduce working time (WTR) shows that increasingly long segments of time have been taken

as the starting point for WTR and for developing standards for its regulation.

Examination of WTR developments since the mid-19th century, i.e. since workers began to resist the tendency of capitalists to make unrestrained use of human labour, imposing a time discipline geared exclusively to work and sucking up individuals' whole lives (Thomson 1967), yields the observation that demands centred initially on the day (until the introduction of the 8-hour day), then on the week (the freeing up of the week-end, first of all with Sunday rest and then the five-day week), then on the year with a demand for paid holidays, and finally on the whole of a worker's life with the introduction of a retirement age. It may further be observed that, once acquired, certain standards were quickly regarded as "natural": the eight-hour day has been scarcely called into question since its generalisation at the start of the century, despite certain isolated attempts (for example the American Knights of Work at the end of World War I) to impose a six-hour day. The same applies to the 40-hour week and, despite the call for a 35-hour week formulated by the European Trade Union Confederation (ETUC) since 1976, this latter standard has failed to become general, though advances in this direction have been made in Germany, The Netherlands and Denmark and are currently being made in France. Calls for paid holidays and a lower retirement age can in fact be understood as ways of circumventing the rigidities, which have become new and inflexible standards, and contributing to the forging of new labour standards. These developments have given rise to a time paradigm that inherently reflects and reproduces the industrial paradigm, generating a wage-earner relationship virtually consubstantial with the resulting configuration.

The movement of ideas: from Jean Fourastié to Gösta Rehn.

During the post-war *trente glorieuses*, at a time when we appeared to have entered the "affluent society", a number of authors nonetheless began to question the pertinence of this labour standard. Two basic elements of the prevailing organisation of working time were then called into question: first of all the fact that it involved the greatest part of life being devoted to work; secondly, the division of the life cycle into three strictly delimited sequences.

Technological development, understood essentially in those days in terms of the developing performance of machines, should, according to the beliefs of certain observers, enable a very significant WTR and thereby foster a shift towards a leisure society (Dumazedier 1962). The “40,000 hours” heralded by Jean Fourastié in 1965 introduced a twofold idea, the first component of which was that technological progress would enable a reduction of the pressure exerted on human beings by labour. Fourastié believed that this WTR, which he predicted would be almost half of the total volume of hours worked at that time (reducing from 2,250/2,350 to 1,200 hours), should be the outcome of “*a doubling of labour productivity in order to simply maintain current living standards and hence the present level of production*” (Fourastié 1965).

The second idea referred to a much more radical change, not that far from the approach defended today by ecologist movements which are recommending a model of sustainable development and *downshifting* (Schor 1998). Fourastié stressed that, in developed societies, which are characterised by a growing ability to meet the basic needs of the population as a whole, such a concept moves away from an approach expressed in terms of *living standards*, towards one expressed in terms of *life style*: “*reducing working time necessarily means, ceteris paribus, augmenting scarcity, increasing prices compared with salaries; hence sacrificing living standards to life style*” (Fourastié 1965).

Fourastié envisaged achievement of the 40,000 hours essentially in terms of a reduction of weekly and annual working hours (40 weeks of work per year): “*40,000 hours, represents 35 to 40 years of occupational activity on the basis of a 30-hour week, i.e. 12,000 hours a year*”. However, he did stress that such a situation could come about only in scientifically and technically very advanced societies, and that it would demand: “*devoting several years of one’s working life, perhaps four or five, to intellectual updating, to acquiring information on scientific and technical development, to returning to the classroom, i.e. to the kind of processes with which we are already somewhat familiar, which are encountered here and there in the form of “recycling” and of “sabbaticals” (ibid.)*. In this way he introduced the idea of the need to envisage life-long learning.

Fourastié's approach bore the stamp of a pronounced technological determinism and an ultimately rather linear concept of human evolution, though it is important to point out that his distinction between living standards and life style opens up room for discussion and political choice in determining the nature of the production model, and, in particular, the development of consumption models.

During the 1970s, other ideas were developed about how working time could be viewed from the overall standpoint of the life cycle. For example, an OECD report (Evans 1973), stressed the need to find ways of enabling individuals to choose both the number of hours they wished to work during their life (it proposed devising a social indicator based on the total duration of working life), as well as arrangements for structuring this working time. In the light of the positions currently taken by the OECD in the area of working time, we are bound to be struck by the proposals made all that time ago. However, we should remind ourselves that these proposals came after more than two decades of sustained economic growth and just when the Fordist model of accumulation had begun to be called into question (cf. the 1968 movements of popular discontent and the works, then very much in vogue, of the Club of Rome relating to zero growth, and those of Ivan Illich, which questioned the economic logic of accumulation and productivism). The general line taken by this report was that the OECD's task should be to stimulate policies aimed at improving the quality of life, rather than fostering a purely quantitative vision of economic growth: *"Both the economic aim of using the whole potential labour force and the social aim of meeting each individual's preferences do demand that people can choose their working time – its length and its allocation per day, per year and per life – with as few constraints as possible"* (Evans 1973). The author, while stressing the need to establish compromises between the needs of individuals and those of enterprises, did seek, in contrast to the present assertions of the OECD, to promote the possibilities of individual choice – flexibility from the viewpoint of individuals – and asked how these choices could also provide productivity gains for enterprises as well as growth. In those days, it did not appear incongruous for an OECD member to envisage the possibility of WTR without loss of pay: *"If the change in the demand for labour is deemed to have structural origins and to be more long lasting, would not*

that perhaps be the time for reduction in normal hours of work without loss of pay?”(ibid.)

But it is the Swedish writer Gösta Rehn, in particular in his work for the OECD, who most completely conceptualised this idea of organising working time through the whole life cycle. Rehn called into question both the division of individuals' lives into three predetermined time sequences (education, paid work, retirement) and the quantitative aspect (reducing working hours); more than anything else he sought to establish a connection between these two dimensions. In a text published by the Swedish Institute for Social Research (Rehn 1977), he presents the principles underlying his proposals for a society of free choice. In it we find three essential elements:

- first of all, Rehn sets out the principle of flexibility from the viewpoint of the worker, emphasising in particular freedom of choice in determining the number of hours worked and their distribution throughout the whole life cycle. Rehn sought to encourage: *“a deliberate policy to promote diversification and variability – in a word flexibility – in the regulation and allocation of time for work, study and leisure (including retirement), allowing for the greatest possible freedom of individual choice”*. He was of course aware of the limits, both economic (production requirements) and social (representations of work which push certain categories to work long hours), affecting this notion of individual choice. Equally, he believed that this principle of free choice contained a twofold collective and social dimension: first of all the way in which society conceives of the respective shares of paid work, leisure and study, leading to general rules; secondly the regulation of individual choice by creating options whereby individuals and/or categories can deviate from the general norms;
- secondly, Rehn recommended an integrated and coordinated approach to the practical aspect of WTR. In particular he stressed that the different forms of WTR (reduction of the working week; reduction in annual hours by increasing holidays; reducing the length of working life by regulating the retirement age or the period of school attendance) are in general used separately, neglecting the fact that the choice of one or other approach is normally taken to the

detriment of the others. Nor, generally speaking, is any initial survey conducted of the preferences of the individuals and/or groups concerned. Rehn envisaged a 20% WTR over the whole life cycle, borrowing from each of the usual WTR arrangements: an additional three years for studies and/or training; two weeks' additional annual leave, a three-hour reduction in the working week, and a three-year lowering of the retirement age;

- the final essential principle contained in Rehn's proposals relates to the introduction of *general income insurance* enabling people to retain their income during periods of voluntary withdrawal from the labour market or individual reductions in working time. These are incentives of an economic nature which, it seemed to him, could bring about a more egalitarian society. In his view, such a system would in fact enable freedom of choice for everyone, rather than placing the brunt of adjustments to economic fluctuation on the weakest (which is in fact what is recommended by certain contemporary authors, who advocate substituting the concept of "activity" for that of "work", cf. for example, Rifkin 1995). The principle defended here by Rehn consisted in the reminder that a portion of social security contributions in fact represents a transfer of income between the different common stages of the life cycle, and that this share belongs to individuals themselves, who ought to be able to use it according to their needs. His idea was to re-establish a principle of justice with respect to the present system in which those at the bottom of the ladder contribute proportionally more than the others to financing social protection, because they begin working earlier and hence start to pay social security and taxes earlier than the better-off classes who go on to higher education.

Rehn imagined a *general income insurance* based on the principle of drawing rights. For him it was important to counter-balance the tendency to seek to provide social protection solely on the basis of employment, which makes any suggestion of leaving one's job a highly risky business. Conversely, this system of guaranteed income during periods devoted to activities other than paid work would make the rules relating to keeping people in employment to some extent superfluous, thereby contributing to making the labour market more flexible.

Rehn's proposals, which seek to substitute a "*security by wings*" for a "*security under shell*", i.e. to introduce a sense of movement into society, remain attractive today and are very much in harmony with a number of contemporary proposals. This appears to us particularly true from four viewpoints:

- first of all, the WTR arrangements which he proposes offering to salaried workers: Rehn insists on the need for educational leave, while also advocating progressive retirement as well as a variable retirement age; he also refers to the possibilities of saving up holiday entitlement over a number of years and of envisaging weekly WTR in a diversified fashion (including a four-day week) ;
- secondly, in relation to the question of guaranteed income and its financing, Rehn's proposals differ from the universal allowance in that it is the individuals themselves who finance the periods in which they are not in paid work, i.e. the income available to them for such periods over their whole life cycle is equivalent to their contribution to the guarantee fund;
- thirdly, his system also contains an incentive not to work excessively long hours by remunerating short working periods relatively better than long ones (in particular by introducing negative incentives with regard to overtime);
- fourthly and finally, Rehn conceives of this scheme also as a means of adjusting to fluctuations on the labour market by encouraging workers to use their drawing rights (by debiting them under-proportionally) during periods of high unemployment: "*periods of threatening unemployment can be converted into periods of agreeable leisure or useful study*". A similar approach can be found today in the concept of *transitional labour markets* which is envisaged as a means of redistributing employment through the introduction of provisions enabling individuals to adjust the length and organisation of their working time in accordance with other developments in their lives (see Schmid 1998).

2.2. The relevance of the concept of lifetime working hours

The impact of the employment crisis on the distribution of working times over the entire life cycle

The above reference to transitional labour markets indicates the current relevance of viewing working time over the whole life cycle. However, the context in which this question arises today is very different from that in which Fourastié or Rehn developed their ideas. Working hours have continued to get shorter in most European countries, but much more slowly than forecast by these authors. In particular, the most marked phenomenon to have occurred in the meantime, and one which they did not envisage, is the sharp rise in unemployment. As a result of this development, working time policies have, in many European countries, been focused on the objective of reducing unemployment (i.e. work-sharing policies). This context of unemployment has profoundly changed the conditions for entering and leaving the labour market: longer periods of study and difficulties in gaining a real foothold in the world of work, in particular for young people with few qualifications; systems of early retirement and a rather fuzzy border between unemployment and non-labour market participation for older workers. At the same time, it has made career paths much more patchy and intermittent, frequently characterised by a succession of temporary contracts or temping assignments interspersed with periods of unemployment.

These employment redistribution policies have led to a twofold development, evidenced in France by work undertaken by the Ministry of Labour on the length of working life (Marchand *et al.* 1998).

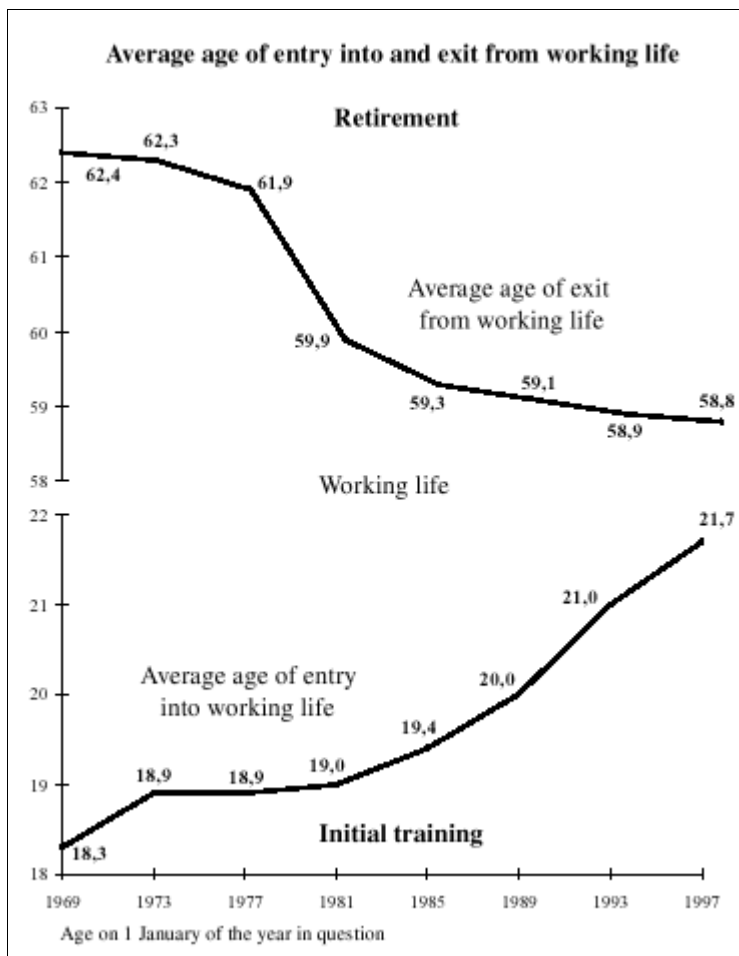
- First of all, the increasing downward movement during the past 20 years of *apparent working life expectancy*, expressed in *years*, for men. Meanwhile, in France, this indicator has continued to rise for women. When applied to other countries, this indicator reveals, for the labour force as a whole (men and women combined), a stability in some countries (United States, Japan, United Kingdom) whilst in others (Germany, Spain, France, Sweden) it shows a downward trend. Expressed in *working hours* over the whole life cycle, working life expectancy has fallen even more dramatically among men, and it has also fallen for women. Taking the two sexes together, working

life expectancy is estimated to be 46,200 hours in 1997. Going on to make an international comparison, the authors of the study state that, since the early 1970s, the apparent expectancy of the number of hours worked has increased in the United States, whilst falling slightly in Japan, Italy and Sweden, and more significantly in Germany, Spain and France;

- But the most striking lesson of this study is the differentiation of evolutions according to age: apparent professional life expectancy has fallen considerably in France for young people (from eight to three years, over one century, for young people aged under 25) and for the elderly (from ten years to one year for those aged 60 and over). Conversely, this expectancy rises during adulthood, a feature attributable entirely to women (25 years in 1996 and 29 today, probably 31 in 2050 for adults aged between 25 and 59). Another result of this study is that, between 1975 and 1997, *apparent employment expectancy* has fallen among both the young and the older part of the population, whilst *apparent unemployment expectancy* has doubled for the oldest group and tripled for the youth group. The first of these two indicators has remained more or less stable among adults, whilst the second has increased. In total, apparent unemployment expectancy over the whole working life has risen from around one year in 1975 to four years in 1997.

The result of these contrasting trends among different age groups has been an increased concentration of paid work among adults in the age group corresponding to the period during which individuals have to cope with the greatest amount of non-paid activity, either out of necessity (setting up a family, bringing up children, etc.), and/or of their own volition (leisure, voluntary work, political commitments, etc.). The authors of the study supply an indicator which they call average momentary career breadth, which shows a drop from 44 to 37 years between 1969 and 1997 (see chart)¹.

¹ This indicator is calculated using the INSEE annual employment survey: it consists of the difference, on a given date, between the average age of withdrawal from the labour market – calculated on the basis of people aged over 50 and claiming to be working on date n-1 and not working on date n – and the average age of entry to the labour market – calculated on the basis of persons under 30 claiming to be not working on date n-1 and working on date n.



Source: Marchand *et al.* 1998

However, unlike the developments envisaged by Fourastié, the OECD experts and Rehn during the 1960s and 1970s, these different forms of transition between activity and inactivity have been essentially forced upon people rather than chosen by them.

The impact of the developments in production flexibility

The same observation applies to the ways in which working time is distributed over the day, the week or the year, in accordance with developments in production flexibility. The fact is that the movement to diversify working time observable since the early 1980s has been dictated essentially by concerns for production efficiency. This means that working time and its organisation remain, to a very large extent, prescribed, leaving individuals with very little say in the matter. The proliferation of working outside normal hours, the extension of week-end work, night work, and variations in work schedules over the year remain dictated largely by the employer. Part-time work, a development invariably regarded as favourable and for which many incentives have been introduced in the hope that they will have an impact on unemployment, is in actual fact rarely a chosen arrangement, although there are differences in this respect from one country to another (cf. for example the difference between UK and the Netherlands) (see Fagan in this volume).

It is also the case that the enjoyment of free time depends as much, if not more, on the timing of the periods devoted to work and other activities, on the way they are distributed over the day, the week, month, year or life cycle, and also on the distribution between the sexes, as on purely quantitative factors. The use of this time in the family, for leisure, or for political action, depends very largely on the way working time is organised. The very scanty research undertaken on this subject (Gardhammer 1995; Anxo *et al.* 1998) shows that acceptance of the forms and arrangements of reduced working time has to be based on an in-depth knowledge of the individual characteristics of workers (sex, family situation, age, socio-professional categories, etc.) and must also take into account the environment of the enterprise (e.g. rural versus urban). Three elements play an essential role in workers' acceptance of new forms of working time organisation: the extent of the working time reduction, the way it is divided up (over the week, over a multi-week cycle or over a multi-annual cycle) in such a manner that the gain is tangible (periods of at least half a day freed up), and the regularity and foreseeability of the work schedules (which does not exclude variation over a year, for example, but requires the giving of reasonable warning).

The message delivered by in-depth surveys of workers is that flexibility needs to represent a compromise between the economic constraints of the enterprises on the one hand, and the expectations of salaried workers on the other (resulting very often also from constraints and representations with respect to the interface between work and non-work). Viewed in this light, all the ideas about gaining control over one's time, choosing how one uses it, etc. begin to seem credible. Taking over personal responsibility for the structuring of one's time presupposes that there is a broader range of choices actually available, assuming also that it is not a question of being told what is best for one – as is often the case with part-time work -, i.e. arrangements devised and introduced with complete disregard of social relations in the workplace, the broader socio-cultural environment, or the division of labour between the sexes. The key to progress is to understand the question of flexibility also from the viewpoint of the workers for it is as if, in a kind of boomerang response, production flexibility has given rise to expectations among workers who now explicitly wish to gain control of the way their time is structured. As noted by Gardhammer (1995): “*The number of people who want to spread their working leisure and family times over days, weeks, years and their whole life according to their own life plans is increasing*”.

In this perspective, the assertion of a *right* (to part-time working, to days off, to extended leave), or again the *time savings account*, represent directions which foster the development of individual autonomy. Inspiration here is provided by Northern Europe, where legal provisions have been devised to enable the distribution of working time over the whole life cycle (cf. the right to time off in Sweden – parental leave, training leave, absence to look after sick children -, or in Denmark, where a law passed in 1992 allows every salaried worker to take training, parental or sabbatical holiday, and to receive an allowance of between 100% and 80% of the unemployment benefit, on condition that the person on leave is replaced by an unemployed person (see Nätti in this volume).

Whilst possibilities of organising working time over the whole life cycle already exist (part-time work; final or gradual early retirement; extended leave or career breaks, parental leave and sabbaticals; educational leave

enabling lifelong learning), the conditions which exist today for implementing these opportunities call for several remarks:

- first of all, they are not found in all European Community countries;
- secondly, where they do exist, they do not enjoy the guarantees necessary to make them an ideal form of WTR;
- given the present conditions of implementation, most of them are strongly gender-oriented (with the exception of early retirement and educational leave);
- they are not part of a concept which allows working time to be calculated over a total lifetime (this concept presupposes that a certain amount of people's lifetime is spent at work, for example 40,000 hours, to go back to the title of Fourastié's work).

In the following sections, we will see under what conditions and in what manner a policy of organising working time over the life cycle could be implemented. But first of all, we need to ask: what purposes are sought by the development of such a policy, and how do they fit into a trade union perspective?

3. The purposes sought by a policy aimed at organising working time over the whole life cycle

In the present context of chronic high unemployment in most European countries, the lifetime organisation of working time can represent an updated approach to policies of redistributing employment through WTR. This new approach, which seeks to take on board the varying dimensions of time, changes in the production system (development of new information and communication technologies, the shifting of European economies towards a form of growth based on the development of services, and more particularly intangible services), as well as changing life styles, is regarded with increasing interest and significance by the trade union movement. This approach differs from the policies pursued until now, insofar as it is associated with other objectives, thereby setting it apart from a purely instrumental and defensive concept of WTR geared exclusively to the employment question.

3.1. The creation of new jobs and redistribution of working time by a reduction of working hours

In spite of a return to moderate economic growth, unemployment has continued to rise in Europe and has currently set in at the disconcertingly high level of ten per cent. Even with an appropriate policy mix, incorporating an active employment policy – as recommended by the European Commission – it will be impossible to achieve the political goal formulated in the EU White Paper on “Growth, Competitiveness, Employment” (European Commission 1993), namely, a halving of unemployment by the year 2000. And the idea of a return to full employment appears nothing less than utopian.

However necessary an economic, structural and industrial policy geared to employment and the promotion of environmentally sustainable economic growth may be, however great the need for active labour market policies, these approaches will in no way suffice to get to grips with the persistent and increasingly acute crisis on the European labour market. We are faced rather with an imperative need for a serious review of the traditional concept of full employment and with the need to seek, on this basis, ways of reshaping labour markets and redistributing employment. This new approach entails relinquishing the so-called “standard employment contract” of the 1960s which was a constituent component of the concept of full employment which had gained currency at that time (Mückenberger 1993). And a closely related question is to what extent the – admittedly welcome – employment guidelines adopted at the EU Luxembourg Summit in November 1997² actually are contributing to a real modernisation or reshaping of the labour markets. Experience with the employment priorities – adopted in Essen in 1994 – indicates rather that they are being abused as pretexts for wide-scale deregulation of labour markets. It is, in any case, unrealistic to expect appropriate responses to the labour market crisis to be supplied by neo-liberal concepts of deregulation. Nor, we reiterate,

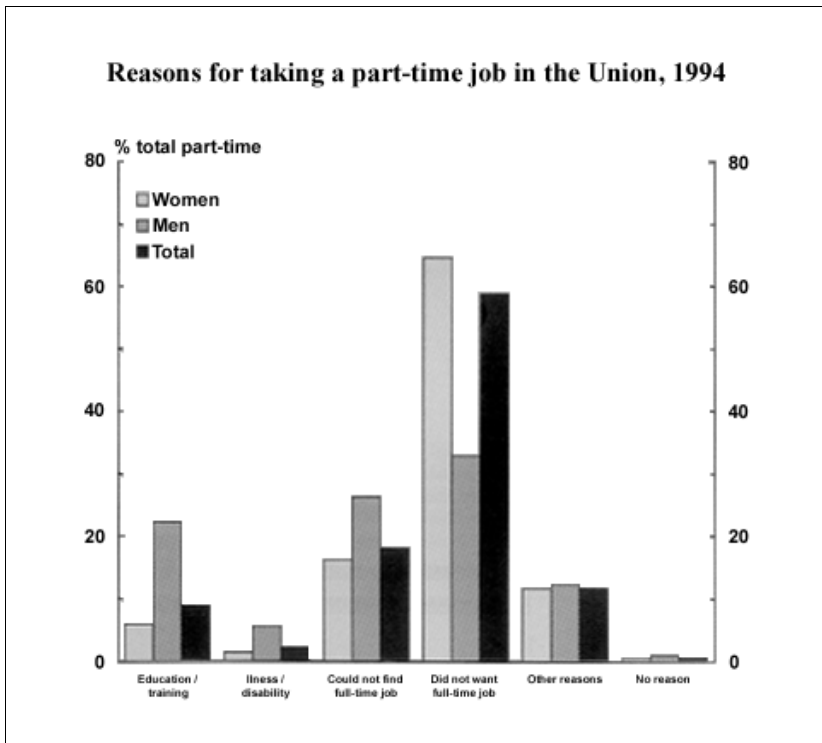
² With the adoption of the employment chapter in the Amsterdam EU Treaty, the foundations were laid for a European coordinated employment policy. Even before ratification of the Treaty, the Luxembourg employment summit held in November 1997 adopted for the first time employment policy guidelines covering four so-called “pillars” (employability, entrepreneurship, adaptability and equal opportunities).

will the classic macro-economic policy approaches, and the – uncontestedly – much needed active labour market policies in the classic mould, be sufficient to stem mass unemployment and redesign the labour markets. Features of the overpowering structural changes currently affecting labour markets are the substantial growth in so-called non-standard employment contracts (Mückenberger 1993), a very significant increase in part-time work and a marked rise in female labour market participation (European Commission 1995 and 1996). Under conditions of structural change and the lack of prospects for a return to full employment offered by the classic concepts, there is a need today for a radical rethinking to find ways of redistributing employment and devising new approaches to working time policy, which can no longer be exclusively confined to a reduction in the working week.

3.2. Some rethinking by the trade unions

Looking back over the working time policy debate in the trade unions in recent years, one is inevitably struck by some very significant changes in the trade unions' approach to this issue, changes which are predominantly attributable to two parallel processes of development. On the one hand, it has to be conceded that the trade unions have, albeit slowly, come to recognise that their classic working time policy ideas were increasingly discordant and incompatible with developments in the real world. The new forms of flexibility demanded by companies, the structural changes taking place on the labour markets and, not least, the "new values" which have come into being as a result of more individualistic and diversified attitudes and interests (Hoffmann, J. *et al.* 1990) have forced a rethinking of working time policy issues. By the mid-eighties at the latest the employers' federations and individual firms were exerting increased pressure for flexible labour and working time practices. The principal concern of firms in this respect is to enhance profitability under conditions of more capital-intensive production and, to this end, to maximise plant utilisation schedules. The new demands for flexibility imposed by firms are in striking contrast to the rigidly conceived classic working time patterns and are not necessarily in harmony with the desires of their workforces for more flexible working time arrangements. Meanwhile, however, workers have in recent years become more vociferous in their claims to gain increased control over

their time as a means, among other things, of successfully reconciling employment and family responsibilities and other private commitments. At the same time, trade unions need to recognise that in many cases workplace representatives have been involved in the introduction of modified working time arrangements which do not conform with traditional trade union conceptions of working time. A good example of how employees' preferences as regards working time practices have changed is provided by a breakdown of the reasons for accepting part-time employment.



Source : European Commission, *Employment in Europe* 1995: 59

Of course, such findings are not to be accepted uncritically. Even so – and other studies testify to a similar trend – we cannot fail to observe that working time preferences have altered substantially. Further evidence of this general tendency is supplied by the increased interest shown in sabbaticals and various forms of job-sharing.

How the trade unions' ideas on working time policy have evolved can be only very briefly indicated here. A position paper by the German Trade Union Confederation (DGB) entitled "Prospects for a new working time policy" contains a close and detailed examination of workers' changed working time needs and preferences. It shows, among other things, that flexible arrangements covering the beginning and the end of the working day go some way towards meeting workers' claims for greater control over their own time while also offering scope to cater for firms' concerns to achieve more flexible production geared to their customers' needs (DGB 1995: 13). The Dutch trade union confederation FNV came out, very early on, in favour of the regulation of part-time work in a socially congenial manner (FNV 1994). The FNV was thus one of the first trade union confederations to move away from a narrowly-conceived rejection of part-time work. The possible consequences of a failure to accommodate flexibility are outlined in an action programme by the Italian trade union confederation CISL on the reorganisation and reduction of working time : "Lack of flexibility and failure to meet the social needs of time organisation in the public sector have, for example, brought about an increase in costs for employers and public finances, as well as a certain drop in the standard of living for citizens" (ETUI 1995). In France, the CFDT is strongly supporting a WTR policy in order to fight unemployment and pushed during its 1996 congress the claims for a 32-hour working week. This union is in favour of decentralised negotiations which simultaneously take on board issues of working time reduction and working time reorganisation, those of employment and those of wages. The CFDT has been the main supporter for the two last laws on WTR passed in France (*loi Robien* in June 1996 and *loi Aubry* in June 1998) which create scope and provide incentives for negotiations at company level on these issues. Other significant proposals have been put forward by the Swedish trade unions in relation to flexible working time arrangements conceived from the standpoint of the whole career or working life (Fajertag 1998, Anxo 1995). Evidence that the path trodden

by the trade unions in the direction of new working time conceptions is not free of contradictions was provided by the Finnish trade union confederation SAK at its 1996 Congress in Helsinki. In a position paper the SAK presidency proposed dropping the demand that working time reductions be accompanied by no loss of pay. This demand has admittedly been a perennially contentious point in the whole working time discussion so that it is hardly surprising that such a forthright proposal failed, for the time being, to gain majority support at the Congress.

These few indications can do no more than offer a superficial taste of the extraordinary diversity of the working time policy debate as it has been conducted in the European trade unions. In spite of the divergent positions which are encountered in different parts of the European trade union movement, the Congress of the European Trade Union Confederation held in May 1995 issued a statement indicating the direction to be taken by a common reappraisal of positions. The Congress document entitled *Jobs and Solidarity at the Heart of Europe* contained the following sentence : “The policy providing for general reductions in individual and collective working time can have much more global effects by aiming to optimise productive capacity while redistributing the work available and catering for changing individual and collective needs” (ETUC 1995: 20).

It is quite rightly pointed out that in Europe we are still a long way from the goal of general implementation of the 35-hour week. Yet the need for even more ambitious goals is also stated, namely the eventual introduction of a 32-hour four-day week; and it is further argued that “working time needs to be seen over a person’s whole working life – taking into account training periods and a person’s whole working life. However the working week will remain the key reference point, even if it is part of longer periods” (ETUC 1995: 20).

3.3. Other objectives associated with implementing possibilities of distributing working time differently over the whole life cycle

Although reducing unemployment represents the immediate objective of this type of policy, the generalisation of possibilities of organising working time in different ways over the whole life cycle (part-time

work, progressive early retirement, extended leave or career breaks and life-long training) needs to be directed, with the help of suitable arrangements and conditions, towards other objectives. These objectives are very often complementary:

- *Increasing social cohesion and solidarity*: this objective is concomitant with reducing unemployment, but it may lead, depending on the context, to certain groups being targeted for replacement by new entrants into employment schemes. The idea, via the different systems for organising working time over the whole life cycle, is to enable people excluded from the labour market to (re)enter. The systems introduced in this way may explicitly seek to replace people reducing their working time or withdrawing temporarily or permanently from the labour market by people who have been excluded from or marginalised on the same market;
- *Flexibility and the development of innovative forms of work organisation*: the systems selected should not introduce any rigidity into the organisation of work and the production process in enterprises. It is these conditions and arrangements for implementation which should guarantee the “exchange of flexibilities” which enables the constraints of the enterprises to be reconciled with those affecting workers. In this connection the EU Green Paper *Partnership for a new organisation of work* (European Commission 1997) is of particular interest; it calls for a better balance between flexibility and security which is best served by a systematic interlinking of new forms of work organisation and innovative working time concepts;
- *The humanisation of work and freedom of the individual (inside and outside work)*: the idea, through emphasising notions of choice, freedom, and sovereignty, is to direct thinking towards seeking negotiated arrangements in order to reconcile production flexibility with individual freedom within the enterprise. Underpinning the solutions must be the objective to build up genuine citizenship in the workplace;
- *Reconciling work and family life*: part-time work, parental leave, but also arrangements for implementing any other type of working time reduction, need to take account of workers’ family commitments, be

they men or women. Recourse to these options must not negatively affect workers' careers and they must be able to be used at different times in accordance with workers' own perception of what is most appropriate to their situation of the moment;

- *Equal opportunities*: this refers both to equality in terms of access to work and in the nature of the interface between work and non-work. In this respect it must be stressed that existing arrangements are frequently discriminatory (whether positively or negatively), by gender (part-time work, parental leave), by age (part-time work, early retirement), by occupational category (certain types of arrangement more frequently apply to low-skilled workers – e.g. part-time working – whilst others are reserved for the managerial staff – for example the time savings account), by sector of activity (public/private), or by individual structuring of life paths. Not only do the employment policy guidelines issued by the EU focus, in one of four pillars, on equal opportunities for women and men; they also advocate a gender mainstreaming approach to implementation of the other three pillars (see footnote 2 and for more detail Meulders 1998);
- *Democratisation of life in the workplace*: very often the way working time is organised and distributed over the day, week, year, and life cycle, is a matter in which workers have no real individual say. This subordination, added to the subordination attached to the labour contract, represents an asymmetry in the employer/employee relationship. The implementation of schemes for organising working time over the life cycle should aim, via negotiations at the work unit level, within a framework which has already been defined at a higher level (sector, enterprise), at enabling individuals to manage their working time in a flexible manner.

4. Aspects of a concept of lifetime working hours

The ETUC position paper “Employment at the heart of Europe” is quite clear about the future direction to be taken by working time policy in Europe. Above we described some of the ideas developed by social scientists on a lifetime working hours model: those of Jean Fourastié in the 1960s, Gösta Rehn in the 1970s and André Gorz in the 1980s. How topical this demand is today is shown, for example, by the proposal

issued by former European Commission President Jacques Delors for a reduction of lifetime working hours to 40,000 by the year 2010 (ETUI 1995). In the following we outline five possible components of a concept of lifetime working hours. The average European working life, lasting approximately 43 years, currently totals some 70,000 hours. A concept according to which lifetime working hours should number no more than 50,000 hours would accordingly represent a radical reduction in working time to the tune of 25%.

Considerations geared to a lifetime reduction of working hours extend far beyond the notion of a shortening of the working week. They offer numerous possibilities for individuals to put into practice their own working time preferences at different times throughout their career. In particular, this concept allows for the incorporation of temporary career breaks in the form of sabbaticals or parental leave and for the systematic integration of training periods. In addition it offers opportunities to shape the growing volume of part-time work into socially amenable forms. Meanwhile, even in the framework of this concept, the reduction of the working week retains a central role.

4.1. Reduction of the working week

The trade unions' demand for a 35-hour working week dates back to the mid-seventies. If we consider the current situation we are compelled to acknowledge that, on the European average, only limited progress has been achieved in the reduction of the working week. Weekly working hours in Europe range between 32 and 43 hours, albeit with exceptions in individual companies, such as Volkswagen where a reduction of working time to 27.7 hours has been agreed. In the light of actual reductions in weekly working hours in Europe in recent years, one is certainly entitled to wonder whether a reduction to a 32-hour week is a politically realistic goal. Yet even more radical positions have been adopted by certain trade unions. The DGB, for example, in the position paper referred to above, states that "in the next ten to fifteen years a full-time working week of between 25 and 30 hours will have to be achieved" (DGB 1995: 12). This option is justified on the grounds that without such a reduction in working time it will be impossible to remedy the problem of mass unemployment in Europe. However, it is a claim that has not so far found its way into actual collective bargaining demands. At the 1995 congress of *IG Metall*,

for example, the view was expressed that the primary initial goal must be the nation-wide achievement of the 35-week before introducing any more far-reaching demands into the collective bargaining process. The situation in Belgium provides an even clearer illustration: in the context of the negotiations for an employment pact in 1996, the Dehaene government conceded that it would not oppose the reduction of working time to 32 hours a week, particularly in companies which would otherwise be compelled to make significant numbers of workers redundant. And plans were revealed to allow reductions in social security contributions to companies prepared to go ahead with a working time reduction along these lines. In Portugal too a significant, albeit partial, success has been won. The employment pact for the public service concluded at the beginning of 1996 incorporated the phased introduction of the 35-hour week over a five-year period (Naumann 1996). Since 1996, France has been engaged in a WTR process. A law passed in June 1996 (the so-called *loi Robien*) has provided financial incentives (rebate on social contributions paid by the employers) for firms which sign agreements implementing a WTR of 10% or 15% in order to create or save jobs in the same proportions (10% or 15%). Two years on, about 3,000 agreements of this type have been signed. Furthermore, the unexpected change of political majority in spring 1997 enabled adoption of the Socialists' plan to reduce the statutory working week from 39 hours to 35 hours. This new law "*d'incitation et d'orientation à la réduction de la durée du travail*" reduces the statutory working week to 35 hours from 1 January 2000 for firms with more than 20 employees and from 1 January 2002 for those with 20 employees or less. In the meanwhile, the law calls for negotiations both at sectoral and company level. Firms are given financial incentives to sign agreements reducing working time by at least 10%. Unlike the provisions of the *loi Robien* financial incentives consist in a fixed amount of money (deductible from social contributions due by the employers) depending on the scope of the working time reduction and the date of conclusion of the agreement. The financial incentive is granted subject to the creation or preservation of jobs (as with the *loi Robien*): 6% in the case of 10% working time reduction, 9% if working time is reduced by 15%.

On the basis of an average working week of 37 hours taken over Europe as a whole, a reduction to a 32-hour week would represent 15%.

4.2. Regulated part-time work

Part-time work has become more widespread in all European countries – albeit to varying extents – in recent years (see Fagan in this volume and Fagan *et al.* 1995). The reasons for this are many and varied. Frequently the main considerations are material ones, insofar as a part-time job can represent a solution to the need for an additional family income, in particular where women's work is concerned. In many such cases, moreover, part-time work constitutes the only option for a woman wishing to return after a break from paid work. 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 7%. 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.

The increasing significance of part-time work is such that it must be incorporated into any concept of lifetime working hours. Even though employers are increasingly offering part-time jobs, there exists as yet no actual entitlement to part-time work. Only a very few collective agreements contain explicit provision in this respect. Alongside general demands for equal treatment, such as are being raised by the ETUC in negotiations with the European employers (UNICE/CEEP) (see Lapeyre 1998), agreement should also be reached to entitle all employees to work on a part-time basis for at least five years in the course of their working lives. This would amount to a reduction in lifetime working hours of some 4,300 hours or 6%. Naturally, it would be left up to the individual

worker to choose whether or not to take up this entitlement and it is possible only to speculate about how many would choose to do so. Nonetheless, the incentive to take advantage of such an arrangement would inevitably be enhanced if it were subject to attractive social security provisions.

4.3. Lifelong Learning

The development of human resources is one of the key factors of the modernisation of labour markets in the European Union. The European Commission White Paper, to which we referred above, emphasised the strategic importance of training and continuing skills development. The new methods of production and labour organisation require highly motivated and skilled workforces and this, in turn, requires foresight and investment in the field of education and training. The process of constant change on the labour markets makes lifelong learning a vital necessity: the European Commission assumes, for example, that the overwhelming technological changes will continue and that in ten years time only twenty per cent of today's technologies will still be in use. Meanwhile, the skills potential of employees will develop at a much slower rate if the current educational and training structures remain in place. The importance of lifelong learning has been stressed, in particular, by the OECD (1996) which, in its report entitled *Lifelong learning for all*, quite accurately pointed out that there is as yet no uniform understanding of lifelong learning processes and that a range of very different instruments are in use in Europe. However, the OECD is of the firm view that the traditional educational system, which comes to an end somewhere between the ages of 16 and 24 ("front-end educational philosophies"), is completely obsolete (OECD 1996: 89). The European Commission was also fully aware of the importance of education and training when it decided that 1996 should be the "European Year of Lifelong Learning" (European Commission 1996).

Insofar as there exists a consensus about the need for lifelong learning, it would be only logical to move in the direction of guaranteeing all workers an appropriate volume of time to be devoted to further and continuing training measures throughout their working lives. In Germany, for example, there already exist, at the level of the *Länder*, statutory provisions guaranteeing annual educational leave entitlement

of two weeks. In terms of lifetime working hours this would amount to 2000 hours or 1.8 years. However, we also know that no more than 3 per cent of the workforce actually choose to take up this entitlement. Accordingly, some thought should be given to ways of incorporating periods of further training into the concept of lifetime working hours and of extending the length of such periods to a total of three years, for example, which would mean a working time reduction of 7% over the whole working career. A whole range of questions have to be asked (see Schuller in this volume), and answers supplied, as to how the corresponding training opportunities can be arranged and appropriately scheduled. One thing is clear, namely that the whole question of claims to take up training entitlements must be dealt with in an extremely flexible manner. The question of when training is taken should be dependent upon individual choice and workplace conditions. In a number of countries such measures are already being fostered in the context of active labour market policies. Here too it is important that appropriate accompanying provisions should be developed in the realm of social security.

4.4. Sabbaticals and parental leave

An increasing number of people are expressing interest in the idea of a temporary career break (see Schmid and Nätti in this volume). In particular in the area of the public services, employees in a number of European countries have already been granted the right to take such a break. In Belgium the “*interruption de carrière*” is explicitly promoted as a labour market policy measure. Such opportunities are in many cases well attuned to workers’ concern to find ways of reconciling employment and family responsibilities, especially during the child-rearing years. The possibility of such “sabbaticals” could well be introduced to expand and diversify existing provision for parental leave. In this respect, a significant step forward at European level was achieved in December 1995. On the basis of an agreement concluded between the Social Partners, the Commission adopted a Directive on parental leave containing provision for parental leave of at least three months for parents of children under the age of eight. As a result, three countries which hitherto made no provision for parental leave (Ireland, Belgium and Luxembourg) have been compelled to introduce it. The terms of the

Directive further serve to improve existing national provision in six other countries (Lapeyre 1996).

Assuming that the entitlement to parental leave and sabbaticals is accompanied by adequate incentives to take up this option, such provision could lead to a reduction in lifetime working hours of up to 10 per cent.

4.5. Early retirement and flexible transition to retirement

A significant contribution to shortening lifetime working hours has been made in recent years with the introduction of early retirement systems or arrangements for flexible transition to retirement (see Delsen, Hutsebaut and Reissert in this volume). The statutory retirement age in Europe ranges between 60 and 67 (ETUI 1996: 29) but in actual fact people obviously retire much earlier. In particular, in the face of the threat of mass redundancies, in many firms collective agreements have been concluded to facilitate early retirement or flexible transition to retirement. The latest disputes in France involving the lorry-drivers have led to a general lowering of the retirement age to 55. In considering this example, however, it must be borne in mind that the average weekly working hours of lorry-drivers are extremely long (up to 60 hours and more). But in other sectors too, particularly the steel industry, there exist agreements enabling early retirement as from the age of 55. In the framework of the discussion surrounding an employment pact in Belgium, there are plans to introduce an early retirement plan for workers aged 58. In Germany, meanwhile, the statutory regulations governing early retirement have once again been tightened up. Many other examples could be given of how early retirement has been facilitated by adoption of the requisite special social security provisions. In many cases too, firms have found ways of enabling workers to embark on a flexible transition to retirement which means, in practice, that, as from a certain age, weekly working hours are reduced by a quarter or by half. However, in the context of arrangements of this kind, one must also consider the possibility of greater upwards flexibility of the retirement age, for it is certainly conceivable that some workers may wish to continue in employment beyond the age of 65. Nonetheless, such regulations must always be introduced on a voluntary basis. Depending on the details of an early retirement plan, it can serve to reduce lifetime working hours by up to 12 per cent. The consequences for the retirement systems are clearly visible:

whereas at present pension calculations are generally based on a full working life of 43 or 45 years, for a 50,000-hour working life, the basis for calculation will have to be reduced to approximately 35 years. This places considerable demands on the funding of pension systems and, in the absence of a reduction in pension claims, it must appear rather unlikely that such an approach can actually become generalised.

5. Conditions and arrangements for implementing a work organisation over the entire life cycle

A new approach can be introduced only if certain conditions are respected. It also requires certain specific arrangements.

5.1. The conditions for the success of such a policy

The main conditions which need to be respected are found in three areas: conditions in terms of employability, with reference to the present conditions of economic and social development; conditions in terms of social and company infrastructure; conditions in terms of the costs for enterprises, for the individual and for society at large, which imply more specifically a recasting of social protection systems.

The question of *employability* must be tackled from the angle of the reversibility of systems, i.e. assurance that workers entering one of these systems, enabling them to distribute their working time differently over their whole life cycle, can return to their job. It also needs to be tackled from a more dynamic angle (at least as regards part-time work and extended leave), via access to training, and guaranteeing that career development will not be stunted. The need here is to obtain training in new production technologies and in communication and information technologies in order not to be out of one's depth on returning to work. This concept of employability, in particular in its training dimension, needs also to be applied to workers recruited to replace those entering these schemes for organising working time over the whole life cycle.

Reversibility is a central condition for achievement of many of the objectives assigned to an extension of the possibilities to organise working time over the life cycle; individual choice and humanisation of work, equal opportunities and democratisation of working life, all presuppose the

existence of this reversibility ensuring that a worker is not, for example, condemned to work part-time for the rest of his or her life.

With regard to the *cost to enterprises*, we have here a demand which is now shared by all social players: that the various forms of WTR must be, at the least, cost-neutral for business. This having been said, it is good to remind ourselves that:

- in certain countries (France for example) there exists room for manoeuvre, given the enormous distortion in the distribution of value added between profit and salaries to the benefit of the former;
- WTR in itself induces productivity gains, generally further increased by the related processes of reorganisation. These productivity savings already go part-way to financing WTR.

In terms of *cost for workers*, most of these systems lead to a reduction of workers' income, both in the form of direct income (lower salaries) and indirect salaries (negative effects on social benefits, in particular on retirement pensions). What is needed is to attenuate the effect on direct salaries and to cushion the effect on indirect salaries. In most countries, financial incentives are directed at enterprises and not at workers. The need therefore is to re-direct and harmonise financial incentives so that workers committing to these systems may also be subsidised (particularly when these schemes have the declared objective of creating or maintaining jobs). From this viewpoint, the introduction of a minimum income, the principle and amount of which could be negotiated at the European level, would appear to be a necessary prerequisite to avoid constituting a category of "working poor".

5.2. Changing demands on social security systems

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” (Matthies *et al.* 1994: 357).

A concept of lifetime working hours 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, insofar 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 field of social protection 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” (Aznar 1994: 71). André Gorz had 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 (...)” (Gorz 1983: 66). Though any practical recourse to the concept of a basic 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)” (Aznar 1994: 67).

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.

5.3. Implementation

The way in which the various schemes are implemented so as to better distribute working time over the whole life cycle must fulfil at least two structural principles:

- these systems which permit greater flexibility must be negotiated;
- they must involve all players, that is, the social partners at the various negotiating levels, governments, local players (municipal and regional authorities) and workers.

These guiding principles with regard to the practical arrangements have implications in four main areas:

- *collective bargaining*: ideally, this should cover the different levels (inter-occupational, sectoral, enterprise) according to a “nest of dolls” process of negotiation (the basic principles are defined at the highest levels and then translated into practice as close as possible to the concrete conditions of production). The collective agreements resulting from these negotiations ought, at a minimum, to define the conditions for entering into these systems, as well as the conditions of reversibility, minimum periods of advance warning, etc. Collective bargaining ought also to make it possible to develop instruments, such as the time savings account, which make it possible to organise working time over the total life span. However, in this area, it is important to move beyond the national frame and to envisage European negotiations for harmonising the rules concerning the right, both individually and collectively, to organise one’s working time over the whole life cycle. The schemes to which we have referred (part-time working, extended leave, training leave, early retirement) are developed to a varying extent in each European country, and carry conditions which vary from one country to the next. As they have already done in the areas of part-time working and parental leave, European social partners could conclude framework agreements on the other types of system involved in order both to define the general principles and also to speed up their dissemination right across the European Community (Lapeyre 1998).
- *Labour legislation*: this can also play a part in defining principles which structure the operation of these systems (in particular where they involve public finance, or bridges between such financing and social security or unemployment benefit systems – e.g. extended leave in Denmark). Labour legislation can also confirm, or substitute inter-occupational agreements on principles of public social order: for example the right to move to part-time working and the guarantee of reversibility. Such legislation can also provide a framework for flexibility, in so far as the understanding of working time over the whole life cycle can have the effect of destabilising the usual standards (see here the 1996 Dutch law on working time, as well as the debate concerning legislation on part-time working in the same

country). Here too, we must not evacuate the prospect of defining the main orientations via a re-casting, at the European level, of what could be the right to work (see here the Supiot report 1998);

- *Social protection legislation*: the task here is to organise the social security coverage of periods when individuals are working less than full-time or temporarily cease paid employment, to make provision for inter-linking with retirement systems, as well as, in respect of financing, for exchanges between the tax and social security systems. This last comment shows that *tax legislation* may also be involved;
- *Active labour market policies*: the various arrangements were explicitly conceived, from the outset, in an employment policy perspective. They are intended as means of introducing pro-active employment policies, on the one hand enabling job seekers to enter the labour market, (cf. G. Schmid's (1998) concept of transitional labour markets), on the other hand enabling all components of the working population to train right through their lives;
- *Tax measures*: these can be applied in at least two complementary directions: on the one hand financial incentives aimed at attenuating the effect of reduced working time on workers' incomes (pay compensation), and on the other hand tax reform which permits the rapid adjustment of tax and social security levies (for example in countries like France, where income tax is not deducted at source but where the tax paid in year n+1 is based on earnings in year n) to workers' new situations. As a general rule, the nature of these measures varies depending on the specific conditions of each of the countries concerned.

6. Conclusion

The components of a concept of lifetime working hours naturally require further elaboration and development. Nor can we assume that they will necessarily be accepted without criticism or controversy. At bottom, however, it is a question of finding new patterns which will contribute to a concept of lifetime working hours designed not just as a means of beating back unemployment and preserving social cohesion but also as a way of enabling human beings to increase the scope for new forms of

freedom in their lives. The separation between working and non-working time has always been to some extent an artificial one. The search for compatibility between the demands of employment and social and family commitments and responsibilities can represent a step in the direction of the further development of the European social model. However, such progress entails far-reaching consequences for traditional attitudes to the whole question of work – today still predominantly conceived of as “gainful employment” -, while also making completely new demands on the social security system.

References

- Alaluf, M., Boulin, J.Y. and Plasman, R. (1995) ‘Working-time policy in Europe’, in Hoffmann and Lapeyre (eds.) 1999.
- Anxo, D., Boulin, J.Y., Lallement, M., Lefèvre, G., Silvera, R. (1998) ‘Recomposition du temps de travail, rythmes sociaux et modes de vie’, *Travail et Emploi* N° 74. 1/98., La documentation française, Paris.
- Aznar, G. (1994) *Travailler moins pour travailler tous*, Paris.
- DGB (1995) *Deutscher Gewerkschaftsbund – Perspektiven für eine neue Arbeitszeitpolitik*, Düsseldorf.
- Dumazedier, J. (1962) *Vers une civilisation du loisir ?* ed. du Seuil, Paris.
- ETUC (1995) *European Trade Union Confederation, Jobs and Solidarity at the heart of Europe*, Brussels.
- ETUI (1995) ‘For an innovative working time policy to secure employment and an improved quality of life’, in Hoffmann and Lapeyre (eds.) 1995.
- ETUI (1996) *Collective bargaining in Western Europe 1995-1996*, Brussels.
- European Commission (1993) *Growth, Competitiveness and Employment – The challenges and ways forward into the 21st Century*, White Paper of the Commission of the European Communities, Luxembourg.
- European Commission (1995) *Employment in Europe 1995*, Luxembourg.
- European Commission (1996) *Employment in Europe 1996*, Brussels.
- European Commission (1997) *Green Paper – Partnership for a new organisation of work*, Brussels.

- Evans, A.E (1973) *Flexibility in working life*. OECD, Paris.
- Fagan, C., Platenga, J. and Rubery, J. (1995) 'Part-time work and inequality? Lessons from The Netherlands and the UK' in Hoffmann and Lapeyre (eds.) 1995.
- Fajertag, G. (1998) 'Working time in Europe – current trends', in Gabaglio, E. and Hoffmann, R. (eds.) (1998) *European Trade Union Yearbook*, Brussels.
- FNV (1994) *Part-time work: the Dutch perspective*, Amsterdam.
- Fourastié, J. (1965) *Les 40 000 heures*. Laffont-Gonthier, Paris.
- Gabaglio, E. and Hoffmann, R. (eds.) (1998) *European Trade Union Yearbook*, Brussels.
- Gardhammer, M. (1995) 'Changes in working hours in Germany: the resulting impact on everyday life', *Time and society*, June. Sage, London.
- Goetschy, J. and Pochet, P. (1997) 'The Treaty of Amsterdam: a new approach to employment and social affairs?' *TRANSFER* Volume 3, Number 3.
- Gorz, A. (1983) *Les chemins du paradis*, Paris.
- Gorz, A. (1997) *Misères du présent, richesse du possible*. Galilée, Paris.
- Hoffmann, J., Hoffmann, R., Mückenberger, U. and Lange, D. (1990) *Jenseits der Beschlußlage. Gewerkschaften als Zukunftswerkstatt*, Köln.
- Hoffmann, R., Lapeyre, J. (eds.) (1995) *A time for working – a time for living*, Brussels/London.
- Lapeyre, J. (1996) 'First round of European negotiations on a key issue for equal opportunities and equal treatment', *TRANSFER*, Volume 2, Number 1.
- Lapeyre, J. (1998) 'A new stage for European negotiation: the framework agreement on part-time work', in Gabaglio, E. and Hoffmann, R. (eds.) *European Trade Union Yearbook*, Brussels.
- Marchand, O., Minni, C., Thélot, C. (1998) 'La durée d'une vie de travail, une question de génération?' *Premières synthèses*, N° 50.2, 98.12, DARES, Ministère du travail, Paris.

Matthies, H., Mückenberger, U., Offe, C., Peter, E. and Raasch, S. (1994) *Arbeit 2000 – Anforderungen an eine Neugestaltung der Arbeitswelt*, Reinbeck (Hamburg).

Meulders, D. (1998) 'Employment and equal opportunities', in Gabaglio, E. and Hoffmann, R. (eds.) *European Trade Union Yearbook*, Brussels.

Mückenberger, U. (1993) 'Ist der "Sozialraum Europa" noch auf der historischen Agend? Neue Beschäftigungsformen und deren europäische Regulierung', *WSI Mitteilungen* 9/1993.

Naumann, R. (1996) 'Portugal', in European Trade Union Institute *Collective Bargaining in Europe 1995-1996*, Brussels.

OECD (1996) *Lifelong learning for all*, Paris.

Rehn, G. (1977) *Towards a society of free choice*. Swedish Institute for Social Research. Stockholm (reprint from Wiatr, J., Rose, R. (eds.) *Comparing public policies*, Ossolineum, Wroclaw).

Rifkin, J. (1995) *The end of work*. Tarcher-Putnam, New York.

Schmid, G. (1998) *Transitional labour markets : a new European employment strategy*. discussion paper FSI 98-206. WZB, Berlin.

Schor, J. (1998) *The overspent American. Upscaling, downshifting and the new consumer*. Basic Books, New York.

Supiot, A. (1998) *Au-delà de l'emploi : transformation du travail et devenir du droit du travail en Europe*. Rapport pour la Commission Européenne. Flammarion, Paris.

Thompson, E.P. (1967) 'Time, work discipline and industrial capitalism', *Past and Present*. Vol.38. Corpus Christi College, Oxford, England.

Part II

Part-time work: a European comparison

Developing the concept of lifetime working hours: the potential role of part-time work

Colette Fagan

1. Introduction
2. Existing systems of part-time work in European countries
 - 2.1. Equal treatment in employment and minimum wage protection
 - 2.2. The integration of part-time work into social protection entitlements
 - 2.3. Diversification of the range of jobs available on a part-time basis
 - 2.4. Summary
3. Worksharing through part-time employment
4. Working time preferences and lifetime working hours
5. Conclusions

References

1. Introduction

Part-time work has an important role to play in the definition and development of a policy of 'lifetime working hours'. Indeed, the growing recognition that our conceptualisation of working time requires a lifetime dimension is in part due to the rapid expansion of part-time work in many countries in recent decades. Furthermore, part-time work is likely to become a key component of a number of policies which might be developed as part of a policy on 'lifetime working hours', such as flexible retirement schemes and other options to work part-time within leave schemes for parenting or education.

The simplest notion of 'lifetime working hours' refers to the number of hours that an individual spends in waged labour during his or her lifetime. Historically there has been a long-term decline in the average number of hours worked during a lifetime (Bosch *et al.* 1994, ETUI 1995). This is partly a result of successful campaigns for working-time reductions which have focused on obtaining a shorter working day and week with reduced annual hours through the extension of holiday entitlements. It is also because working life has become concentrated into a narrower range of years as young people spend more years in education and older people retire earlier. Recently Jacques Delors proposed the political goal of moving towards a working lifetime of 40,000 hours¹. This could actually be achieved through a lifetime of part-time work, for example 22 hours per week for 46 weeks per year for 40 years, or a combination of periods involving longer or shorter hours of work. The key point here is that daily, weekly, monthly and annual hours are the 'building blocks' of lifetime hours. It is important that the linkages between these different reference periods be retained in the conceptualisation and development of policies on lifetime working hours.

The second, related point about a lifetime perspective on working hours is that the same volume of hours can be achieved through a range of possible adjustments at different stages in people's lives, producing a diversity of patterns between individuals. Such a policy has the potential to provide the conditions for individuals to improve the correlation between their actual

¹ As noted by Boulin and Hoffmann in this volume, this idea was first raised some time ago in Fourastié's book (1965) *Les 40,000 heures*.

and preferred working-time arrangements. Research in a number of European countries shows that significant proportions of people would like to alter the number of hours that they work, and that working-time preferences vary at different stages in people's lives. From this lifetime perspective on working time, it is clear that part-time work may be entered into (and left) at a number of points in the lifecycle (see Box 1).

Box 1: Possible lifetime transitions into, and out of, part-time work

Initial entry into employment

- As a point of labour-market entry for young people in conjunction with education.

Re-entry to employment

- Involuntary part-time employment as an exit from unemployment when full-time jobs are unavailable, perhaps as part of an active labour market policy for the unemployed.
- As a means of labour market re-entry, for example for women who left to raise children.

Continuity of employment through working-time adjustment policies

- A reduction of hours to accommodate other time commitments in an individual's circumstances (education, training, parenting).
- A collective reduction in hours at the workplace as an alternative to redundancy.
- A subsequent return to working full-time hours when there is a change in the individual's circumstances and/or the economic situation of the firm.

Labour market exit

- Gradual retirement.

The concept of lifetime working hours provides a connecting link between a number of key labour market policy objectives (see Boulin and Hoffmann in this volume). One is the promotion of worksharing in order to tackle high levels of unemployment and social exclusion. Another objective is to develop working-time arrangements which reconcile employers' requirements for greater working-time flexibility with increased working-time autonomy or time sovereignty for employees. Finally, the promotion of equal opportunities necessitates increased compatibility between working and family life, greater time sovereignty for all employees and the democratisation of working-time organisation more generally. Part-time work – in conjunction with extended leave arrangements, reductions in full-time hours and other working-time adjustments – has the potential to contribute to the achievement of all three policy objectives. But a lifetime perspective on working hours does more than simply expose the inter-connection of these different objectives; it highlights the need for policies to be developed which enable individuals to make one or more transitions between different working-time arrangements over their lifetime (Schmid 1998, O'Reilly *et al.*).

This paper focuses upon the range of policies needed for part-time work to develop as one means of reorganising working time over the lifetime. Section two starts with a summary of the general characteristics of the existing systems of part-time work in the European Union, drawing on a recent international study (O'Reilly and Fagan 1998). The policy developments which are necessary for part-time work to develop as an integrated rather than marginalised form of employment are then discussed. The policy target is to reduce differences in employment conditions between full-timers and part-timers, thus promoting the basis for smooth transitions between full-time and part-time hours of work over the lifetime. Section three looks at the issues involved in promoting part-time employment as a means of worksharing. Section four discusses the issue of employees' working-time preferences as a contribution to the development of bargaining agendas in relation to the concept of lifetime working hours. The concluding section summarises the types of policies necessary for part-time work to develop in a direction which is compatible with the objectives of a new conceptualisation of lifetime working hours, and identifies some new information and research needs.

2. Existing systems of part-time work in European countries

Part-time work has accounted for more than half of the net job creation in Europe since the 1980s (Rubery *et al.* 1996: 180-4). Most of the growth in part-time work has been concentrated in the northern member states of the European Union, and marked national differences in the rate of part-time employment exist (Table 1). The rate of part-time work is particularly high in the Netherlands, the UK, Sweden and Denmark.

The majority of part-timers in most countries are women, many of whom are mothers, and this group of workers accounted for much of the early expansion of part-time work in Europe. Across the EU nearly one third of employed women work part-time. In most countries the rate of part-time work for employed women is either increasing or stable. The main exception is Denmark, where part-time employment for women has declined in recent years, retreating to the levels observed in the 1970s (Boje 1997: 72-3) and a more modest decline has occurred in Sweden. The change in these two countries reflects a combination of an increased aspiration among women for full-time work and deteriorating economic conditions.

Recently, part-time employment has become more common for young people in some labour markets due to a combination of rising unemployment, active labour market policies, longer periods spent in education (partly in response to poor labour market conditions), and a decline in the value of student maintenance grants in countries like the UK. In some countries part-time work has also increased at the other end of the age spectrum, among those approaching full-time retirement, again due to a combination of flexible retirement policies (see Reissert in this volume) and job losses. The increase in part-time work among young people and those nearing retirement is a major factor in the rapid increase in part-time work for men in some countries (Delsen 1998). Nevertheless, male involvement in part-time employment is much less than that for women, accounting for only 6% of employed men in the EU. The countries with the highest levels of part-time work among men are the Netherlands (17%) and Denmark (11%).

Table 1: The development of part-time employment in the EU in percentage of employees

	NL	UK	S	DK	D	F	B	A	IRL	FIN	P	L	E	I	GR	EU
Females																
1983	49.5	41.8		46.3	29.6	18.7	20.7		11.9			17.1		7.5	8.5	27.8
1991	58.6	43.7		38.3	34.0	23.6	30.5		17.2		6.5	17.4	10.6	9.7	4.8	29.5
1995	67.0	43.6	43.7	36.1	33.8	29.4	33.4	27.0	22.8	15.1	7.6	20.5	16.3	12.1	5.5	32.0
1996	68.3	44.8	39.7	35.0	33.8	29.5	30.5	28.8	22.1	15.6	13.0	18.4	17.0	12.7	9.0	31.5
1997	67.6	44.8	39.9	34.4	35.1	30.9	31.4	29.0	23.2	15.6	15.0	20.2	17.4	13.7	8.1	32.3
Males																
1983	6.8	3.1		7.1	1.1	2.0	1.9		2.4			1.0		1.5	3.3	2.3
1991	15.5	5.4		10.9	2.2	3.2	2.2		3.7		1.6	1.4	1.1	2.5	1.7	3.8
1995	16.5	7.2	8.9	10.8	3.1	5.1	3.1	2.9	6.0	6.7	1.6	1.1	2.1	2.4	2.2	4.9
1996	17.0	8.1	8.8	10.8	3.6	5.2	3.0	4.2	5.0	7.9	5.1	1.5	3.1	3.1	3.3	5.4
1997	17.0	8.8	9.3	12.1	4.2	5.5	3.3	4.0	5.4	7.6	5.7	1.0	3.2	3.3	2.6	5.8
Total																
1983	21.0	19.5		25.8	12.0	9.0	8.3		5.8			6.2		3.5	4.9	12.2
1991	32.0	23.3		24.1	15.3	12.3	13.3		9.0		3.6	7.5	4.2	5.1	2.8	14.4
1995	37.4	24.5	26.4	22.5	16.4	16.2	15.4	13.3	13.3	11.0	4.4	8.0	7.1	6.1	3.4	16.7
1996	38.1	24.6	23.7	21.5	16.3	16.0	14.0	14.9	11.6	11.6	8.7	7.7	8.0	6.6	5.3	16.3
1997	38.0	24.9	24.5	22.3	17.5	16.8	14.7	14.9	12.3	11.4	9.9	8.2	8.2	7.1	4.6	16.9
	NL	UK	S	DK	D	F	B	A	IRL	FIN	P	L	E	I	GR	EU

Sources : European Labour Force Survey 1991, 1995, 1996, 1997
European Labour Force Sample Survey 1983

The *European Labour Force Survey* results show that most individuals who state that they are employed part-time work 30 hours or less per week. However, part-timers typically work longer hours in Sweden. Long part-time jobs of 20 hours or more are also common in Denmark,

France and Belgium, particularly if students are excluded from the calculation. In contrast, part-time jobs in the UK and the Netherlands involve shorter hours, with large proportions of women working in jobs involving less than 16 hours. It is also important to note that in some countries a notable proportion of people who work full-time also have hours which fall below this threshold. This is particularly the case in Italy, where approximately 15% of employed women classify themselves as full-time workers with 30 weekly hours or less (Rubery *et al.* 1995: 172-3). When the marked variation in average full-time hours across the EU is also acknowledged, it then becomes clear that there is a need for a more refined measure of the volume of working hours than the simple binary divide of 'full' or 'part' time.

To date, most of the expansion of part-time work has been concentrated in a narrow range of service sector jobs. Overall, part-time work is concentrated disproportionately in female-dominated, low-paid jobs such as sales, catering and cleaning. However, there are some signs that part-time work is beginning to expand into other sectors in all the EU member states and into higher occupational levels in some countries (Smith *et al.* 1998, Walwei 1998, Rubery *et al.* 1995, Delsen 1998: 67-68). Thus, the increase in part-time work is not simply because of the growing importance of certain service industries in most economies. This form of employment is also growing because employers are changing their labour-use strategies since part-time workers offer a number of competitive advantages. Firstly, part-time contracts can be used to increase flexibility in the organisation of production and service delivery by providing cover for an extension of operating hours; better co-ordination of labour time and predictable fluctuations in demand during the day, week or year; and the ability to respond to less predictable fluctuations in labour demand. Secondly, this reorganisation of working time may yield additional productivity gains, for example through short shifts of more intensive effort, or by stimulating innovation in the organisation and allocation of tasks. Thirdly, part-time work schedules may be made available as an investment in the workforce in order to retain employees who wish to reduce their hours of work for family or educational reasons.

From the workers' point of view there are several disadvantages that may accompany the expansion of part-time work. Firstly, part-time

contracts can be used to undermine the standards established for full-timers. For example premia received for week-end work by full-timers may not be paid under part-time contracts (Rubery *et al.* 1998). Secondly, it is employers' production requirements, rather than negotiated arrangements to increase employees' working-time autonomy, which have been the driving force behind most of the working-time reforms across Europe in recent decades (Bosch *et al.* 1994, Rubery *et al.* 1995). Thus opportunities to work part-time in some job areas may be limited while elsewhere in the economy opportunities for full-time work may be disappearing as a growing proportion of jobs are organised on a part-time basis. Finally, entry into part-time work may prove to be a one-way street where there are few opportunities to transfer into jobs with longer working hours at a later stage, or to move up the promotional ladder.

Thus, a key issue for the promotion of part-time work as a component of lifetime working hours is to establish the conditions in which part-time work develops as an integrated rather than marginalised form of employment. The policy target is to arrive at a situation in which the differences between full-time and part-time jobs are largely reduced to that of working hours and not other conditions such as wage rates or promotion opportunities. Such a scenario provides the basis for smooth transitions between full-time and part-time hours of work over the lifetime, thus reducing disincentives which individuals face when considering part-time work. It also preserves the incentives for employers to use part-time contracts to gain the competitive advantages stemming from working-time flexibility, while removing the incentives to create part-time jobs simply as a means of undermining established wage agreements and other employment standards.

Comparisons between countries and sectors reveal that certain policies and regulations promote the integration of part-time work into the employment system (for a review see O'Reilly and Fagan 1998). These fall into three broad areas. One is the regulation of employment terms and conditions to provide equal treatment for part-timers. Equal treatment reduces employers' scope to use part-time contracts to reduce employment conditions. The second is the integration of part-timers into social protection systems. The third is the diversification of the type of part-time jobs available. These are discussed in turn below.

2.1. Equal treatment in employment and minimum wage protection

In most countries part-time jobs do not just involve shorter hours of work than full-time jobs. It is well documented that part-timers frequently have inferior wage rates and other employment conditions. These inequalities arise because the development of part-time employment to date has largely been on the basis of different principles, terms and conditions to that secured for full-time employment. Thus the expansion of part-time work potentially undermines the norms and standards which labour organisations have established for full-time jobs (Rubery 1998). These threats to full-time standards are reduced where labour law and collective agreements have been extended to secure equal treatment for part-timers, such as in the Scandinavian countries and to a large extent in the Netherlands.

Equal treatment for part-time work is a necessary condition if this form of employment is to be encouraged as part of a 'lifetime working hours' policy. This is actually one area of the labour market where there has been some improvement in employment conditions in recent years, although the process is far from complete. The gradual extension of equal treatment for part-timers in most member states has been due to a combination of collective bargaining and legal rulings in favour of part-timers based on the Equality Directives (Maier 1994, Dickens 1995). This extension of equal treatment will progress further now that the social partners have agreed to negotiate on part-time work at the European level.

However, achieving equal treatment for part-timers is only one of the policy requirements. The main reason why part-timers have inferior wage conditions compared to full-timers is not the lack of pro rata hourly pay and employment conditions, but that part-time jobs are disproportionately concentrated into low-paid occupations, firms and sectors. Therefore, minimum wage systems play an important role in closing the wage gap between full-timers and part-timers, and in reducing the scope for employers to use part-timers simply as a cheap labour force. This is clearly illustrated when the situation of part-timers in the UK is compared with that in the Netherlands. At the time of writing there is no statutory minimum wage in the UK, although the

present government has made a commitment to introduce this, while statutory minimum wage protection does exist in the Netherlands. Part-timers in both countries generally receive the same hourly rate of pay as full-timers with the same job title. It is the lack of minimum wage protection which is the main reason for the fact that average hourly pay for part-timers is much lower than that for full-timers in the UK, which contrasts with the situation in the Netherlands where this differential is not found (Fagan *et al.* 1995).

A further requirement is the removal of hours or earnings thresholds which create categories of marginal part-timers who have less employment protection and limited social protection entitlements, for example in Germany (*geringfügige Beschäftigung*)². Similar thresholds commonly operate for many employment conditions in the workplace, particularly for overtime premia or company pensions (Rubery and Fagan 1994, Rubery *et al.* 1995, Rubery 1998).

2.2. The integration of part-time work into social protection entitlements

In the majority of member states entitlement to unemployment insurance benefits rests upon exceeding a particular threshold for the number of hours worked in the previous period of employment. Sometimes there is also the requirement that the applicant be able and willing to accept full-time work. The result is the exclusion of large proportions of part-timers from compensation for unemployment in some countries. This applies particularly in Belgium, Ireland, Germany and the UK. In contrast, the unemployment insurance systems which are the most inclusive of part-timers are found in the Netherlands, France, Austria and Spain. Where part-timers are more integrated into unemployment insurance systems this usually takes the form of reduced entitlements related to hours worked (for further details see Rubery *et al.* 1998).

The inability of most current welfare state regimes to accommodate rather than penalise part-time work is exposed further in Ginn and

² Employees working less than 16 hours in Britain had inferior levels of employment protection until a legal ruling in 1994 extended equal treatment to all those working eight or more hours.

Arber's (1998) analysis of the pension implications of part-time work. Despite the *Bilka-Kaufhaus* ruling in 1986, many part-timers are still excluded from state or company pension systems in many countries. Thus the proportion of the working life in which a person is employed full-time profoundly affects their eventual pension entitlement. At the same time, the pension penalty incurred from part-time work is mediated by the welfare state regime, as well as the timing and duration of part-time work. For example, in a final salary scheme, a period of part-time work early in life has a much less dramatic impact on the pension received than a period of part-time employment immediately prior to retirement. Overall, part-timers fare best where there is a basic, individual entitlement based on citizenship rather than lifetime employment and earnings. However, the trend in most countries is in the opposite direction: to cut basic guarantees and to tighten the link to lifetime earnings (Rubery *et al.* 1998).

Ineligibility for future unemployment compensation, and reduced pension levels creates barriers against movements from full-time into part-time employment. It is not too difficult to envisage how to adapt the contributory insurance systems to accommodate pro-rata entitlements and to extend the availability of 'credits' which operates in some pension systems for periods of unemployment and part-time work. Pro-rata entitlements would be an improvement on the current situation in that they would reduce the penalties incurred from part-time employment, but of course they would not guarantee a socially acceptable minimum standard of living. This problem re-appears in the discussion of worksharing in section three.

2.3. Diversification of the range of jobs available on a part-time basis

While taking part-time work may increase women's ability to combine employment with motherhood, this may be at the cost of switching to a lower-level job or at least reduced promotion opportunities. This cost is commonly incurred by women entering part-time work in Britain (Dex 1987). It is opportunities to adjust working hours without switching jobs which offer the most integrated form of part-time employment. This 'best practice' model is most evident in Sweden as part of the flexible system of parental leave (see Nätti in this volume, also Fagan and

Rubery 1996), but examples can also be found elsewhere, such as in the public sector in France. Indeed, across Europe, provisions for employees to adjust their working hours seem to be more developed in the public sector than in the private sector (Fagan and Rubery 1996). The right to request part-time hours without changing jobs has also been negotiated very recently in the Netherlands (see van den Burg in this volume). The assumption which this agreement establishes is that in principle any job lends itself to a working pattern which deviates from regular full-time hours, and employers are obliged to justify their opposition to such a request. The impact of this innovative agreement merits close monitoring.

Finally, it is not just the immediate, inferior conditions that make most part-time work a secondary form of employment, but also the accumulation of disadvantage associated with remaining in this form of employment. For example, part-timers may have fewer opportunities for workplace training and reduced promotion prospects, which reduces future earnings and pension entitlements. Even where there are no explicit barriers to training and promotion, workplace studies reveal that part-time work is often interpreted as a signal of less commitment and lower productivity in many organisations where full-time hours are seen as the norm (Lewis 1997). This perception is frequently found among both management and employees. The impact of this organisational time culture is that part-timers find themselves with fewer openings for training and career development. Therefore, while the extension of equal treatment will help to challenge the second-rate status attached to much part-time work, a more general challenge to the cultural meaning of time at the workplace is required. This is likely to begin to occur if there is a shift in understanding so that working time is seen from a lifetime perspective. To help promote this shift in understanding wider debate and educational campaigns have to be initiated. The unions have an important role to play in this.

2.4. Summary

As an integrated component of a lifetime working-hours policy, part-time work would allow people to vary the number of hours they work at different stages in their lives. Such a development would increase employees' time sovereignty and promote more equal employment opportunities between the sexes. However, unequal treatment of part-

timers in employment conditions and social protection systems, combined with the concentration of part-time work, creates barriers to movement between full-time and part-time hours over the lifetime, and penalties for those who do make these working-time adjustments. These institutional barriers need to be dismantled as part of the introduction of a lifetime working-hours policy.

3. Worksharing through part-time employment

It is now largely accepted in most quarters that even consistently high rates of economic growth will be insufficient to produce a significant decline in unemployment (see EC 1994, Hoffmann and Lapeyre 1995, Walwei 1998). A more employment-intensive pattern of growth is required. The European Commission's 1994 *White Paper on growth, competitiveness and employment* drew particular attention to part-time work as a means of promoting this worksharing, although the ETUI (Hoffmann and Lapeyre 1995) and the European Parliament (Rocard 1996) have emphasised that this should be complemented by policies to reduce full-time hours. Since the recession of the 1980s, the policy of worksharing through part-time employment has probably been pursued more enthusiastically in the Netherlands than anywhere else in Europe (Fagan *et al.* 1995). The policy has been relatively successful in the sense that the Netherlands has a comparatively high rate of job creation for a given level of economic growth (Walwei 1998).

However, as Walwei shows, the expansion of part-time work is more effective at reducing the non-employment rate rather than the unemployment rate. This is because most of the part-time jobs created since the 1970s have been taken by women with children and young people entering or re-entering the labour market, rather than the visibly unemployed already in the labour market. In other words, the expansion of part-time work operates to swell the size of the labour force. It is particularly in those countries with low female labour market participation rates that any expansion of part-time work is likely to encourage women to enter the labour market and will do little to reduce recorded levels of unemployment. Now, this is obviously one important form of worksharing, for it contributes to women's access to employment.

However, the point being made here is that the expansion of part-time work in itself appears to provide few jobs for the unemployed directly.

A large part of the explanation for the limited movement of unemployed people into part-time work is that a part-time job yields a part-time wage. Siltanen (1994) refers to this as a 'component wage' to emphasise that the only people who can afford to work part-time are those with supplementary sources of income, either from family members who are in full-time employment, or from state transfers.

In most countries the state income-replacement systems (unemployment insurance, social assistance and pensions) are ill-equipped to accommodate part-time work. This is partly because the foundations of the welfare state have been laid using full-time employment as the standard expectation. This has been clearly demonstrated by Doudeijns (1998), who has used the recently established OECD tax and benefit database to examine the financial incentives for women and men living as couples to enter part-time work. He shows that there are few incentives for someone in receipt of unemployment insurance to take part-time work in most countries. In contrast, the incentives are greater for someone who has no benefit entitlement providing that their partner is employed or in receipt of unemployment insurance. However, once unemployment insurance benefits are exhausted and are replaced by means-tested unemployment assistance, there are few financial incentives for either partner to work part-time. These incentive structures appear to have an actual impact on work decisions: in countries where the disincentives against part-time work are high, the incidence of this form of employment is low and the proportion of 'jobless' households is high. Thus the inability of most national unemployment benefit systems to accommodate part-time work appears to be contributing to employment polarisation between households in Europe.

Therefore, in most countries the regulations of insurance-based and means-tested benefits largely deter the unemployed from taking part-time work. One solution is to simply penalise the unemployed by cutting benefit entitlements and compelling them to take part-time work through a policy of impoverishment. This is not the solution being endorsed here. Increasing the earnings disregards for the unemployed offers more potential for creating positive incentives for entry into part-time work,

but this obviously has cost implications. However, if an initial period of part-time employment provides an entry point to full-time employment and an exit from the benefit system, then the net costs may be lower.

Another strategy is to reform fiscal barriers which may be constraining the social partners from reaching progressive working-time reductions which are compatible with worksharing and the related objectives of an integrated 'lifetime working hours' policy (discussed above). A clear example is the structure of employers' social security contributions, as exemptions below low-hours or -earnings thresholds create incentives for employers to create short-hour, low-paid and hence marginalised part-time jobs at the expense of part-time jobs with longer hours and which yield a higher wage. These incentive structures could be reformed in two ways: either a pro rata contribution on all hours worked, or the shifting of the threshold to encompass a much wider range of part-time hours. For example, the recent Rocard report (1996) by the European Parliament suggests that consideration be given to the employment creation effects of reducing social security contributions on the first 32 hours of work. The report proposed that this could be financed in part by increased contributions on hours above this threshold and in part by the potential savings achieved through a reduction in unemployment benefit payments. The expansion of part-time jobs organised around 25-30 hours will have greater appeal to many sectors of the workforce who currently avoid part-time work where possible due to the financial loss, such as men in full-time jobs and the unemployed in receipt of income support.

4. Working-time preferences and lifetime working hours

Historically, full-time standard hours have been a key reference point in collective bargaining and the associated successes in reducing working hours this century (Bosch *et al.* 1994, Hoffmann and Lapeyre 1995). If unions are to adapt their bargaining agendas to enable a greater diversity of working-time arrangements to emerge, then it is important that this reflects the working-time preferences of employees.

A major influence on individuals' preferences for working-time reductions are financial considerations. Exchanging shorter hours for lower earnings is not feasible for people in low-paid jobs. For example, in the UK it is low-paid workers who express the strongest preference to

work longer hours in exchange for more money, and the greatest reluctance to trade a wage cut for shorter hours (Fagan 1997). Thus, among the low paid there is unlikely to be a voluntary reduction in working time without some degree of wage compensation.

The limited data available suggests that there is a greater willingness in some countries for a working-time reduction without wage compensation. Again, this is partly to do with wage levels. A Eurobarometer study in the mid-1980s asked people if they would support a policy of negotiating working-time reductions instead of wage increases in the next bargaining round. The least support for this policy was found in the UK, Portugal and Ireland, where large proportions of the workforce are on low pay. In contrast, the highest level of support was found in Denmark and the Netherlands (Hewitt 1993).

Nevertheless, across Europe there are reasonably sized proportions of full-time workers who would be willing to switch to part-time hours without wage compensation. But there are also workers who are under-employed and working part-time on an involuntary basis. For example, a European survey in 1989 indicated that around one fifth of all full-time workers would like part-time work and 30% of part-timers would like full-time work. It also revealed a diversity of preferences among the unemployed: one third expressed a preference for a part-time job while just over half wanted full-time work (the remaining 14% would like either full-time or part-time work) (OECD 1994: Table 6.14). The proportion of full-timers who wanted part-time work was even higher in Italy, Spain, and Portugal, where few part-time jobs currently exist. But these countries – along with Greece and France – also had the highest proportion of part-timers who wanted full-time jobs instead. However, studies of working-time preference which simply ask about current preferences for full-time versus part-time work underestimate individuals' preferences to adjust their working time. This is particularly striking in relation to part-timers. Only a minority of part-timers in the UK say they would prefer to work full-time, but a quarter want longer hours (Fagan 1996). Similarly, a large proportion of part-timers in the Netherlands, Germany and Norway are under-employed (Plantenga 1996, Maier *et al.* 1994: 35-7, Anxo and Locking 1995: Table 4). This suggests that jobs with long part-time hours will be attractive to a larger proportion of women and men than marginal jobs with only a few hours

of work. Furthermore, cross-sectional surveys record people's working-time preferences only at a particular point in their lives. From a lifetime perspective it is plausible that a larger proportion would want to make a temporary adjustment, particularly if there were improvements in both the quality of part-time work and the ability to switch back to longer hours at future stages in their working lives.

The number of hours currently worked, family responsibilities and leisure activities also influence the ways in which people want to organise their time at different points in their lives. Working-time preferences also adapt to circumstances and experiences. This is clearly illustrated by the situation in the Netherlands, where support for shorter working hours continues to grow. This survey data shows that the average preference was for a working week of 29 hours in 1990, but by 1993 this had fallen to 24 hours. Furthermore, while half of the men thought a full-time job was ideal in 1990, by 1993 this had fallen to less than one third. Despite this change, a consistent gender difference was apparent. Women consistently wanted shorter hours than men, reflecting the greater domestic demands on their time (Plantenga and van Velzen 1994: 31).

Finally, studies of working-time preferences consistently reveal that there is a lack of uniformity in the type of adjustments individuals want to make (Anxo 1995, Anxo and Locking 1995, Hewitt 1993, Hinrichs *et al.* 1991, Fagan 1997). This is associated with their domestic circumstances and age, but only partly. For example, while some young people may want to take leave for education and training, others may want to focus on increasing their earnings through longer working times at this stage in their lives. This lack of homogeneity in the time-use preferences of the workforce indicates that a range of options are needed to enable a reorganisation of working time over the lifetime; this includes reduced hours, leave schemes and a more general increase in time sovereignty in the workplace.

5. Conclusions

Full-time work remains the norm or 'benchmark' in discussions about working hours, despite the growing incidence of employees with part-time contracts. When part-time employment is compared to full-time employment it is clear that the difference is more than simply the

number of hours worked. International research reveals some common tendencies in the organisation of part-time work, but also important differences between countries and sectors:

- where part-time work is expanding, it is still concentrated in a narrow range of service sector jobs;
- most of the part-time jobs created have been filled by women entering or re-entering the labour market, rather than by unemployed women and men (thus swelling the labour force rather than reducing unemployment directly);
- part-timers often have inferior wages, employment rights and social protection entitlements than full-timers;
- part-time work may also incur penalties through reduced access to training and other promotion channels and,
- labour law and collective bargaining have an important impact on the quality of part-time work and the establishment of equal treatment with full-timers.

Part-time workers offer a large amount of flexibility for companies, yet the employees entering part-time employment incur certain costs and risks in most countries. Despite these penalties for working part-time, the expansion of this form of employment has played an important role in some countries as a means of making it easier for women to combine employment with raising children, particularly where there is a lack of affordable childcare services. However, as argued in an earlier paper (Fagan *et al.* 1995), while the availability of part-time jobs may raise the female employment rate, it may also reinforce, rather than dismantle, existing patterns of sex inequality in the division of and reward for labour.

If periods of part-time employment are to be encouraged as one way of distributing employment over the lifetime as part of an integrated policy of 'lifetime working hours', then this form of employment has to be integrated alongside full-time work so that the only difference between the two is the volume of hours worked. It is only on this basis that the objectives of promoting equality and the democratisation of working life can be realised. This requires the following range of policies:

- The principle of equal treatment must be fully implemented and combined with minimum wage guarantees for all workers.

- Income-replacement systems, such as unemployment benefits or pensions, have to be modernised if they are to accommodate rather than penalise part-time work.
- Fiscal systems should be redesigned to remove barriers to the expansion of part-time work and to remove distortions which create incentives for the creation of very short-hour, marginal, part-time jobs.
- To promote two-way traffic between full-time and part-time work it is necessary to develop policies which encourage a diversification of the types of jobs available on a part-time basis; particularly the ability of employees to reduce their working hours in their existing job, with the right to return to full-time hours at a later date.
- More general debate and campaigns are needed to challenge workplace cultures which attach greater value to the work done by those working full-time hours.

These policies will help to promote equal status between part-time and full-time employment, but in the concept of ‘lifetime working hours’ it is necessary to retain full-time employment as an explicit reference point for wage negotiation. This is because it is this “full-time” standard which is expected to deliver a “living wage” or a basic standard of living. This can then be expressed as an hourly rate, which provides the integral link between full-time and part-time wage conditions. The related point is that the expansion of part-time work can never be a substitute for reductions in full-time hours; instead, they are complementary elements of a comprehensive policy on working time.

Furthermore, the expansion of part-time work should be complemented by the development of a wider infrastructure of childcare and leave arrangements so that parents can devise their preferred ways of combining working and family life. These reforms to the organisation of part-time work will make this working-time arrangement more attractive for a wider range of employees than is the case at present. It may also provide the basis for more men to consider part-time work at different stages in their lives, for example when they have very young children.

Of course part-time work is not a panacea for all the problems in the labour market.

Large proportions of the employed and job-seekers want full-time jobs and need full-time wages, yet many are faced with the option of part-time jobs or no work in slack labour markets. Indeed, the proportion of part-time employment which is involuntary (taken because full-time work was not available) has risen over the last 15 years in many countries, correlated with recession and increased rates of unemployment (OECD 1995: 74). In addition, in many countries where part-time jobs are organised around a small number of hours, there is another pool of under-employed part-timers who want to work longer hours without necessarily working full-time hours. But if 'over-employment' among the full-timers is reduced through increased options to work part-time – in conjunction with other measures such as leave arrangements and the phasing out of overtime – then this may contribute to alleviating the employment shortage in Europe.

The final point to make is that conceptualising working time over the lifetime presents particular requirements for more detailed and internationally comparable labour market information. With reference to part-time work in particular, the binary notion of 'full-time' and 'part-time' hours should give way to a more refined way of differentiating between 'full-time', 'reduced full-time' 'long part-time' and 'marginal/short part-time'. This is particularly important in economies where there is wide dispersal in the range of hours actually worked. Another important requirement is to improve the collection of pay data so that average pay ratios between part-timers and full-timers can be computed and monitored. In many countries this data is partial or not available (Rubery and Fagan 1994). Finally, in the standard series of employment statistics and in workplace studies, it is important to distinguish between those people who are taking advantage of statutory or company schemes to reduce their hours ('voluntary reduced hours'), those who entered as a part-timer ('recruited part-time') and those who have exercised a right to return to full-time work ('resumed full-time hours'). Similar standards are required to differentiate maternity, parental and training leave arrangements from short-term work or temporary lay-offs driven by economic reasons and other absences or reduced hours (sickness, vacation) (see Fagan and Rubery 1996). A number of research issues are also raised by this lifetime conceptualisation of working time which require investigation. One such

issue is the impact in the workplace of working-time adjustments on productivity, work intensity and job creation. Another is the impact of periods of part-time work and different leave arrangements on the career progression of women and men. It is also important to develop a more detailed understanding of trends in working-time preferences across Europe, with a particular focus on differences according to income levels and gender.

References

Anxo, D. (1995) 'Working-time policy in Sweden' in Hoffmann. and Lapeyre (eds.) 1995.

Anxo, D. and Locking, H. (1995) 'Working-time policy in Norway' in Hoffmann and Lapeyre (eds.) 1995.

Boje, T. (1996) 'Trends and Prospects for Women's Employment in the 1990s in Denmark', Report to the European Commission, *EC Network of Experts on the Situation of Women in the Labour Market*, Equal Opportunities Unit: DGV.

Bosch, G., Dawkins, P., and Michon, F. (1994) *Times are Changing: Working Time in 14 Industrialised Countries*, Geneva: Institute for International Labour Studies (ILO).

Delsen, L. (1998) 'When do men work part-time?' in O'Reilly and Fagan (eds.) 1998.

Dex, S. (1987) *Women's Occupational Mobility: A Lifetime Perspective*, London: Macmillan.

Dickens, L. (1995) 'UK Part-time Employees and the Law – Recent and Potential Developments' *Gender, Work and Organization*, 2(4), pp. 207-215.

Doudeijns, M. (1998) 'Are benefits a disincentive to work part-time?' in O'Reilly and Fagan (eds.) 1998.

EC (1994) *Growth, Competitiveness, Employment: the challenges and ways forward into the 21st century. White Paper*. Luxembourg: Office for Official Publications of the European Communities.

ETUI (1995) 'A working-time policy for jobs and an improved quality of life' in Hoffmann and Lapeyre (eds.) 1995.

- Fagan, C. (1996) 'Gendered Time Schedules: Paid Work in Great Britain' *Social Politics: International Studies in Gender, State and Society* 3(1), pp. 72-106.
- Fagan, C. (1997) *Absent Men and Juggling Women: Gender, Households and Working-time Schedules in Britain*, Doctoral thesis, University of Manchester, UK.
- Fagan, C., Plantenga, J., and Rubery, J. (1995) 'Part-time work and inequality? Lessons from the Netherlands and the UK' in Hoffmann and Lapeyre (eds.) 1995.
- Fagan, C. and Rubery, J. (1996) 'Transitions between Family Formation and Paid Employment' in Schmid, G., O'Reilly, J. and Schömann, K. (eds.) *International Handbook of Labour Market Policy and Evaluation*, Cheltenham: Edward Elgar.
- Ginn, J., and Arber, S. (1998) 'When does part-time work lead to a low pension income?' in O'Reilly and Fagan (eds.) 1998.
- Hewitt P. (1993) *About Time: The revolution in work and family life*, London: Institute for Public Policy Research/Rivers Oram Press.
- Hinrichs, K., Roche, W., and Sirianni, C. (eds.) (1991) *Working Time in Transition: the political economy of working hours and industrial relations*, Philadelphia: Temple University Press.
- Hoffmann, R. and Lapeyre, J. (eds.) (1995) *A Time for Working, A Time for Living*, London / Brussels: Labour Research Department / European Trade Union Institute.
- Lewis, S. (1997) "'Family Friendly" employment policies: a route to changing organizational culture or playing about at the margins?', *Gender, Work and Organization* 4(1), pp.13-23.
- Maier, F. (1994) 'Institutional regimes of part-time working' in Schmid, G. (ed.) *Labour Market Institutions in Europe*, New York: Sharpe, M.E.
- Maier, F., Quack, S. and Rapp, Z. (1994) 'Changing patterns of work and working time for men and women: towards the integration or segmentation of the labour market?', Working paper for the Commission of the European Union – DG V. Available from the Network of Experts on the Situation of Women in the Labour Market, UMIST, Manchester, UK.

OCED (1995) *Employment Outlook*, Paris: OECD.

O'Reilly, J. and Fagan, C. (eds.) (1998) *Part-time prospects: an international comparison of part-time work in Europe, North America and the Pacific Rim*, London: Routledge.

O'Reilly, J., Anxo, D., Cebrian, I. and Lallemon, M. (eds.) *Moving with the times: social integration through working-time transitions*. Forthcoming.

Plantenga, J. (1996) 'For Women Only? The Rise of Part-time Work in the Netherlands' *Social Politics: International Studies in Gender, State and Society* 3(1), pp. 57-71.

Plantenga, J. and Van Velzen, S. (1994) 'Changing patterns of work and working time for men and women: towards the integration or segmentation of the labour market?', Working paper for the Commission of the European Union – DGV. Available from the Network of Experts on the Situation of Women in the Labour Market, UMIST, Manchester, UK.

Rocard, M. (rapporteur) (1996) 'Report on a reduction in working hours', Committee on Social Affairs and Employment, European Parliament, Doc EN\RR\303\303056.

Rubery, J. (1998) 'Part-time work: a threat to labour standards?' in O'Reilly and Fagan (eds.) 1998.

Rubery, J. and Fagan, C. (1994) *Wage Determination and Sex Segregation in Employment in the European Community* (Social Europe Supplement 4/94), Luxembourg: Office for Official Publications of the European Communities.

Rubery, J., Fagan, C., and Smith, M. (1995) '*Changing Patterns of Work and Working time in the European Union and the impact of gender divisions*', Report to the European Commission for the Network of Experts on the Situation of Women on the Labour Market, Brussels: CFC.

Rubery, J., Smith, M. and Fagan, C. (in collaboration with Almond, P. and Parker, J.) (1996) *Trends and Prospects for Women's Employment in the 1990s*, Report to the European Commission, EC Network of Experts on the Situation of Women in the Labour Market, Equal Opportunities Unit: DGV.

Rubery, J., Smith, M., Fagan, C. and Grimshaw, D., (1998) *Women and European Employment*, London: Routledge.

Schmid, G. in collaboration with Helmer, M. (1998) 'The Dutch Employment Miracle? A Comparison of Employment Systems in the Netherlands and Germany' in Delsen, L. and de Jong, E. (eds.) *The German and Dutch Economies. Who Follows Whom?*, Heidelberg/ New York: Physica-Verlag.

Smith, M., Fagan, C., and Rubery, J. (1998) 'Where and why is part-time work growing in Europe?' in O'Reilly and Fagan (eds.) 1998.

Walwei, U. (1998) 'Are part-time jobs better than no jobs?' in O'Reilly and Fagan (eds.) 1998.

Part-time work in Spain

Dolores Licerias

1. Introduction
2. Incidence of part-time work in Spain
3. Wages and social protection
4. Trade union analysis and conclusions

1. Introduction

When analysing part-time work, a variety of factors must be taken into consideration relating both to work in the broader sense of the word, i.e. encompassing all activities carried out by people in a specific social context, and to employment in the strict sense; it is then necessary to establish a relationship between these two aspects.

The first approach must take into account a number of aspects such as the gender division of labour, the model of social reproduction, and the family strategies carried out in order to maintain the household income. From the employment point of view, consideration must be given to the structure of the labour market, employment regulation policies – promotion of employment, reduction of unemployment – and the means of obtaining and retaining a job.

When observing trends in the development of part-time work, it is not clear to what extent these are influenced by the supply and demand of employment. There have been periods when part-time employment was offered because manpower was scarce, with a view to increasing it by incorporating women into the labour market (the sixties in the United Kingdom and Germany). At other times, as is currently the case in all European countries, part-time employment is being offered as a result of the opposite situation, namely the existence of a high level of unemployment and the need to reduce it.

When examining the development of part-time employment in the member states of the European Union as a whole, they can be divided into two different groups of countries, those of north and central Europe, and those of the Mediterranean region.

Part-time employment in the first group of countries is noted for its higher levels in both the male and female sectors and, although this form of employment is more frequent among women, there is a tendency towards a balance between the sexes; the growth rate of part-time employment exceeds that of full-time employment; indeed, part-time employment is responsible for the growth in the level of employment or for reducing the rate of job destruction.

On the contrary, the countries of the Mediterranean region, including Spain, are characterised by their low part-time employment levels, with a

striking imbalance between men and women; the growth of part-time employment is sensitive to expansionary and recessionary cycles of employment to the extent that, in times of expansion of employment, full-time employment grows faster than part-time employment; moreover, part-time work is closely related to the precariousness of labour.

2. Incidence of part-time work in Spain

In Spain the rate of part-time work is relatively low. Such jobs represent 8% of the total number, compared to 16% in the member states of the European Union as a whole.

This low rate of part-time employment coincides with a low rate of female labour market participation (37%) in comparison to the countries of the European Union taken together (56%).

Taking into consideration the fact that women have a significant level of participation in part-time work, it seems logical to expect a direct relationship between the number of part-time jobs and the participation of women in the labour force. And there is indeed a striking imbalance between men and women as regards part-time work, with women representing 75% of total part-time occupation. This unequal distribution is also evident when we consider gender information on employment.

As for the male group, only 3% have part-time jobs, whereas 16% of women work part-time. In any case, these percentages are lower than the average for the European Union where 6% of employed males work part-time compared to 32% of employed females (see Fagan in this volume).

On the other hand, apart from the distinction between sexes shown by the quantitative data, there also exist qualitative differences. Female workers with part-time jobs have the following profile: they are between 35 and 45 years old; within the family unit they are spouses and/or mothers; their average educational level is below that of women working on a full-time basis; part-time jobs are a means of gaining access to employment, either from a situation of inactivity or from unemployment; women's part-time work is "more part-time" than in the case of men (women work on average 16.5 hours per week, compared to 18.2 weekly working hours for men).

The profile of a male part-time worker, however, is a young man with his first job which, in some cases, he combines with his education. Thus, 45% of these males are under 30 years of age; within the family unit, they are sons; their part-time job is a means of entering the labour market from a situation of inactivity; their average educational level is higher than that of men working full-time.

Part-time employment is growing: it has been rising since 1991, both for men and women, although the increase is more pronounced among the latter group. Furthermore, in 1995 and 1996 part-time employment grew at a faster pace than full-time employment due precisely to the increase in part-time work among women.

There also exists a close relationship between part-time work and temporary employment (fixed-term labour contracts), which is a further striking characteristic of employment in Spain, for some 35% of wage-earners are employed on fixed-term contract. This percentage is twice as high in the case of part-time employment; in fact, 68% of part-time workers have signed a fixed-term contract.

Regulation of part-time employment is designed basically to serve as an instrument for flexible administration and organisation for companies. The following indicators confirm this:

For the purposes of legal regulation, the term “part-time working day” applies to all days worked, where the number of hours worked falls below that required for a “normal working day” as defined by a given company or sector. In other words, there is no clearly defined boundary between part-time and full-time working days – unlike in some other countries where a threshold is established to mark the difference between the two. Moreover, a part-time job may be designated as such on a daily, weekly, monthly or even yearly basis and it is even possible, in practice, to work some months on a full-time basis and some months part-time; if, however, in the annual computation, the total number of working hours per working day is lower than the standard established figure, then the labour contract is, to all intents and purposes, considered to be of a part-time nature.

Paradoxically, the growth in part-time employment is not taking place in the context of an overall reduction of working hours; rather it exists side

by side with other elements, be it an increase in working hours or a greater flexibility in the distribution of working hours. In general, a slight increase in average annual working hours has been taking place since 1993. This is not due to an increase in the number of working hours laid down in general wage agreements, but rather to the distribution according to sectors of working men and women under collective bargaining, with employment shifting from sub-sectors with shorter working hours – industrial subsectors – to subsectors of secondary industry, where working hours are longer.

Another element contributing to the increase in working hours can be found in the growing volume of overtime: in 1996, 65 million hours of overtime were recorded. At the same time, collective bargaining data indicates a reduction in personal leave of absence and an increasingly irregular distribution of working hours. Nor should we forget the fact that a growing number of establishments fix their working hours outside the framework of collective bargaining, either because they conclude individual agreements or because they work on the basis of objectives; in both cases, it is observed that working hours are longer than those agreed upon in general wage agreements.

Be this as it may, perhaps the most obvious indicator that part-time employment in Spain provides an element of flexibility to the benefit of companies is the low degree of voluntary acceptance of employment by those working under this formula. In the majority of European Union member countries, part-time work is not always the result of harmony between personal strategies and business strategies (it should be taken into account that the degree of voluntary acceptance also depends on the conditions of employment¹). Among the member states of the European Union, Spain is the country with the lowest level of “voluntary acceptance” of part-time work.

According to Eurostat (*Part-time work in Europe 1997*), the percentage of people employed on a part-time basis who did not want full-time employment is 4% in Spain compared to over 60% for the European

¹ It is precisely in the most marginal part-time employment - working hours of less than 20 hours a week - that willingness is least pronounced.

Union member states as a whole. In other words, only four out of every hundred people working part-time in Spain preferred this form of employment, compared to more than 80% in the Netherlands.

In the case of Spain, part-time work does not distribute employment nor is it a formula for generational exchange in the labour market, at least not yet. The “replacement contract” formula is hardly ever used. This is a specific part-time arrangement whereby working time for a single job is shared, on a fifty-fifty basis, by a male or female worker who will retire on a pension in a maximum period of three years and a new worker. Only twenty out of almost 200,000 part-time contracts registered by the Public Employment Office in July 1997 were replacement contracts.

3. Wages and social protection

Although legal regulations, both with regard to labour conditions and in the area of social security, uphold the principle of equalisation, in practice, a number of inequalities are observed.

Variable wage concepts and fringe benefits rarely form part of part-time employment contracts. When we take into account the growing tendency of companies to base a portion of the wage packet on variable concepts such as productivity and objectives, we must consider wage structures as a whole in order to avoid discrimination of part-time workers.

As regards social security benefits, under the Agreement on Employment Stability (*Acuerdo para la Estabilidad en el Empleo*) signed by the trade union confederations and the employers' associations in May 1997, social benefits for part-time contracts with a duration of less than 12 hours per week, or 48 hours per month, have been placed on the same level as those of longer duration. Consequently, there is currently no threshold for the number of part-time working hours with fewer social benefits.

However, the strict calculation of effective annual working hours, instead of effective working days, for the purposes of old age pensions, unemployment benefits, sickness benefits and compensation for injuries at work, implies, particularly in the case of short working-days, that it is hard to accumulate the contributions required to generate the right to

receive these benefits. On the contrary, one full-time working day is equal to one day's contributions for social security purposes, and this includes weekend rest days.

This difference is particularly relevant in the case of old-age pensions, considering that in order to be entitled to a pension, it is necessary to have contributed for a period of 15 years and, according to the social security system's philosophy, one complete, full-time, working day equals a day's worth of contributions. Hypothetically, a worker who has all his working life worked part-time days equal to 50% of the normal full-time working day would need to work double that period, that is, 30 years, in order to generate the right to receive an old age pension.

4. Trade union analysis and conclusions

In short, the Spanish trade unions identify a number of problems in the current development of part-time employment in their country. The prevailing formula is that of flexible administration of labour to the benefit of companies; however there is an insufficient degree of voluntary acceptance and autonomy in the administration of time on the part of male and female workers. Basically, it is an offer of employment to women who are understood to be poorly qualified and who are still considered as being of little value from a social point of view. The social protection system does not offer the necessary coverage to avoid the exclusion of part-time workers from certain specific contributory benefits.

Nevertheless, it is highly likely that part-time employment will continue to rise and, provided it is adequately regulated and accepted by companies and by society as a whole as an employment formula enjoying equal rights, it can constitute a mechanism for the flexible regulation of working time for companies and workers alike, in addition to being a formula for the distribution of employment and the fight against unemployment.

Be that as it may, part-time work constitutes a form of employment that should be part of a new, broader concept for working time in which consideration is given not only to wage-earning productive time, that is, employment, but also to a life-long professional career, including its

interruptions, particularly for training purposes, making it compatible with the personal and family life of male and female workers.

So far, we have identified the problems facing part-time employment in Spain, setting out what should be its conditions and characteristics. We shall now explain what we in the trade unions are doing with a view to improving this form of employment in order to make it possible for us to fully support part-time employment.

Firstly, it is necessary to promote the voluntary nature through collective bargaining, regulating the possibility to change from a part-time working hours to full-time working hours and vice versa, and laying down the necessary conditions to guarantee equal treatment for men and women, as well as equal opportunities with regard to wages, training, promotion, social benefits, labour stability and trade union rights.

At present, the trade unions CC.OO. and UGT have invited employers' organisations to enter into negotiations on equal opportunities for men and women in collective bargaining in which, among other issues, part-time work would be discussed.

Secondly, it is imperative that a more clearly defined distinction be established between part-time and full-time working hours. The combination of this form of employment with overtime or irregular distribution of working hours can lead, in practice, to working days equal in duration to standard full-time days for a specific company or sector but which, in the labour contract, are regulated as part-time, with the ensuing loss of rights to social security benefits.²

We in the trade unions CC.OO. and UGT are currently discussing with employers' associations all issues relating to working time – the definition of the working day, its length and distribution, the reduction of overtime, leaves of absence and part-time work – and these negotiations should lead to collective agreements in the various sectors.

² “Overtime “is not considered to be “working time” for the purposes of the period of time required for entitlement to an old-age pension, and a government Bill intends to exclude people in this situation from calculations for the purpose of fixing the basis for regulating unemployment benefits.

Finally, it is necessary to guarantee the right to social protection for part-time workers. One must take into consideration the fact that social security systems were set up in a labour context where permanent employment and full-time working hours were the general rule. It is imperative however, to adapt those systems to the new characteristics of a more heterogeneous labour market, with a wider range of different situations which, moreover, are subject to change, for each individual, over the course of his or her working life.

To this effect, we in the trade unions wish to discuss and negotiate with the government the entire system of social protection governing part-time contracts. The government agreed to this recently when Agreements were signed by the CC.OO. and the UGT. These were the Interconfederal Agreements on Employment Stability (*Acuerdo Interconfederal para la Estabilidad del Empleo*), signed with the employers' associations, and the Agreement on the Consolidation and Rationalisation of the Social Security System (*Acuerdo sobre Consolidación y Racionalización del Sistema de Seguridad Social*), signed with the Government.

These negotiations aim to establish a more favourable equivalence coefficient than that which is currently in place for part-time workers.³

In short, part-time employment has a specific potential in the current context of structural unemployment in all member states of the European Union and, in any case, plays a fundamental role in the debate on the reduction of working time as a mechanism for creating and distributing employment, as well as with regard to the organisation of work and equal opportunities for men and women. In order for the trade unions to be able to support this form of employment and to take advantage of its potential, it is necessary to establish adequate regulation that guarantees the voluntary nature of the system at the same time as equality of treatment and rights, including social benefits, for those who work part-time.

³ i.e., one hour worked on a part-time basis would receive a higher valuation for the purposes of entitlement to social benefits.

Part-time work in the Netherlands

Ieke van den Burg, Catelene Passchier

1. Introduction
2. Facts about part-time work in the Netherlands
3. In which occupations does part-time work occur?
4. Part-time work and social protection
5. Why is there so much part-time work?
6. Trade union strategy: part-time work and the general reduction in working time
7. National agreement on part-time work
8. Trade union campaign for part-time work
9. An example of a collective agreement dealing with both reduction of working time and part-time work
10. Conclusions

References

1. Introduction

European and even global statistics show that the incidence of part-time work is greatest in the Netherlands, with almost two out of every five workers working less than full-time. In this paper, we would like to describe how this situation developed from the period after World War II when women played only a minor role in the labour market. We would also like to show how the position of the Dutch Confederation of Trade Unions (FNV) changed, from criticising the unfavourable conditions of part-time work as offered by business, to promoting good quality part-time work as an option for and a demand of both female and male workers throughout the labour market.

In many presentations on the subject (e.g. in Hoffmann and Lapeyre 1995), trade unionists elsewhere in Europe have expressed disbelief about and opposition to our theory that employees (and not only women!) want part-time work, or as the opponents of part-time work would say, a reduction of working time at their own expense. Recent data shows that the status of part-time work is improving and that people are voluntarily taking on part-time work throughout the member states of the European Union (EU). The recently published Eurostat findings (Eurostat 1997) show that the number of part-time workers is increasing throughout the EU (16 per cent of the total workforce). However, they also show that only 18 per cent of part-timers are working part-time against their wishes as a result of underemployment; 63 per cent do not want a full-time job; and the remainder have other reasons (see also Fagan in this volume). This picture is more accentuated in the Netherlands: only six per cent of part-time workers would prefer a full-time job; 88 per cent do not want to work full-time. The Eurostat figures show a clear, positive relation between the extent of part-time work and its voluntary nature: the more part-time work becomes normal, the more workers opt for it.

These findings support the appropriateness of the strategy to shift from a negative approach towards a pro-active one. However, a positive approach to part-time work has to fit in with the broader collective bargaining policy aims of a general reduction in working time, equal treatment for all, irrespective of the number of working hours, and improvements in working conditions, social security and pensions for part-timers.

In this paper, we will try to give an overview of the FNV strategy as it has developed since the beginning of the 1990s. We will start though, with the older policy of opposition to part-time work.

2. Facts about part-time work in the Netherlands

The participation of Dutch women in the labour market was extremely limited for a long time, in comparison to almost all other European countries. The percentage of working mothers was especially low.

In the 1980s, female labour market participation increased steadily: the employment rate of women rose from 22 per cent in 1980 to 39 per cent in 1990. Part-time employment also increased: while in 1983, 21 per cent of the employed worked part-time, the figure today is 38 per cent. In the Netherlands, 68 per cent of working women and 17 per cent of men have a part-time job (see also Fagan in this volume). Tables 1 and 2 give further data for the Netherlands.

Table 1 gives the percentage of male and female part-timers employed in part-time jobs according to the number of hours worked. Although 34 hours is not yet the average working time for full-time jobs negotiated in collective bargaining (the average is between 37 and 38; 34 for shift work), we have chosen this figure because it best illustrates the difference between full-time and part-time work. The number of part-time jobs with short and longer hours is considerable compared to other EU countries.

Table 1: Volume of part-time work by men and women in the Netherlands (1996)

	Men	Women
< 12 hours	6%	18%
12 – 19 hours	2%	13%
20 – 34 hours	8%	35%
> 34 hours	84%	34%
Total	100%	100%

Source: Based on CBS (Central Bureau of Statistics) figures

Table 2 shows the incidence of part-time work according to gender and age groups. These figures differ considerably according to gender. In the case of men, it is particularly the young who work part-time. This includes many students who are at school or university for the rest of the time. Among women, a noteworthy feature is the low percentage of full-timers in the higher age groups, exhibiting a clear correlation with the incidence of motherhood and childcare. In this age-group, men do not take on many caring responsibilities, though the figure is growing and is higher than the corresponding figure in other EU countries.

Table 2: Weekly working hours according to age group and gender in the Netherlands (1996)

All employees	Age	< 12 hours	12-19 hours	20-34 hours	35+ hours
Men	15-24	30.4%	6.4%	12.3%	50.9%
	25-44	0.9%	0.7%	7.0%	91.4%
	45-64	1.6%	1.0%	8.3%	89.0%
Women	15-24	33.6%	6.9%	20.8%	38.7%
	25-44	12.6%	12.7%	37.8%	36.9%
	45-64	19.6%	16.9%	42.0%	21.6%

Source: FNV 1998, p. 8

3. In which occupations does part-time work occur?

Most part-time jobs are in the private and public service sectors, education and commerce. There is a positive correlation between the number of part-time jobs and the percentage of working women in particular sectors. There are fewer women employed in professions or industries where the norm is full-time work. The interesting point is that the entry of women into new professions or industries prompts discussion on part-time work opportunities in this sector.

An example of this latter phenomenon is what has happened in the case of managerial positions and jobs in the public services. Since 1980, the percentage of part-timers working for local or central government has

grown (from five to 18 per cent in central government) thanks to promotional measures aimed at recruiting more women.

More and more managerial jobs are worked on a part-time basis. Ministry of Labour research shows that most managerial positions can be organised on a part-time basis, as long as the amount of hours is not too small (32 hours in a four-day working week was felt to be ideal). The research also showed that most objections to part-time work in such jobs are due more to the culture of the organisation and the traditional views of incumbents than to real, practical obstacles. One of the main conclusions of the research was that every job can be worked on a part-time basis, but not every form of part-time work is suitable for every job.

4. Part-time work and social protection

The social protection of part-time workers in the Netherlands is quite good, compared to many other European countries. Though legal protection was extended to part-timers only recently, they were, generally speaking, already protected by collective agreements. Moreover, the very fact that there exists no specific legislation for part-timers has meant that they have had to be treated in the same way as full-timers, with regard to protection against dismissal for instance. Some years ago our minimum-wage law, which until then excluded part-timers working less than 13 hours per week, was changed to remove this threshold. As a result, the (pro rata) minimum wage is now payable to all.

The recent general law providing for equal treatment irrespective of the number of hours worked has improved the situation of those workers not covered by collective agreements regulating equal treatment for part-timers. The change also represented an advance for the business strategy of promoting further “flexibilisation” and diversification of working hours.

There is no threshold for participation in the Dutch occupational social security system: workers pay contributions according to their salary and receive benefits in the form of a percentage of their salary. A recent law forbids the exclusion of part-timers from private pension schemes.

5. Why is there so much part-time work?

In order to evaluate “the Dutch way”, it is necessary to be in possession of certain basic information on Dutch socio-economic history, especially with regard to the division of labour between men and women.

There is a very strong “male breadwinner” tradition. Trade unions fought for a long time so that “a worker’s wife would not have to work” and the male breadwinner would earn a wage high enough to feed a family.

Until the 1970s, the breadwinner/housewife division of labour was prevalent in the Netherlands, making it one of the most “backward” countries in Europe at the time with respect to the percentage of women in paid employment.

Because of the strong social and cultural pressure on women – that “a good mother” should be at home for her children – and because of the lack of arrangements to combine work and family duties, the women who entered the labour market in large numbers in the 1970s and 1980s were more or less forced to pursue a strategy of reconciling their various commitments. They took part-time jobs, often suffering poor working conditions in precarious forms of temporary work including “on call” contracts that gave no security about the time and amount of work to be done, (tele)homework, and “pseudo self-employment”. This occurred in a period of economic restructuring, with a decrease in employment in the industrial sectors and fast growth of the service sector. Employers were very anxious to reduce costs and risks by recruiting part-time, flexible, temporary workers.

Much pressure from the women’s movement was necessary before a minimum of childcare and parental leave facilities were made available. The fact that women opted for working patterns that fitted into what were considered to be the “primary” tasks of motherhood did not help to improve the situation. The situation only improved because of the efforts of the social partners who negotiated collective agreements covering childcare facilities.

It is interesting that this has led to a pattern of combining the use of childcare facilities and parental time to deal with childcare responsibilities. Only a minority of children spend five days a week in

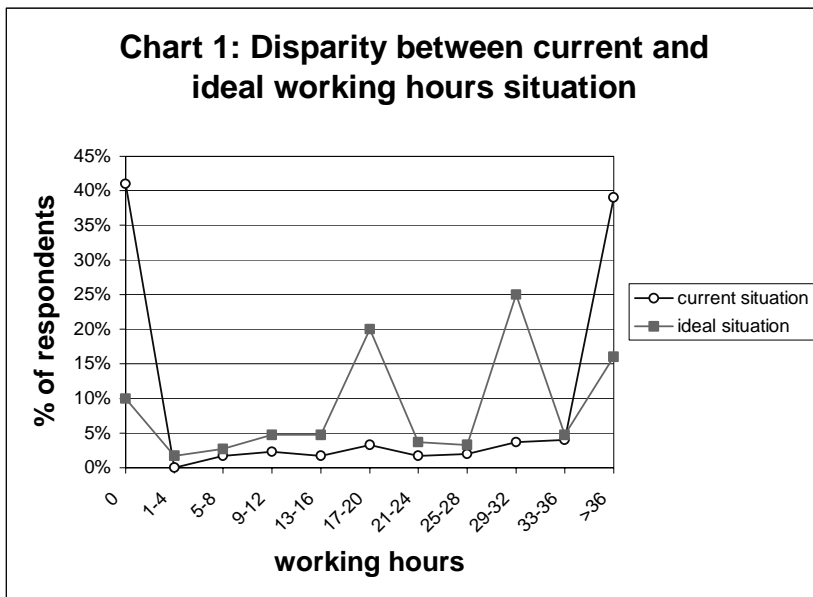
childcare centres. The average is about 2.5 days. Working in a part-time capacity, the mother, and increasingly the father, each look after their children for one or two days a week.

The financial basis for a more equal share of income generation and childcare between men and women (particularly in the case of younger parents) has paradoxically been laid down by the old breadwinner tradition. The pattern of family income changed from having only one (male) income per family to a situation in which this income was complemented by a smaller income earned by the female, giving an average of 1.3 to 1.4 incomes per family. The option to share responsibilities is easier for the younger generation wanting to start a family, provided that both mother and father have access to well paid part-time work and affordable childcare facilities.

FNV surveys conducted since the early 1990s show that such changes are a reality. The results of these surveys have been used to underpin our strategy of integrating the demands for shorter working time on a part-time basis into the broader strategy of a reduction of working time and unemployment.

In 1990 and 1993, the FNV conducted surveys of the wishes and needs of Dutch people, employed and unemployed, with respect to working time. The results were quite amazing. The demand for shorter working hours among full-timers and the desire of part-timers to extend their working time was considerable and growing, as a comparison of 1990 and 1993 data shows.

Part-time jobs of between 29 and 32 hours (a four-day working week) and of between 17 and 20 hours were very popular. Chart 1 (FNV 1993) compares the reality with what respondents wanted for themselves. The demand is much more differentiated than the reality. The prevalent patterns of full-time work (male breadwinners) or zero to four hours of work (housewives) contrast with the requirement for jobs with 17-20 and 29-32 hours! This pattern of need is characterised by a gender difference. The 17-20 hour jobs are more popular with the female respondents and the 29-32 hour jobs are more popular with men. But the convergence of interest is evident!



Source: FNV-Research 1993

The surveys also included questions about the financial aspects of a reduction in working hours. It showed that many people are willing to reduce their wages for shorter working hours. For men, this is often linked to the availability of opportunities for their partner to increase their hours and income. Respondents wanted to spend more time with their family and to have more leisure time.

These trends were confirmed by the results of a recent FNV study (September 1998) which went into more detail about the obstacles to part-time work and the effectiveness of current arrangements. Attention has now focused explicitly on the extension of part-time contracts and shorter working hours.

6. Trade union strategy: part-time work and the general reduction in working time

The FNV is no exception to the European trade union movement in its struggle for a general reduction in working time as part of the general fight against unemployment and for an improvement in working conditions.

An analysis of the statistics for the Netherlands between 1960 and 1990 could lead to the conclusion that there has been no increase in employment: the total number of hours worked has remained almost the same and has, in fact, even decreased a little. But in the same period, the workforce has grown from 4 to 6.5 million people. So the average number of working hours per employee has decreased by 30 per cent!

This has been caused by the extension of holiday rights, the increase in part-time employment and a general reduction in working hours.

At the beginning of this century, our working-time legislation referred to a maximum working week of 48 hours. Since then we have succeeded, by way of collective bargaining, to bring this down to an average working week of less than 38 hours (between 34 and 40 according to the sector). The famous Wassenaar Pact, concluded by the Dutch social partners at the national level in 1982, traded a reduction in labour costs (moderate wage demands and tax reductions) for a reduction in working time. Since then, efforts have been focused on negotiating a reduction in working time in collective agreements. Table 3 gives a sectoral breakdown of agreements with a 36-hour working week.

At the same time, massive industrial restructuring has taken place with an increase in productivity accelerated by the reduction in working hours, better scheduling and organisation of production time. Also, employers preferred to recruit temporary, “flexible” workers to fill the gaps left by the reduction in hours of their other workers; or else they made more extensive use of overtime rather than recruiting the unemployed for fully-fledged jobs. Of course the reduction in working time eased the effects of job losses. The effect of the creation of extra jobs was less visible.

**Table 3: Collective agreements with a 36-hour working week
(up to 1 September 1996)**

Sector	Number of agreements	Number of workers covered
Printing industry	1	55,000
Transport	5	52,570
Construction	9	260,000
Food and Agriculture	10	74,800
Commercial Services	24	465,000
Industry	13	90,000
Public Services	16	1,365,300
Total	78	2,362,850

Source: FNV-Research

As a result, workers became reluctant to struggle for further working time reductions, as these would not bring a guaranteed and visible result in terms of job creation. To give new impetus to this issue at the end of the eighties, some unions tried to launch a campaign for a four-day working week. But this did not receive enough support throughout the sectors to grow into a national campaign. The target of a four-day working week was reached in only a few agreements.

During this period, women trade unionists stimulated the debate on part-time work. On the one hand, this was from the perspective of improving the conditions of the growing number of part-timers who were severely underrepresented in the trade union membership. Merely criticising the proliferation of part-time and precarious work was not a very effective means of persuading them to join the trade union movement.

On the other hand, it was argued that the strategy for the reduction and redistribution of working time should be more differentiated, and that besides a collective reduction there should be other forms tailored more to the individual: voluntary part-time work options and facilities for paid, unpaid or partially paid leave such as parental leave, sabbaticals, etc. The effect of such forms of working time reduction, consisting of more considerable measures than the one or two hours a week collective

reductions, might be less easy to overcome without actually creating new job opportunities.

The 1990 FNV Congress adopted a policy document on “Economic independence and solidarity”, which focused on income aspects, social security and taxation issues in relation to the objective of creating better conditions for men and women to build up a financially independent existence. An element in this policy was nevertheless also this extension of the strategy for the reduction and redistribution of working time to cover part-time work and various forms of leave, the main basis for financial independence being, of course, paid work.

The main lines of the FNV strategy at the beginning of the nineties are thus:

1. There is need for a renewed struggle for the reduction in working hours, but policies should no longer be aimed exclusively at one generalised reduction in the length of the working week, but rather should take into account the various and diversified wishes and needs of workers, and the different possibilities in the various sectors.
2. There is a major potential for unemployment reduction if full-time workers are allowed to reduce their working hours, temporarily or permanently, and are able to do so without significant loss of long-term employment protection and social security. We will only be able to use this potential if we are able to upgrade part-time employment to a fully valued and equally treated alternative, instead of, as is now often the case, a derivative, inferior sort of employment.

A two-pronged strategy is therefore necessary:

- promotion of part-time jobs in male-dominated sectors and higher jobs and
- upgrading of part-time jobs, both in terms of working hours and employment protection, in female-dominated sectors and jobs.

This strategy could also have several positive side-effects:

- the opening up of possibilities for women to enter male-dominated sectors and jobs, thus challenging gender segregation and
 - a more equal division of paid and unpaid work between men and women.
3. It is no longer possible to speak of a standard employee, with standard (i.e. full-time) hours of work. A growing percentage of workers are so-called 'new workers' (as described by the OECD in the 1991 report *Shaping structural change, the role of women*): a growing percentage of workers are confronted with several roles in life, not only being workers, but also mothers or fathers, and increasingly responsible for the care of sick or elderly parents. This means several changes in the need for protection: varying working hours during the working life should not be punished, as is now often the case with social security and pension schemes. These schemes must be adapted to these changes. With regard to working time, the emphasis should be on protection against overtime, irregular hours, disadvantageous schedules, and especially on increasing the possibilities for choice and autonomy for workers with regard to working hours and working patterns.

With these views in mind, the next 1993 Congress of the FNV agreed upon the following policies with regard to working time:

1. The increasingly plural character of Dutch society and the working population inevitably requires more diversity in working hours and career opportunities. The FNV considers it important that employees are given more possibilities to harmonise their paid work with other aspects of life, dependent on their current stage of life. More working and for long hours during some periods may be combined with working less in other period according to family obligations or other reasons.
2. The current distribution of work appears less and less to match people's preferences and wishes. A redistribution of work is therefore required. Redistribution should be realised through a combination of fully-fledged part-time work, reduction in the

average full-time working week, and through the extension of facilities for leave and (partial) retirement.

3. Employees should have more possibilities to adjust the number of working hours in their individual contracts to their wishes and needs, without detrimental effects on their rights and position. Full-timers should have the right to reduce their hours, part-timers (especially those with short-hours contracts) should have the right to extend their working hours.
4. Variation in the number of usual working hours per employee will replace the current division between the standard full-time employee, on the one hand, and the 'atypical' part-timer on the other. If new and current employees who work the hours determined by collective agreements could work the number of hours that best suit their individual wishes and needs, then a new 'average employee' will emerge in the medium term, who works between 20 and 36 hours a week. The result in the long term may be an average working week somewhere between 28 and 32 hours. This new average working week must replace the current working week, which is considered to be standard, full-time work, as a point of reference in, for instance, social security and pension schemes, so as to not place those workers who do not meet the full-time standards at a disadvantage.

7. National agreement on part-time work

On the basis of these views and decisions, in 1993 the FNV started national-level negotiations with the employers' organisations (in the so-called Labour Foundation, which is the bipartite bargaining institution of trade unions and employers' organisations) concerning the promotion of and better conditions for voluntary part-time employment or, more generally, on the differentiation and diversification of working hours and patterns.

The negotiations were based on the recognition, by both sides of industry, of a long-term perspective in which workers may have a varying pattern of working hours. This need for more variety offers opportunities for both workers and employers.

As a result, in September 1993, a national agreement was concluded making the following recommendations to the collective bargaining parties (at the sectoral and company level):

1. In principle, it should be possible to work part-time in every type of job, at every level, and in every sector.
2. Collective agreements should include a regulation whereby “an employer is obliged to meet an employee’s request to modify his or her hours of work, unless this would be unreasonable in the light of substantial company interests”. (N.B. the word ‘modify’ provides possibilities for employees who wish to reduce their working hours as well as part-timers who want to extend their hours.)
3. Collective agreements should not treat workers differently merely because of a difference in their working hours or working patterns; in other words, collective agreements should, in principle, ensure equal treatment of full-timers and part-timers.

This national agreement (*Stichting van de Arbeid* 1993) was welcomed as an important step toward the “normalisation” of atypical (part-time) employment, or, in other words, towards bridging the dangerous and growing gap between standard well-protected employment and atypical and unprotected employment.

8. Trade union campaign for part-time work

In the autumn of 1993, following the agreement, the FNV started what we called a ‘part-time campaign’, with the dual aim of:

- realising the potential of freely chosen part-time work and reducing working hours especially among the full-time (predominantly male) workforce and
- calling on the existing part-time workforce (mainly women) to organise for better working hours and equal treatment.

This campaign has stimulated much discussion on both issues. An evaluation of last year’s collective agreements showed the following results:

- In the 1993/94 collective bargaining round there was significant momentum in collective agreements towards regulating a so-called

‘right to work part-time’, which means a worker’s right to change the amount of hours worked in his or her job. Nevertheless several of our unions have reported that workers have experienced difficulties in exercising this right.

- Many collective agreements contain improvements in labour conditions and social protection for part-timers. However, a number of unions report difficulties in bargaining with employers about these improvements, and stress the need for a legislative basis for the equal treatment of part-timers and full-timers to give them support in the bargaining process.

The evaluation of the results of these recommendations recently played a major role in the debate in Parliament about a bill proposed by the Green-Left party, to provide a legal right to part-time work for all workers, and in the decision taken by the recently formed “purple” (social democrats and liberals) coalition government to support such a bill. Originally, the Green-Left proposal was not supported by the liberals. It was adopted in the Second Chamber by a slight majority but voted down in the First Chamber of the Parliament.

The new government’s programme now includes a bill which gives the right not only to reduce working time, but also to extend working hours if there are vacancies in the company. In the accompanying presentation, reference is made to official studies that show that 35 per cent of male workers and 15 per cent of female workers want to reduce their working time, whilst two per cent of male and 25 per cent of female workers would like to increase their hours. This is yet further confirmation of the trends that the FNV has already highlighted.

9. An example of a collective agreement dealing with both reduction of working time and part-time work

Working time reduction and flexibility are often the “labels” that the two sides of industry have attached to negotiations on collective agreements in the nineties. An example of a collective agreement concluded in 1994 by our Service Union shows how both sides can claim a win-win result, whereby different and even conflicting interests of sub-categories of the workers involved in the contract were able to be met.

The agreement in question (KBB 1994 – 1996) covers a large retail concern with about 400 local department stores and some 25,000 employees. About half of the employees had a standard, full-time contract and worked from Monday to Friday during the day, whereas the opening times of the shops included Saturdays and at least one evening per week. Besides the full-timers there were several categories of part-timers and “on call” workers who were mainly scheduled into Saturdays and evenings, and more extensively employed in peak periods such as Christmas time.

The Services Union negotiated a reduction in the full-time working week from 36 to 35 hours on an annual basis without loss of pay. (This meant an increase for all part-timers, because of hourly wage rises). The full-timers were regularly scheduled in for evenings and Saturdays, but, because of the reduction of one hour, and extra compensation in time for those inconvenient working hours, they worked a four-day week throughout the year, except for six weeks during the November/December peak when they had to work five eight-hour days. Part-time and flexi-time workers could opt for an extension of their contract. They were scheduled in on a more regular basis which included standard weekday hours. They no longer only worked inconvenient hours, for which they used to receive little or no compensation in either time or money.

The result was more significant for the employer because a more continuous deployment of staff was made possible, working hours could be adapted to consumer demand, and there could be a better spread of experienced personnel throughout all the opening hours. In other words, the agreement facilitated what management handbooks term “internal flexibility” rather than “external flexibility”.

An extra achievement was that there was a net job creation of more than 500 new jobs which, according to the agreement, were reserved for migrant workers and the long-term unemployed.

This example of a collective agreement is a good illustration of the following conclusions. These conclusions also form the core of the own initiative opinion drafted for the Economic and Social Committee on working time (ESC, October 1995).

10. Conclusions

1. The management of working time is an increasingly important issue for negotiations at all levels on both the employer's side (flexibility) and on the worker's side (reduction of working time).
2. The collective agreement level is fundamental, because it takes into account particular sectoral – or company – demands, and because it can provide a framework with procedural rules, guarantees and protection for individual differentiation on the basis of the demands and preferences of individual workers.
3. Such more differentiated and made-to-measure reduction and re-organisation of working time contributes considerably to the objective of the redistribution of work, and to the reduction of unemployment.
4. The promotion of voluntary options for (large) part-time jobs in every area of employment, in all sectors and at all job levels, will bridge the currently existing gap between full-time and part-time jobs, as long as it is the employer exclusively who decides to offer part-time jobs. The definition of whether a particular job is full-time or part-time will become more a matter of individual worker preference; in the end the difference will disappear, and virtually every job may be performed within a broader range of hours, to be decided on in interaction between the employer and the individual employee.
5. The acceptance of this differentiation and these part-time options in all jobs will help to bridge the gender segregation in jobs and sectors, and help women and men to achieve a more equal footing with respect to occupational choices (and the linked incomes) and working-time options in combination with family life.
6. Promotion of part-time work and better protection for part-time workers go hand in hand: voluntary reductions in working time will be made only if there are suitable conditions for part-time work.
7. The improvement in the protection of part-time work with full and equal pro rata treatment is not yet ripe; adaptation of social security and pension systems to more differentiated work patterns which fluctuate over a lifetime is one of the major challenges for the modernisation of social protection systems.

References

Eurostat, *Statistics in Focus*. 'Population and social conditions 1997/13', News release Nos. 65/97, 18 September 1997.

FNV, 'Deeltijd Compleet', Beleidsnota deeltijdarbeid, September 1993.

'Part-time work: the Dutch perspective, policy and perceptions' (the abbreviated English version of the above policy document, March 1994).

FNV, 'Economische Zelfstandigheid en Solidariteit', 1990 Congress Document.

FNV, 'Veelkleurige Vooruitzichten', 1993 Congress Document.

FNV, Meer of Minder, over werken in deeltijd, September 1998.

Hoffmann, R. and Lapeyre, J. (eds.) (1995) *A time for working, a time for living* London / Brussels: Labour Research Department / European Trade Union Institute.

OECD report *Shaping structural change: the role of women*, 1991.

Stichting van de Arbeid (the negotiation and consultation structure of bipartite central employer and trade union organisations): *Overwegingen en Aanbevelingen ter bevordering van deeltijdarbeid en differentiatie in arbeidsduurpatronen*, 1 September 1993, publ. no. 7/93.

'Considerations and recommendations to promote part-time work and differentiation in the pattern of working hours' (English translation; a German version also exists).

Economic and Social Committee EU, 'Own initiative opinion on working time' (rapporteur Van den Burg), October 1995.

European Parliament, 'Résolution sur la réduction et l'adaption du temps de travail' (rapporteur Rocard), October 1996.

Netherlands Ministry of Social Affairs and Employment, "Part-time work in the Netherlands", April 1997, publication no. 39, with a topical overview of the facts and figures, as well as of government policies.

Part III

Paid leave models

Labour market leave and entry models as lifetime policy instruments

Herman Schmid

1. Introduction
2. Working time solidarity
3. The social aspect of leave models
4. Conditions of leave
5. The economic aspect of leave models
6. The gender pattern of leave models
7. Institutional requirements of work leave models
8. The problem of substitution
9. Conclusions and policy implications

References

1. Introduction

In modern society, waged or salaried work based on precise time-accounting is a general phenomenon. The long-term tendency has been, on the one hand, to reduce labour time and, on the other, to increase the number of people in the labour market. In periods of labour shortage new categories of people were called out to meet the country's needs, like the immigrant workers who were required to meet production needs in Germany or women in Scandinavia. The motives for people to become paid workers have been mostly economic. The motives for limiting working time have been social.

Throughout its history, the labour union movement has struggled for a shorter working time. A reduction in working time may be general and uniform, but it may also take the form of part-time work, gradual retirement from work or a temporary period of absence from work. In the following section we will consider flexibilisation of working time by means of temporary periods of leave. They can be of different kinds. We all know of sickness leave, maternity leave, leave for holidays and temporary leave due to conditions of production. Here the scope is more specific. The focus will be on leave such as parental leave, educational leave and sabbatical leave, which are all planned and agreed by the person who is leaving, the employer, the union and some public body involved in administering the labour market. These forms of leave are components of particular labour market policies and are defined in 'models' which specify the sort of persons entitled to the leave, the purposes for which it may be taken and under what conditions.

The models, in turn, are components of policies for the reduction of unemployment and the improvement of employability, but characteristically they are supposed to realise other aims as well, like personal needs for individual development, or reconciliation of working life and family life, or simply the satisfaction of private needs for recreation. Thus leave models are components not only of labour market policies, but also of family policies or even 'life quality' related policies.

Most leave models include a third element. They require that the person taking leave be replaced by an unemployed or even long-term unemployed person. In the present period of high European

unemployment this is the aspect which has brought leave models into the centre of labour market discussions.

Leave reforms are also working time reforms. They imply a reduction of working time for the person taking the leave and an increase in working time for the person who takes over the job during the period of leave. Furthermore, this sharing of working time tends to be life-phase specific in the sense that leave is constructed for particular needs like infant caring, educational improvement, post-career recreational needs, etc. Therefore, leave policies must relate to a working lifetime perspective. A worker puts in a certain number of working hours during his or her occupational life, but with varying time intensity, with breaks and part-time periods as well as periods of hard work and long days. Leave models are instruments to facilitate this variation for the benefit of both the working persons and the labour market.

2. Working-time solidarity

In recent times a new family pattern has been developing whereby both spouses work and in which the total weekly and annual family time sold on the labour market reaches historical heights. 70-80 hours of paid work per family is becoming a general pattern for large social groups in ever more countries. Naturally this sharpens the conflict between economic and social needs. Particularly in families with children, this is already a very serious problem. The family needs two incomes and the children need care and protection. The equation appears to have no solution, although often there is a compromise, whereby the woman works half-time and where the family economy is very tight.

A similar conflict arises when the demand for improved labour qualifications becomes greater and grows more quickly than employers want to pay. A common example today is computer technology. The employer may find it much more profitable to replace some of his staff with new, qualified recruits, than to pay for the educational improvement of his employees. In order to avoid this, people need to reduce their working time in order to find time to go to school or training centres to acquire the new qualifications. This raises questions like "Has he/she the right to a leave period?", "Can it be financed?", "Will there be a job to return to?", etc.

These examples illustrate the problem of relative over-employment of people who have to work more than their work and family situation allows. Historical examples of over-employment date back to the beginning of industrial capitalism, when people had to work 12 to 15 hours a day to make a living, and when children were forced into hard labour from the age of 7 or 8 years. Present family difficulties may be less drastic, but the conflict between economic and social needs is basically the same (Deven *et al.* 1997).

At the same time as some people are forcibly or willingly over-employed, others are under-employed or totally expelled from the labour market. Unemployment remains very high in Europe, including in countries like Germany and Sweden which used to be in a much better situation. The most common conclusion is that the labour markets need much more flexibility. There are however, different options as to how and by what mechanisms and methods flexibility should be improved. Again, we can identify the economic market mechanism and social regulation as the main types.

For most people, employment intensity varies according to variations in the labour market. In some periods there is a shortage of labour and strong incentives for people to work more. In other periods there is a surplus of labour which creates unemployment for many people. Thus in a lifetime, a person may experience dramatic ups-and-downs in labour market conditions, and in some periods people are doomed not only to temporary unemployment but to long-term or even permanent exclusion from the labour market.

A high level of unemployment endangers solidarity between different categories of working people. The unemployed are dependent on economic benefits paid by those who work and who often work too much. Therefore it is important to remember that the over-employed and the under-employed may be the same people at different points in time. People's needs shift over time. In some periods it is both natural and possible to work very long hours. In other periods it is equally natural to reduce paid work to a minimum. In addition to the variations in labour market movements, most people follow a fairly predictable sequence of life phases. First they are young and industrious and unwearied. Then they are parents with small children and constant shortage of time both

for labour and love. Then they enter a phase where they provide the employer with experienced and stable work. Finally they get weaker and need to reduce both work intensity and working time until their time for final retirement comes around.

Against this background of two types of inevitable variation – the economic market variation and the passage through social, lifetime phases – it is obvious that the uniform labour time standard is a poor tool for the administration of work. We need a flexible working-time scheme, under which people work according to their current life phase and to the level of demand on the labour market. We need a flexible labour market policy which can manage not only the balance between labour market supply and demand, but also the transference of time resources between age groups in a working-lifetime perspective. In short, we need a model for working-time solidarity.

Such a lifetime labour policy model would need a series of different instruments, for the accounting of time, for the solidarity links between groups with different needs, and for the management of the labour market. Paid-leave models, in some countries called *career break models* or *work-sharing schemes*, represent one particular kind of such policies, where two aims are combined and confronted at the same time: on the one hand, there are measures to increase employment through education and training and by creating job opportunities for the unemployed; on the other hand, there are other measures to support family life by allowing temporary leave for urgent needs like care for children, elderly relatives and sick family members, personal regeneration or communal obligations.

The new and attractive aspect of the leave models is this attempt to combine and fuse the two otherwise contradictory rationales of the economic and the social. Instead of counterpoising economic efficiency and quality of social life, leave reforms are an attempt to enable them to reinforce each other through a combination which gives job opportunities to some people, improves quality of life for others and reduces the overall unemployment figures.

Even if it is the combination of these two needs which is of interest and important here, I will first separate the two policy rationales and consider each of them on its own merits. Then I will look at them in

combination, which is really the focal point for assessing the usefulness of the leave models. I will try to integrate two aspects of the recent debate which are particularly instructive: the specification of some of the institutional requirements for paid-leave models for work, and the emphasis on the importance of gender in the construction of leave models.

3. The social aspect of leave models

Temporary leave from the labour market is nothing new. The labour movement achieved the right to holidays and sick leave long ago, and the right to maternity leave has been granted for as long as there has been female wage labour on a large scale. Educational leave, as Tom Schuller shows elsewhere in this volume, is a more recent phenomenon, but much older than the idea of paid-leave models. All these kinds of leave are based on the social needs of the employees and their families. They are needed in times of labour shortage as much as in times of labour surplus and unemployment. They are necessary from the point of view of labour force reproduction, and, historically, labour reproduction needs have always been defined as needs and interests pertaining to the employees and their unions.

Thus, forms of historical leave were demanded and realised in the same way and with the same rationale as general working time reductions. Leave was necessary to cope during periods where private needs were temporarily particularly urgent, such as those surrounding birth or during sickness, or was necessary to avoid the over-exploitation of the labour force. Similarly leave periods for educational improvement came to be necessary, and here too responsibility was borne by the employee rather than the employer.

The next question was how to pay for the leave. Since the needs were considered to be private, so the burden was on the employee himself, unless the employer could be forced by the union struggle to pay, or alternatively, the labour arguments would convince the political parties that the needs were really social rather than private, and that it was in the interests of society to cover the costs. Thus, in many countries, public responsibility for educational needs has been extended to adults during the last three decades.

Thus the social needs behind parental leave and educational leave models have for a long time been recognised in various ways. Periods of maternity leave have been granted, as well as subsidies to adult students in various forms. Even the sabbatical was known long before the leave models appeared, notably as a privilege for academic staff in many universities. The new feature is the combining of these social needs with other people's needs for employment, and with the policy aim of reducing unemployment.

4. Conditions of leave

It is a reasonable assumption that almost all types of waged and salaried workers would be interested in taking advantage of periods of paid leave, provided that the conditions were favourable enough. Paid leave is however neither a universal public right, nor a gift to those who might wish to accept it; rather, it consciously constructs categories of people both having a legitimate need and belonging to labour market segments where unemployment is considerable and substitution is practicable.

Leave schemes are designed for people roughly between 25 and 45 years of age. Younger people receive other kinds of employment offers. Older people are offered various schemes for early or gradual retirement. The economic conditions for paid leave are such that they appeal mostly to low-paid women, and least to highly paid men. Women who are offered such leave tend to work in the public sector where institutional conditions are most conducive to leave policies. Single parents can usually not afford to go on leave at all.

The people who are selected for leave are employed full-time and are usually very well integrated into the labour market. They need a career break for some reason related to 'over-employment'. Usually the leave is a period of both rest and family recreation after years of disciplined, full-time labour, and a means of personal self-development. Research interviews report increased self esteem and improved quality of life among beneficiaries of such schemes, most of whom claim that the schemes are a "great" social invention (Andersen *et al.*).

Danish data on the effects of changed levels of economic benefit indicate that people tend to calculate the value of leave on the basis of an

instrumental family calculation which considers whether it is better for the family economy that the woman go on leave, how long the optimal leave period would be, how leave can be combined with other ways of providing for the family, etc. Thus, there is a responsiveness which makes it easy for labour market policies to reduce (or increase) the number of applications, and to define fairly precisely the groups they want to recruit for the schemes.

Thus, leave models are constructed so as to target particular groups. Looking only at the (economic) employment aspect of leave models, other categories of labour could have been selected for leave reforms, like the Danish “garbage collectors” who developed their own work-sharing scheme (which is described below), or workers in sectors which are subject to structural change where massive re-qualification is needed. So far, there is not much research on precisely why some groups are selected for leave schemes rather than others, but it is obvious that it is the combination of economic and social needs that is of prime importance.

5. The economic aspect of leave models

What is a “leave model” from the social point of view is an “entry model” from the economic point of view, a model for creating points of entry to the labour market for unemployed persons. There are at least three stakeholders in this: those who gain temporary employment and possibly also more permanent jobs; the employers who have to administer the substitution process; and the public labour administration which is obliged to implement the labour policy aims.

The people who enter the labour market through the leave systems are, in terms of socio-descriptive characteristics, broadly the same as the people who take leave. They are younger, but otherwise not much different (see Nätti in this volume). They tend to be recruited from ‘around the corner’, i.e. from the reserve labour force of the firms that take them in. This means that the long-term unemployed are likely to be ignored and that the least marginalised members of the unemployed population are likely to be taken in (Andersen *et al.* 1996). This of course is a serious weakness from the labour policy point of view, since the long-term unemployed are a particular policy concern.

There are still significant differences between those taking leave and those entering. The group of temporary substitutes appear to be more heterogeneous, scattered, individualistic and without the means to influence the conditions for participation. Where those taking leave belong to relatively homogenous groups, are supported by their unions and have a certain amount of 'social capital', their substitutes are recruited as marginalised individuals allowed to stay only for a limited period. This corresponds to the observation that, though the individuals who get jobs through the leave schemes may be very satisfied, the social demand and political pressure for leave models always seem to come from the groups to which the persons taking leave belong and never from the ranks of the unemployed.

Generally speaking, employers have not been among the proponents of paid-leave models. Even if those who have practical experience with leave arrangements, i.e. a minority, are fairly positive (Andersen *et al.*), it is clear that most employers have been sceptical or outright negative. Public firms have been the most willing to give leave and receive substitutes, probably due to the fact that they are more committed to public policy aims. Small firms in some sectors have also been fairly positive, probably because they can see the positive effects at closer hand than big firms. Most large private firms have been uninterested. For them a substitution process which is initiated by an individual applicant takes up too many administrative resources. It would be easier without the requirement for substitution. Such firms tend to prefer less bureaucratic methods of job rotation and most argue that the labour market mechanism solves their problems better than any paid-leave model can.

Leave models have been proposed and launched by labour market policy-makers because of high unemployment, i.e. as a means of reducing unemployment and usually also to increase employment. However, their beauty from the labour policy angle is not that they are supposed to create masses of jobs (which they do not), but that their effects on unemployment and employment are cost-neutral to the state. Those taking leave receive at best benefits that correspond to the unemployment benefits saved through the substitution, and usually even less. Leave models transform passive unemployment benefits into

dynamic transformation resources in a manner beneficial for all parties involved. They are instruments for 'active' labour market policies. Furthermore, they are so popular that politicians who favour them may realistically expect some extra electoral support.

Finally, it should be remembered that just as interest in paid leave models as labour market policies was stimulated by growing unemployment, so it seems to vanish when unemployment goes down. In Denmark the leave reforms were developed and extended as a response to a long period of high unemployment, where a problem of long-term unemployed youth had accumulated. As the unemployment curves turned down, the policies changed. When reports were published about bottleneck problems in the hospitals sector, where many nurses and nursing assistants were on paid leave, a series of reductions in benefits and access conditions was triggered. As a result, the number of people on leave was drastically reduced, and the message was made very clear: when the labour market calls for workers, the social needs for adult education and family care have to yield.

6. The gender pattern of leave models

Both the labour market and the family structure are gendered in a way that discriminates against women. Leave systems relate family and labour market conditions to one another. They are therefore gendered in two ways both as regards their operation and their effects.

Women apply for leave much more often than men because they have lower incomes. First this means that it is (or appears to be) rational from a family economy point of view for the woman to go on leave rather than the man. Family income will be higher that way. Secondly, the relative loss of going from a waged income to a state allowance is smaller for the low-paid woman since the rates of pay during leave periods are based on the maximum level of unemployment benefit.

Women also have special motives for applying. They are often strongly identified with mothering and the associated duties and obligations. In many countries parental leave can be taken following on from maternity leave, thus continuing and confirming a gendered pattern of family roles. Other forms of leave for family reasons, such as Belgian career breaks to

care for elderly or sick family members, reproduce the traditional pattern of who is responsible for what.

Even educational leave, which may be gender neutral in itself, is predominantly chosen by women, not necessarily because of lower formal education than the husband, but because of a more marginal labour market status and often a need to re-enter the labour market after years of absence. Even worse, it may be chosen as a disguised form of prolonged maternity leave.

However, leave arrangements are not only chosen out of some female predisposition for the role of mother and housewife, but are constructed by policy-makers to target specific categories of labour. Parental leave and sick-care leave are usually granted with reference to family policy values rather than to the labour market. Educational leave is designed for certain categories of the poorly educated. Some reasons for taking leave are more acceptable to general opinion than others. Women appear to be selected for leave reforms. If the benefits were constructed so as to be gender neutral, or if periods of parental leave were divided between the spouses, the outcome would probably be much less gender biased.

As leave reforms now work, they hold an extra appeal to women engaged in tedious and unattractive work. They invite these women to escape into the family sphere, where semi-patriarchal norms confirm that they are doing the right thing for the family and for the children. For women with more attractive work, leave offers temporary relief from the burden of the twofold obligations entailed in being both a good professional worker and a loving mother.

On the other hand, the leave system may offer an opportunity for women who want to care for their children to do so without losing job rights and future employability. In families where there is a strong pressure on the woman to conform to patriarchal norms, a period of educational leave may empower her to break out of the confines of the family. Many women do use educational leave to qualify themselves for future labour market participation. The possibility of combining a good working life with a good family life is becoming a prime value of modern life and for this reason the leave systems appear to be very attractive. People who

have been on leave confirm these positive evaluations and state that they would like to apply for another period of leave.

It is obvious, however, that the leave systems must be made more gender balanced if they are to maintain their high level of support. Yet this may not be as easy as it might seem. It involves a redefinition of what are worthy reasons for paid leave, and such redefinitions are not made by policy-makers alone, and certainly not overnight.

7. Institutional requirements of work leave models

Paid leave models require not only a degree of trust and stability sufficient to make people believe that their job will be there for them after a period on leave, but they also require an administrative machinery which can regulate and coordinate the necessary actions of the employer, the trade union, the person taking the leave, the person who is entering and the public authority. A considerable degree of institutional integration is needed for this sort of cooperation to take place.

There are labour market segments which are new and largely unregulated, or which have been deregulated to a degree where not even the basic employment contract has any formal existence. In certain sectors where employment is based on short-term contracts, labour mobility is so high that few people can meet the requirements of most leave schemes for the duration of the employment, and the firm's stability may be so feeble that no one would trust a right to return after a leave period. It has been suggested that leave models are only for the well organised small countries in north western Europe.

However, evidence from both southern and northern countries suggests that there is also a difference between different market segments. There are sectors in the Danish labour market where regulation and unionisation are very low, such as in computer software, fashion, cultural media, etc., and where no one would think of using the leave reforms, just as there are segments in Spain or Greece such as the public services, where all the conditions needed for leave systems are present (Escobedo1997).

Still, there is a significant overall difference between countries with and without a highly developed labour market administration, and this

difference is accentuated in conditions of high unemployment: in highly regulated labour markets a high degree of unemployment is likely to increase the support for leave systems, whereas in countries with a low degree of labour regulation the opposite is likely to occur. Another difference relates to the degree of *commodification* of the female labour force. In countries and regions where unpaid female service labour is still common, the needs and motivations for leave systems are likely to be much weaker.

8. The problem of substitution

It is obvious that the crucial factor of the leave models is the mechanism to combine those who need less employment and those who need more employment, i.e. the mechanism of replacement. The key question is how to design the technology for substitution.

Researchers report that the replacement problem is not only crucial, but also rather difficult to solve in practice. It implies a series of measures to be taken: Where do you find the unemployed person? Who finds her/him? Who accepts her/him? Who performs the induction of the recruited person? Is she/he supposed to take over the job of the person who is leaving or should she/he replace someone else who in turn can replace the person who is leaving? How long does it take for the new person to be able to do the work without special support? The jobs provided are short-term and previously done by people who have been in the job for quite some time and who expect to return to the same workplace after the leave period. It can be difficult to find an unemployed person who fits in and adapts to a new job situation very quickly. The duration of the vacancy is particularly important, and many leave periods are too short for a replacement to prove him or herself to be qualified. Sometimes the required substitution never takes place, even where this is supposed to be a necessary condition for public support.

It may be helpful to identify three different types of substitution mechanism: the personal bond, the administrative decision and the generalised system.

The *personal bond* is in operation where the employer or the person taking leave finds the substitute in the immediate social surroundings: a former employee, a friend or relative, someone living in the local

community, etc. This is a very practicable solution which makes it possible to secure a good match between the person who is leaving and the person who is entering. The person entering is known by someone who knows the job requirements. The succession may be arranged so that the leaver can instruct the newcomer and may even maintain contact throughout the leave period, so that the return to the job after the leave is also facilitated.

An interesting illustration of the advantages of the personal bond connection is the so-called 'garbage collectors model' in Denmark. In a period of high unemployment for refuse collectors those in employment offered to take in unemployed colleagues and to share both employment, unemployment and unemployment benefits on a basis of equality. Groups of four colleagues took on a fifth, unemployed person, so that each got a day off per week. This practice became immensely popular and spread rapidly to other occupational groups, before the labour authorities stopped it with reference to the law: the model implied that unemployment benefits were shared by people who were neither really unemployed, nor at the disposal of the labour market (Madsen 1995).

A particularly interesting aspect is that the personal relations of solidarity between employed and unemployed members of the same union not only made it very easy to solve the substitution problem, but also mobilised the employed to solidaristic action. The need of some for reduced employment and the need of others for more employment were combined here in a way which was very effective from the employment aspect. Similar initiatives have been reported in other countries and labour market segments (Tondorf 1995).

There are, however, also weaknesses with the social bond mechanism. It offers employment opportunities to those who are closest to the labour market and still retain near contacts with working colleagues, but it tends to exclude or ignore marginalised and long-term unemployed people.

Its efficiency is also limited to unemployment which is to some extent cyclical: it invites work-sharing in periods of temporary under-employment, but it is useless if the unemployment is structural or demands mobility across regions, sectors and occupational borders. This may be an indication of how and where to use leave schemes based on the social bond: they can be used as a complement to manage short-term

changes in employment levels. Just as people are invited to work overtime in periods of growth, so people can be invited to work *undertime* by sharing work through solidarity-based leave schemes.

The *administrative decision* is best illustrated by the labour agency, which administers and combines the needs of employers and the unemployed by bringing them together and by matching their respective need profiles. Today this is greatly improved by the application of computer technology. The applicant may come from another part of the country, from another job sector, from unemployment, etc., and the firm will typically describe its needs in terms of qualifications rather than asking for particular persons. Thus the idea of labour agencies is to combine complementary needs. Paid leave schemes add another instrument to the repertory of combination possibilities of which labour agencies can make use. They use leave schemes to make subsidised openings for unemployed people, irrespective of what personal connections they may have or from where they may come.

The problem is of course that this non-personal, distant mechanism of combination implies a considerable amount of risk-taking, both for the firm and for the unemployed. Does the combination which is based on objective criteria and abstract modes of matching work in real life? The labour agency assistant does not know the concrete work place and has a very superficial knowledge of the applicant. Will it really work? An additional problem is often the bureaucratic setting, which must aim at neutral objectivity rather than flexible ad hoc solutions based on the concrete aspects of the particular case. Its relation of solidarity is abstract and based on principle rather than on socially practised and experienced cooperation.

The *generalised system* for the combination of over-employment and underemployment should really be the labour market. Under ideal conditions, like in the theoretical models of the neo-classical economy, demand and output should balance each other and full information should make it possible for market actors to arrive at optimal combinations. In real life there are barriers and imbalances and periods of both severe under-employment and equally severe over-employment. This is why regulation of labour market policies is a necessary complement and correction to market movements. The idea of the leave

systems is precisely to combine complementary needs. On the level of a generalised system, the leave idea is to combine the costs of unemployment with the need to put people into employment by turning benefits into wage subsidies. Instead of paying some people for doing nothing, the resources should go into investments in future employability.

On one hand, this is forbidden by the logic of the economic system. On the other hand there is, in practice, pressure for it to be applied. Particularly on a small scale and in areas where exceptions can be accepted, such as parental obligations, education, caring for sick people, etc. certain experiments are allowed. Local employment policies also tend to combine unemployment allowances with local job creation. Some paid leave systems do not demand substitution; other systems do not require personal matching but only that there be an overall balance between persons taken in and persons on leave. The less restrictive the models, the more smoothly they seem to function. It may even be argued that the best possible paid leave system would be a completely generalised system of pooling and transferring resources for labour market policies. It would amount to a comprehensive system of adjusting work allocation with maximum freedom of choice, both for employers and the employed/unemployed.

In this light, existing leave systems appear in a new perspective, as rather clumsy administrative systems trying to combine needs by administrative techniques in a terrain full of borderlines and prohibitions. The personal bond-based techniques may appear more friendly and humane, but they are really rather primitive modes of combination which correspond to the pre-market exchange where concrete needs are combined by simple acts of barter, for example between the farmer and the fisherman. From the point of view of unemployment as a national or international plague, the administrative leave systems and the personal-bond-based exchanges are hardly more than marginal, smoothing mechanisms. Existing paid labour leave models are useful as little steps in the direction of a system based on regulation of the labour market and as concrete illustrations of a logic which needs to play a much more important role.

9. Conclusions and policy implications

1. Paid leave models are combinations of social and economic employment policies. This is what makes them different and innovative as policy instruments. It is a pity that policy-makers so often have a one-sided approach to their application. They use them to fulfil either economic or social aims rather than the combination of aims. Thus employment policy makers tend to withdraw their support for paid leave models as soon as the demand for labour rises, regardless of the social problems of over-employment. Similarly family politicians may launch parental leave reforms with little concern for the substitution rate.
2. The short-term, real employment effects of paid leave models are not very substantial as compared with, for example, early retirement schemes, but they probably have more significant long-term effects on employability. The size of these effects is, however, difficult to assess in precise terms. Educational upgrading is likely to improve employment opportunities over time, parental leave may facilitate the maintenance of employee rights to return to work rather than opting out of the labour market and sabbaticals may help regenerate people for future employment. More generally, leave periods can be regarded as empowering mechanisms which provide people with extra employability resources in periods where these are needed.
3. Paid leave models are also interesting as a kind of policy technique. They define chosen categories of people with specific needs in specific situations and they influence their behaviour by means of economic stimuli and administrative support. Such selective approaches are much needed complements to general labour policy directives and could be applied much more often in what is referred to as 'active' or even 'activating' labour market policies.
4. Since the combination of social and economic needs is vital to paid leave models, the ways of combining the needs and the means of matching the persons involved are central concerns for future labour market policies. The personal bonds between the person who is taking leave, the substitute and the other people involved are particularly important in decentralised models of substitution. The

administrative agencies are necessary linking mechanisms when the substitutes are to be found across geographical and industrial market segment barriers. By means of general market regulation, indirect links between leave and entry may be established so that the person-to-person matching is not needed at all for a substitution to take place. More emphasis on the problems of combining and matching would help to develop the tools needed for flexible paid leave models directed towards other groups than those selected so far.

5. Such policy precision is much needed in order to balance and eliminate the gender effects of paid leave models. The well-known paid leave models all have serious gender imbalances built into their construction: women are stimulated to take leave for social reasons, while men are told to continue or even intensify their paid work. There are examples of leave systems with built-in gender quotas, and conditions for eligibility could be differentiated according to gender. This, however, will imply benefit levels related to previous income levels, and legal labour rights to leave periods, and possibly legal rights for children to parental presence, etc.
6. If the employment effects of paid leave models so far have been modest and marginal, the social effects have been strong and highly appreciated both by potential and actual beneficiaries and by the general public. It may well be that it is easier to advocate leave models on the basis of legitimate urgent social needs than on the basis of employment expectations. Family policies have tremendous weight in electoral campaigns and for voters' decisions. Leave for communal, environmental and public services could easily become very popular issues.
7. Paid leave models combine a person's private and professional status and involve transfers of economic resources from working people to the groups of beneficiaries. Therefore, the trade unions have a special competence to negotiate and organise the practical application of paid leave models. So far, unions have been somewhat reluctant to advocate work-sharing models in general, but this attitude will disappear with more individualised models of wage negotiation. Where the individual worker represents his/her own social needs and the employer represents the economic interests of

the firm, the trade union is perfectly suited to handle the combination of the two. Local paid leave systems could be constructed, proposed, negotiated and administered by local unions much more often than has been the case so far.

8. The tendency towards flexibilisation of labour markets puts growing pressure on trade unions to substitute flexible employment contracts for uniform collective agreements. But flexibility for employees is not necessarily the same thing as flexibility for the employer. It is a matter of great importance for the unions to develop flexibility models which are sensitive to the needs of employees and relevant for the flexibilisation of working life as a whole. Paid leave models are ideal elements of such union strategies, both in order to satisfy important social needs and in order to avoid the total dominance of liberal flexibility concepts. As pressure from new production technologies and globalised market competition demands more flexible production systems, the need for such strategies may become very urgent, especially at the local level.
9. Union strategies for general working-time reductions need to take the growing diversity of labour needs into account. Some people need to work more, others need to work less, and these needs shift from one life phase to another. It is a heuristic process of great value to think in terms of a model of lifetime working hours. The elements of such a model may be many and variable, from part-time work and paid leave models to work-time saving accounts and techniques for transferring hours from one life phase to another. We have learned how to transfer economic resources between life phases, both individually and on a collective basis. We have to learn to handle time resources in similar ways.

References

- Andersen, D., Appeldorn, A. and Weise, H. (1996) 'Orlov – evaluering af orlovsordningerne', Copenhagen SFI 96:11.
- Deven, F., Inglis, S., Moss, P., Petrie, P., *et al.* (1997) *State of art review on the reconciliation of work and family life for men and women and the quality of care services*, Final report for the European Commission (DGV) Equal Opportunities Unit, Brussels.
- Escobedo, A. (1997) 'Work-family arrangements in Spain', a paper presented to the expert seminar "Work-family arrangements in Europe. The role of employers." Erasmus Universiteit Rotterdam.
- Madsen, P. K. (1995) 'Orlovsordningerne – gode nok eller for meget af det gode?' *Samfundsøkonomen* 1995:1 (Febr.).
- Scheuer, S. (1996) 'Fælles aftale eller egen kontrakt i arbejdslivet' Copenhagen: Nyt fra Samfundsvidenskaberne.
- Schmid, H. (1995) 'Labour market policies, work time reductions and welfare strategies in Scandinavia', a paper presented to the conference on "Reparto del tiempo de trabajo", 25-26 October 1995, Bilbao.
- Tondorf, K. (1995) 'Safeguarding employment through changes in working time patterns in the East German public sector', East Germany No. 15, June 1995b.

Labour market policies and paid leave models: the cases of Belgium, Denmark and Finland

Jouko Nätti

1. Paid leave and working time policy
2. Paid leave in Belgium, Denmark and Finland
 - 2.1. Career breaks in Belgium
 - 2.2. Danish leave schemes
 - 2.3. Job-rotation schemes
 - 2.4. Finnish job-rotation leave
 - 2.5. A comparison of national models
3. Conditions and implementation
 - 3.1. Administration and finance
 - 3.2. Costs and benefits for the employers
 - 3.3. Benefits for people on leave
 - 3.4. Employment and social security
 - 3.5. Implementation
4. Effects and evaluation
 - 4.1. Employment and unemployment
 - 4.2. Users of leave schemes
 - 4.3. Replacements
 - 4.4. Employers
 - 4.5. Attitudes
 - 4.6. Barriers
5. Summary and conclusions
 - 5.1. Objectives and aims
 - 5.2. Conditions and implementation
 - 5.3. Effects and evaluation

References

1. Paid leave and working time policy

Hugh Mosley (1995) uses the concept of active labour market policy, which promotes the temporary or permanent reduction of collective or individual working time in order to enhance employment opportunities for those who are unemployed or at risk. Active working time policies are not an alternative to traditional active measures but rather a complement to them. According to Mosley, there are six major types of active working time policies to promote employment:

1. reduction in standard working time for full-time employees
2. limiting overtime to create additional employment
3. short-time work as an alternative to lay-offs (e.g. *Kurzarbeit* in Germany)
4. the substitution of part-time for full-time work
5. reduction in annual working time through career breaks and other special forms of leave, and
6. reduction in the working lifetime.

The first three (reduction in standard working time, short-time work, and overtime) affect all or a large group of employees in an industry or firm and are usually determined collectively, whereas the latter three types of reduction in working time (part-time work, career breaks, reduction in lifetime working hours) are typically based on individual agreements between the employer and employee and the individual employment contract. However, career breaks may also be publicly regulated, as will be seen later.

In the early 1980s, work-sharing through a collective reduction of working time became an issue in the employment policies of many European countries, especially France, Belgium, the Netherlands and Germany. By contrast, the idea gained little ground in the Nordic countries where the main aim of shorter working hours has been to improve living conditions and solve social problems like gender equality, family policy and education (Alaluf *et al.* 1994: 5). Then, in the late 1980s, flexibility went to the top of the working time policy agenda.

The high unemployment rates of the 1990s brought the debate on links between unemployment and working time to the fore in the Nordic

countries as well. Since 1992, various leave schemes have become central features of Danish labour market policy. In the Finnish discussion on work-sharing, the main topics have been expansion of part-time work, restriction of overtime and job rotation.

2. Paid leave in Belgium, Denmark and Finland: background, aims and main features

In all three countries, high unemployment has been the main factor influencing the establishment of leave schemes. In Belgium, the career break scheme was introduced in 1985. In Denmark, educational leave and parental leave were introduced in 1992 and sabbatical leave in 1994. In Finland, job rotation leave was introduced in 1996.

2.1. Career breaks in Belgium

The Belgian career break scheme dates back to the mid-1980s. The career break idea stems from a twofold concern. On the one hand, there was a long process of discussions and proposals on forms of extended leave for specific purposes, such as parental leave. On the other hand, there was the employment crisis. The beginning of the 1980s coincided with a deep recession in the economy causing high unemployment. A career break system looked as though it might provide an answer to both problems without putting any additional pressure on the public purse. This was important to a country like Belgium which was facing a huge budget deficit and public debt (de Gols 1996). The main objectives were better integration of unemployed people into the labour market and a better balance between work and family life.

A career break can be either a complete break or a switch to part-time work. The length of each break varies between 3 and 12 months. The period is renewable and the worker is also entitled to another career break after having resumed work. The accumulated duration of career breaks must not exceed 60 months in a person's entire working life. For those over 50, part-time work provides the possibility of extending the break to retirement age.

From its origins in 1985, the career break scheme was dependent on an agreement being reached between employer and employee. Once it became firmly established by means of individual agreements, trade

unions started to demand career breaks. In 1993, this led to a national and inter-occupational collective agreement which grants the right to a career break to one per cent of workers (maximum percentage at any given time) (EIRR 237: 24). Some public sector collective agreements allow the proportion of employees on leave to rise to five per cent.

The worker who takes a career break must be replaced by an unemployed person who is on unemployment benefit. Employers who recruit replacements benefit from partial exemption (25 to 50 per cent) from the social security charges which the employer would otherwise have to pay for the replacement. The worker who takes a career break receives career-break benefit. For a full-time employee taking a complete career break, the benefit is 280 to 350 ECU per month (depending on the number of children).

In 1987, some 16,000 workers were on leave. In August 1997, the number on leave was 56,400. The majority of those who took a career break were women (85 per cent). Some 70 per cent of workers on leave were between 25 and 44 years of age (de Gols 1996; Närvä 1996).

2.2. Danish leave schemes

In Denmark too, an increased level of unemployment was the main factor behind the introduction of the leave schemes. In 1991, faced with high unemployment and especially long-term unemployment, the Danish Parliament decided to introduce parental and educational leave schemes. The idea was to give employed people paid leave so that the unemployed could replace them for a fixed period. The programme was therefore directed at people who were already in the labour force: employed people wishing to work less for a period and others requiring work (see Schmid in this volume).

The schemes have been adjusted several times since they were introduced in 1992. The most important adjustment was in December 1995. The central element of these changes was to give unemployed people and employees the same right to educational leave. Both groups now have the option of one year's educational leave within each five-year period. Another change was that periods of educational leave taken by unemployed people were included in the total unemployment benefit period. Furthermore, both unemployed people and employees were

given the same rights to parental leave (25 weeks for those with children under the age of one year and 13 weeks for those with children in the one to eight age group (Hogelund 1996)).

Educational leave was introduced in 1992 and then transformed radically in 1994. Educational leave is seen as an important instrument to ensure the upgrading of the qualifications and skills of the labour force. In the first phase, the employer had to hire a replacement for the person on leave. Furthermore, the person on leave had to fulfil quite strict criteria. The person on leave should have been working full-time for seven years in the previous ten-year period. The duration of leave was a maximum of 36 weeks. Only 2,400 people went on educational leave in 1993, at least partly because of these restrictions.

In 1994 the entitlement criteria were relaxed. Employers were no longer required to employ a replacement and entitlement now depended on being employed three years in the previous five. The benefit was raised from 80 to 100 per cent of the maximum unemployment benefit. As a result, 47,000 people took educational leave in 1994 and 80,000 people in 1995 (Hogelund 1996).

In January 1996, some significant restrictions were introduced. The maximum duration of unemployment was cut from two years to one. Unemployed applicants had to have been unemployed for the previous 26 weeks. The period on leave was included in the total period for which unemployment benefits were allowed, which means that educational leave can no longer be used to extend the total period in which a person was able to receive social transfer payments. In 1996, 73,000 people took educational leave; in 1997 the figure was 77,350.

According to the current rules, educational leave may be extended from one week to one year for approved courses. The target group is made up of unemployed people (members of unemployment insurance funds) and employed and self-employed people above the age of 25. Employed and self-employed people must have been working for three years within the last five years. Leave is subject to the agreement of the employer. Educational leave benefit is paid at up to 100 per cent of the maximum rate of unemployment benefit: 350 ECU per week (about 1,470 ECU per month on 1 January 1996).

Parental leave was also introduced in 1992. Parental leave was seen as an important step in establishing a better balance between working life and family life. In the first phase, parental leave was very similar to educational leave. The target group was employees with children under eight years old. Leave had to be agreed with the employer. In addition, the employer had to employ a replacement during the leave period. The duration of the leave was 13 to 36 weeks and benefit was 80 per cent of the maximum unemployment benefit. In 1993, 11,900 people took parental leave.

In 1994, parental leave was also changed. As in the case of educational leave, the target group was extended to include the unemployed and the self-employed. Employees were given the unconditional right to take parental leave of 26 weeks. The requirement to employ a replacement was abolished. These changes led to a big increase in the number of people on parental leave. In 1994, 80,000 employees took parental leave. Local councils often paid the difference between unemployment benefit and leave benefit in order to encourage parents to use the scheme and therefore leave a place open in public day-care facilities for another child. This practice has been gradually disappearing since 1995.

At the beginning of 1995, some changes in parental leave were implemented, at least partially because of its popularity. It was feared that the large uptake would create bottlenecks in the labour market (especially in the public sector) and push up wage levels. Benefit was reduced from 80 to 70 per cent of maximum unemployment benefit. In addition, the duration of leave was reduced. Henceforth, employees with a child aged between one and eight years had the right to take leave for only 13 weeks. As before, they could reach agreement with the employer to extend the total leave period to one year. As a result of these restrictions, the number of people who took parental leave dropped to 52,000 in 1995, 47,000 in 1996 and 37,000 in 1997.

According to current regulations, parental leave may be taken in consecutive periods of between 13 and 52 weeks. The target groups are the employed, self-employed and unemployed people with children under eight years old. Both parents may (together or separately) take leave for up to 52 weeks for each of their children under eight years old. Employees and the self-employed must be eligible for cash benefits in

the event of sickness and maternity. Unemployed people must be eligible for either unemployment benefits or social assistance. Employees and the unemployed have a right to 13 weeks of leave (26 weeks if the child is under one year). The remaining period is subject to agreement with the employer or the public employment service. Parental leave benefit is up to 70 per cent of the maximum rate of unemployment benefit. As from 1 April 1997, this rate was reduced to 60 per cent.

Sabbatical leave was introduced in 1994. Sabbatical leave may be up to 52 weeks subject to agreement between the employee and the employer. The employer must hire a replacement for the person on leave. In 1994, 13,000 people took sabbatical leave creating the same number of job opportunities. Although the scheme did not therefore cost the government anything, it attracted criticism for appearing to offer government-paid holidays and, as a result, the conditions were changed at the end of 1994. Benefit was reduced from 80 to 70 per cent of the maximum unemployment benefit. The replacement for someone taking sabbatical leave now had to have been unemployed for at least one year. As a result of these restrictions, the number of people who took sabbatical leave dropped to 3,000 in 1995 (Hogelund 1996).

According to current regulations, sabbatical leave (for any purpose) may be taken for periods of between 13 weeks and 52 weeks. The target group is employed people above 25 years of age. The leave must be agreed with the employer and it is a condition that the person concerned is a member of an unemployment insurance fund and qualifies for unemployment benefits and that he/she has been employed for three of the previous five years. Finally, it is a condition that the vacancy is filled by an unemployed person who has been unemployed for at least one year. Sabbatical leave benefit is up to 70 per cent of the maximum rate of unemployment benefit. As from 1 April 1997, the rate was reduced to 60 per cent. The sabbatical leave scheme was discontinued at the end of March 1999.

2.3. Job-rotation schemes

Leave schemes may be complemented by job-rotation schemes within organisations whereby leave entitlements are used as a means to redistribute employment through work-sharing. According to labour market authorities (AMS), job rotation has become an important

instrument for ensuring labour market functions. Support may be granted to those operating job rotation schemes to train employees and, in certain circumstances, to cover the costs of participants, for instance in the form of leave benefit. The law on active labour market policy allows the government to grant supplementary support to employees. In the case of service-job training, the rules allow the payment of a recruitment subsidy to organisations which recruit a replacement to fill the vacancy of a person on leave.

Job rotation benefits employees, the unemployed and employers. The employees can take advantage of training opportunities and improve their chances of maintaining their position in the labour market. Replacements obtain practical job experience and improve their chances of finding further work. Employers benefit by updating their employees' skills and qualifications. It is also a way for employers to make contact with workers whom they can recruit as seasonal workers at peak periods or on a more permanent basis.

2.4. Finnish job-rotation leave

In Finland, the first proposals on sabbatical leave were introduced in the late 1980s. A government committee (Sapattivapaaalle, KM 1990:5) proposed that employees be allowed to save part of their holiday for later use as sabbatical leave. The main argument was that sabbatical leave provides opportunities for further education and improvement of skills. At that time, sabbatical leave was also seen as a way to discourage early retirement. Senior white-collar workers were especially interested in sabbatical leave.

In 1994, another government committee proposed job-rotation leave (Työvuorottelutoimikunnan väliraportti, STM 1994:20). The main advantage was felt to be that it would provide opportunities for further education and recovery from the stress of work and that longer leave periods would allow work to be rotated between employed and unemployed people. The Job Rotation Leave Experiment Act was approved by the Finnish Parliament in December 1995.

According to the Act, the broad aim of job-rotation leave is to promote and maintain labour market resources. For employees, the leave provides a welcome opportunity to recharge their batteries and prepare themselves

for new challenges. For the employer, the leave provides new staff and new possibilities for job organisation and internal job rotation. It offers unemployed people a way into the labour market. For society as a whole, it means that a larger part of the subsidies used for dealing with unemployment are directed at maintaining and developing the working skills of the labour force. The support therefore not only ensures people's livelihood, but is also an investment in the future.

According to the Act, full-time employees may agree with their employer to take job rotation leave of between 90 and 359 days. The employer must employ an unemployed job applicant for this period. The applicant must be registered with a labour office. There are no conditions as regards the length of time the applicant has been unemployed. Nor is it necessary to allocate the same duties done by the person on leave to the replacement. In workplaces with more flexible working arrangements therefore, it is possible for the employer to rotate jobs internally and, if desired, save on labour costs.

The way in which a person uses job-rotation leave is not restricted as it is in Belgium's career break and Denmark's sabbatical leave. Employees may use the leave in any way they choose, for example for education, recovery from the stress of work, childcare, hobbies or rest.

The law states that a person may go on job-rotation leave if they have worked for the same employer without interruption for no less than one year immediately before the beginning of the job rotation leave. Absence of no more than 30 days without pay may form part of this one-year period.

During the period of job-rotation leave, the employment relationship of the person on leave is put 'on ice'. Job-rotation leave benefit amounted to 60 per cent of the daily unemployment allowance to which the person on leave would be entitled (maximum of 753 ECU per month). This was increased to 70 per cent on 1 January 1998, with no maximum payment stipulated. Furthermore, a person taking part in voluntary vocational training receives a partial vocational training allowance of up to a total of 167 ECU, tax-free, for each month of training. This was increased to 184 ECU on 1 January 1998.

2.5. A comparison of national models

There are both similarities and differences between the national models. The main characteristics of each model are compared in Table 1.

Belgium's career break, Denmark's sabbatical leave and Finland's job rotation leave are quite similar:

- The main idea is to offer a break to employees and a temporary job to the unemployed.
- There are no restrictions on what the employee can do on leave. It can be used for education, recovering from the stress of work, childcare, hobbies or rest.
- The target group is employees.
- Leave must usually be approved by the employer (a limited right in Belgium since 1993).
- Duration of leave is usually between one week and one year.
- The employer has to recruit an unemployed person to replace the person on leave (a long-term unemployed person in the case of Denmark's sabbatical leave).

Denmark's educational and parental leave schemes differ from the other leave schemes in many ways:

- There are restrictions on how leave can be used. Educational leave must be used for full-time education. Parental leave has to be used for childcare.
- In addition to the employed, the target groups include the self-employed and unemployed.
- The employer is not obliged to recruit an unemployed person as a replacement for the person on leave.

Table 1: Main features of paid leave schemes in Belgium, Denmark and Finland

	Belgium	Denmark			Finland
Model	Career break (complete or part-time)	Parental leave	Educational leave	Sabbatical leave	Job-rotation leave
Year introduced	1985	1992	1992	1994	1996
Target group	Employees	Employees, self-employed, unemployed	Employees, self-employed, unemployed	Employees	Employees
Aims	- integrate the unemployed-provide a better balance between working life and family life	- provide a better balance between working life and family life	- upgrade the skills of the labour force	- a break for employees-temporary jobs for the unemployed	- a break for employees-temporary jobs for the unemployed-greater flexibility for the employer
Age limits	None	None	Above 25 years of age	Above 25 years of age	None
Right to leave	By agreement with the employer; limited since 1993 in the public sector	Yes (first 13 weeks)	By agreement with the employer	By agreement with the employer	By agreement with the employer
Conditions of eligibility	Entitled to unemployment benefit	Entitled to maternity or sickness benefit; Parents of children under eight years old	Entitled to unemployment benefit; 3 years' employment in the last 5 years	Entitled to unemployment benefit; 3 years' employment in the last 5 years	Job tenure no less than one year (before leave)
Replacements	Necessary (unemployed job applicant)	Not necessary	Not necessary	Necessary (long-term unemployed)	Necessary (unemployed job applicant)
Duration of leave	3 to 12 months; period is renewable (max 5 years)	13 weeks + 38 weeks by agreement with the employer	one week to one year	13 weeks to one year	3 to 12 months

3. Conditions and implementation

3.1. Administration and finance

In Denmark and Finland the leave schemes are administered by the public employment service. In Denmark the public employment service also offers assistance in connection with the establishment of job rotation schemes.

The leave schemes should be cost-neutral in relation to government budgets because their costs are offset by reduced expenditure on unemployment benefits. In Denmark, 909,086,040 ECU have been earmarked to finance the direct costs of the schemes in 1996. In Finland, the direct costs were estimated at 11,718,069 ECU in 1996 and 19,384,923 ECU in 1997.

3.2. Costs and benefits for the employers

Recruiting and training replacements may entail administrative costs. However, the leave schemes give employers the opportunity to increase the flexibility and augment the skills of their workforce.

In Belgium, the employer who recruits a person to replace a worker on a career break benefits from partial exemption from the social security charges which the employer would otherwise have to pay for this replacement (in the case of part-time replacements this is 50 per cent in the first year and two per cent in the second year; in the case of full-time replacements this is 25 per cent in the first year; de Gols 1996).

3.3. Benefits for people on leave

Career-break benefit is paid as partial compensation for loss of earnings. In Denmark and Finland, this benefit is a proportion of unemployment benefit. In Belgium, career-break benefit is fixed. Beneficiaries of full-time career breaks receive 284 ECU in the first year and 270 ECU in following years. Benefits vary between 290 and 350 ECU depending on the number of children that the person on leave has. People on a part-time career break receive benefits in proportion to the number of hours they work. In many cases, employers pay extra benefit to older workers who take a part-time career break.

In Denmark, the benefits have changed over time. In 1997, benefit varied between 60 per cent of the maximum unemployment benefit for parental and sabbatical leave (900 ECU per month) and 100 per cent (1,500 ECU) for educational leave. Danish leave benefits may be supplemented by employer contributions. In 1994-1995, half of the employees on educational leave were paid a wage or salary by their employer. However, this applied to only four per cent of employees on parental leave (Andersen *et al.* 1996: 12, 15). Benefit is paid to the employer where the employee receives their usual wage or salary during the period of leave.

Parental leave benefit may also be supplemented by a subsidy of up to 4,679 ECU paid by the municipal authorities. In 1994-1995, 65 per cent of those on parental leave received a subsidy from the municipality (Andersen *et al.* 1996: 16). Since 1995, this practice has been disappearing.

In Finland, job-rotation leave benefit was set at 60 per cent of the daily unemployment allowance up to a maximum of 750 ECU per month (increased to 70 per cent with no maximum limit on 1 January 1998).

- If an employee has been a member of an unemployment fund for more than six months immediately prior to taking job-rotation leave, the benefit is calculated with reference to the earnings-related daily unemployment allowance. The applicant's unemployment fund pays the benefit. For example, someone earning a gross salary of 1,674 ECU per month (the average salary) would be entitled to unemployment benefit of about 550 ECU (about 640 ECU since 1 January 1998).
- In other cases, the benefit is based on the basic daily allowance and the social insurance institution pays the benefit. The job-rotation benefit paid by the social insurance institution is approximately 250 ECU a month before tax.

Furthermore, a person taking part in voluntary vocational training is also paid partial vocational training allowance up to 170 ECU tax-free per month (183 ECU since 1 January 1998). In 1997, eight per cent of people on leave received this allowance.

3.4. Employment and social security

While on leave, an employee enjoys protection against dismissal and has the right to return to his or her former job or comparable work.

During the career break, the Belgian employee is considered to be an unemployed person, and cannot engage in other occupational activity (except part-timers and those wishing to start their own business). The first 12 months of the career break are taken into full consideration for the calculation of retirement pensions (and the next two years partially). In Belgium, employees on career break continue to be eligible for medical care and family allowances during the career break.

In Finland, the employment situation of anyone on job-rotation leave is 'on ice'. Employee pension rights are accumulated if the employee returns to work immediately after the period of leave ends.

3.5. Implementation

Extended paid leave schemes are based on labour legislation. In Belgium, there is also a national and inter-occupational collective agreement granting career-break rights to between one and five per cent of employees at any given moment.

In Denmark and Finland, leave schemes should also be seen in the context of active labour market policy. In Denmark the public employment service tries to ensure that leave schemes will have the best possible employment effects by helping with the establishment of job-rotation schemes. It provides guidance to workers about obtaining leave for advanced training and, in some cases, co-finances the training of replacement workers.

During the 1990s, the Danish leave schemes have been changed frequently. According to Jan Hogelund (1996), the existence and the form of schemes very much depends on the general economic situation and on how the public and the population perceive the impact of the schemes.

Table 2. Conditions and implementation of leave schemes

	Belgium	Denmark			Finland
Model	Career break (complete or part-time)	Parental leave	Educational leave	Sabbatical leave	Job rotation leave
Benefit for persons on leave	Full-time break: BEF 11,000-14,000 (depending on no. of children). Part-time break: depends on number of hours worked	100 per cent (1992-93); 80 per cent (1994); 70 per cent (1995-96); 60 per cent of maximum unemployment benefit (1.4.1997>)	80 per cent (1992-93); 100 per cent of maximum unemployment benefit (1994>)	80 per cent (1994); 70 per cent (1995-96); 60 per cent of maximum unemployment benefit (1.4.1997>)	60 per cent of unemployment benefit (maximum 4,500 FIM per month) (1996-97); 70 per cent no maximum (1.1.1998>)
Benefit per month (ECU)	280-350	900 (maximum)	1,500 (maximum)	900 (maximum)	250-750 (average 550) (1996-97)
Protection against dismissal (employees)	Yes	Yes	Yes	Yes	Yes
Implementation	Law, collective agreements	Law	Law	Law	Law

4. Effects and evaluation

4.1. Employment and unemployment

The impact of leave schemes on the labour market varies in quantitative terms. In Belgium, about 50,000 employees (annual average) took a career break in the 1990s (about one per cent of the total employed). The same number of unemployed people were recruited as replacements (about 10 per cent of the total unemployed population).

In Denmark, the popularity of leave schemes has varied remarkably reflecting changes in benefit levels and other conditions of leave. In 1997, the most popular scheme was educational leave (77,350 persons).

Parental leave was taken by 36,800 and sabbatical leave by only 1,000. In 1997, the three leave schemes were taken up altogether by 115,200 as compared to 121,100 in 1996 and 135,900 in 1995. These figures correspond to about five per cent of the workforce in Denmark. The average duration of the leave periods was between four and five months so the number of full-year equivalents was lower (62,000 in 1996).

In Finland, during the first year of the scheme's availability, about 5,500 people took leave (0.3 per cent of the total number of employees), and as many unemployed persons were recruited as replacements (1.3 per cent of the total unemployed population). In 1997, the number of people who took job-rotation leave was 6,700.

Lisbeth Pedersen (1996) has evaluated the effect of the leave schemes on employment in Denmark. In 1994, 141,000 people took leave and in 1995 the number was 135,000. About half of the leave periods were taken by unemployed people.

The effect on registered unemployment depends on the replacement frequency. On the basis of the available company information, the average replacement probability was estimated at 63 per cent (in parental and educational leave). According to Hanne Weise (1996), the rate of replacement varies according to the characteristics of the firm and the type of leave. The replacement rate is above average in small firms, expanding firms and in the public sector. The longer the leave, the higher the replacement rate. Women are replaced more frequently than men. This can be explained by a difference in the tradition of replacement for male- and female-dominated work places and by the fact that many female leave-takers were in jobs where replacement was a necessity (Weise 1996; Andersen *et al.* 1996: 154-157).

A survey conducted by The Danish National Institute of Social Research showed that only about half (54 per cent) of replacements were unemployed. As not all replacements were unemployed, the effective replacement rate was less than 63 per cent. If replacements who were not unemployed are subtracted from this figure, the replacement rate falls to about 33 per cent (Andersen *et al.* 1996: 20; Weise 1996).

Therefore, one effect of parental and educational leave schemes was that the total number of jobs decreased by between 7,400 and 17,800 full-time jobs, depending on the replacement rate. On the other hand, the leave schemes also created job opportunities (between 13,600 and 24,000).

What are the effects on production? Even if the total number of jobs decreases, this does not mean that production will fall. If productivity rises, a smaller number of workers can produce the same amount of goods. According to a company survey, in more than half of the cases where a replacement was not recruited, the other employees took over the work. Production fell in only one fifth of these cases.

Because the unemployed have the right to take leave, the total impact of leave schemes on the number of unemployed people is substantial since the unemployed come off the unemployed register when on leave. According to Pedersen (1996), the use of leave schemes in 1995 resulted in a fall in registered unemployment of between 60,000 to 70,000. Between 60 and 75 per cent of this reduction was due to the take-up of leave schemes by the unemployed.

As a whole, leave schemes reduced the labour supply due to the temporary exits of employed and unemployed persons from the labour market. In the long run this could lead to the occurrence of bottlenecks, a development feared by employers. According to Weise (1996), the job rotation effect and the improvement of qualifications by educational leave might counteract this tendency.

In the Danish debate on leave schemes, there have been various explanations for their popularity. One argument is that the popularity of leave schemes indicates that the benefits are too high in comparison to wages. Another view is that people are willing to share work in periods of high unemployment provided the fall in their income is not too great. A third argument is that working life is too stressful when coupled with the competing demands of family life. However, this may also be explained by the fact that women tend to occupy low-paid jobs, so their acceptance of the terms of a leave scheme would entail a smaller loss of earnings. Furthermore, interest in temporarily leaving the labour market could be the result of a decrease in the quality of working life. According

to some experts, continuing high levels of unemployment has increased competition for jobs and led to increasing employer demands, making working life more insecure and increasing the temptation for employees to exit from the labour market. This could be especially relevant in the case of low-paid and unskilled employment (EIRR 276: 34-35).

4.2. Users of leave schemes

Characteristics

In all three countries, most people on leave are women (85 per cent in Belgium, 77 per cent in Denmark and 70 per cent in Finland). In Denmark, the proportion of women varies according to the leave scheme (91 per cent on parental leave, 67 per cent on sabbatical leave). This pattern has changed very little over time (Table 3).

Most employees on leave are either married or cohabit. In Finland, 77 per cent of employees on leave were either married or cohabiting. Half of them had children who were less than 18 years old. In Denmark, 80 per cent of female employees and 75 per cent of male employees on educational leave were either married or cohabiting. More than half (60 per cent) of them had children living at home. In the case of parental leave, almost all employees (94 per cent) were either married or cohabiting and all of them had children who were under nine years old at home.

Among Finnish employees on leave, job tenure with the current employer was usually long: the average was more than 14 years. Only two per cent of Finnish respondents had been unemployed during the previous three years. In Denmark, unemployment was more common: 16 per cent of employees on educational leave and 20 per cent of employees on parental leave had been unemployed during the previous three years.

The average age of people on extended leave varies between 25 and 45. In Belgium, 40 per cent of people on leave are between 25 and 35 years old; another 29 per cent are between 35 and 45, and 30 per cent are over 45. The average age is about 39 to 40.

In Finland, the average age of people on leave is 42 (women 43, men 41). Unemployed people who are recruited as replacements are about ten years younger. This indicates that the Finnish leave scheme helps to integrate young unemployed people into the labour market.

In Denmark, the average age of people on leave varies between different leave schemes. The average age is lowest for parental leave (women 32, men 35); the average age is highest for sabbatical leave (women 43, men 39).

According to Schmid (in this volume), there are some differences between the users of the three Danish leave schemes. Educational leave has given unskilled middle-aged women in particular the opportunity to improve their qualifications. Contrary to the original intentions of the scheme, it has primarily become a scheme for unemployed people to gain qualifications for future employment (about 60 per cent of the users of educational leave have been unemployed; in 1997 about 50 per cent). Parental leave opened up a much desired opportunity for parents, in practice mainly mothers of young children, to either extend maternity leave (about half the take-up of all leave schemes) or to stay off work for a longer period. It also extended rights to unemployed parents and parents outside the labour force. Some 25 per cent of mothers of small children (new-born to 2 years) have exercised their right to parental leave. Sabbatical leave opened up new opportunities for employees, often women in their post-career phase, to have a free period in which to do whatever they wanted.

Leave schemes and equality

The majority of leave-scheme users are women. The explanation for this is probably the lower status of many women in the job market. Most men will experience larger income losses than women if they go on leave. Another explanation is the traditional division of work in the household. The gender inequality in relation to the uptake of extended paid leave is therefore closely related to the unequal status of men and women in other social and economic relations (Madsen 1995). In addition, female employment is concentrated in the public sector and employers' attitudes towards paid-leave models seem to be more positive in the public sector compared to the private sector.

Employer sector (public/private) and industrial classification

Another similarity is that leave take-up is concentrated in the public sector. In all three countries, the majority of employees on leave have been employed in the public sector (from 50 per cent in Denmark to 56 per cent in Finland). During the last few years however, the relative size of the public sector has been declining in Denmark and Finland.

In terms of industrial classification, more than half of the Danish and Finnish employees on leave were working in health and social welfare services, education or public administration. In Finland other important industrial sectors were manufacturing and telecommunications. As a proportion of total employment by industrial sector, leave take-up has been greater in public administration in both Denmark and Finland.

The most common occupational groups on leave in Finland were in education and medical and nursing work. Other large occupational groups represented were secretarial and clerical workers, and social workers. Female employment dominates these occupations. Among men, the most common occupational groups were – besides education – postal and telecommunications work, and engineering. Although employees on leave were concentrated in certain (service) occupations, there were employees on leave from every occupational group.

Motives

In Denmark, about half of all employees on educational leave reported that they took leave on their own initiative; in a third of cases, the main initiative came from the employer. Half of employees on leave reported that their colleagues were also on leave and were usually participating in the same training courses. So organisations often use educational leave as a collective training project. In some cases (12 per cent), educational leave is used as part of a job rotation scheme (Andersen *et al.* 1996: 11-12).

Compared to educational leave, parental and sabbatical leave take-up is based on individual choice. The main motive among employees taking parental leave was to have more time with their children (97 per cent). Some employees (13 per cent) on parental leave reported that other childcare options had not been open to them. One third said that they wanted to take a break from work (Andersen *et al.* 1996: 15).

Table 3: Evaluation of national leave models

	Belgium	Denmark			Finland
Model	Career break (full or part-time)	Parental leave	Educational leave	Sabbatical leave	Job rotation leave
Number of users (persons on leave)	1987: 16,000 1992: 57,000 1995: 52,000 1997: 56,000	1993: 13,800 1994: 80,800 1995: 52,600 1996: 46,000 1997: 36,800	1993: 2,400 1994: 47,100 1995: 80,400 1996: 72,700 1997: 77,400	1994: 13,000 1995: 2,900 1996: 1,500 1997: 1,000	1996: 5,500 1997: 6,700
Share of women	1995: 85% 1997: 86%	1994: 92% 1995: 92% 1996: 91% 1997: 91%	1994: 71% 1995: 71% 1996: 68% 1997: 70%	1994: 68% 1995: 68% 1996: 71% 1997: 67%	1996: 71% 1997: 71%
Average age (years)	39-40	1996: - women 32 - men 35	1996: - women 40 - men 39	1996: - women 43 - men 39	1996: - women 43 - men 41
Percentage of leave scheme users employed in the public sector	54% (1994) 54% (1997)	55% (1994-95) 47% (1997)	60% (1994-95) 61% (1997)	66% (1994-95) 60% (1997)	63% (1996) 60% (1997)
Average duration of leave (months)		- employees 7.5 - unemployed 10 - average 9.5	- employees 4.5 - unemployed 7 - average 6	Employees 7	8
Previous labour market status (distribution)	employed 100%	- employed 64% - unemployed 35% - self-employed 1% (1997)	- employed 50% - unemployed 50% - self-empl. 0,5% (1997)	Employed 100%	employed 100%
Replacement rate	100%	- private sector 58% - public sector 87% (1994-95)	- private sector 46% - public sector 85% (1994-95)	100%	100%

Sources: Belgium: de Gols 1996, Labour Statistics, September 1997; Denmark: AMS-statistics 1994-98; Andersen *et al.* 1996; Finland: Ministry of Labour statistics 1996-98; Nätti *et al.* 1997a, 1997b.

In Finland, the most common motives were a desire to spend more time with the family (18 per cent; this was mentioned especially by women and men with children); stress and bad atmosphere at work (14 per cent; women, clerical workers); hobbies (13 per cent; men and older employees); and others (12 per cent were men and older employees). Other motives mentioned were a need to rethink life values (11 per cent; singles); vocational education (eight per cent; women); and other studies (six per cent; young employees).

Economic problems and future plans

In Denmark, about half of all employees on educational leave were paid a full wage or salary by the employer. About half reported economic losses during the period on leave (the average loss was 481 ECU per month and 2,807 ECU per whole leave period).

In contrast to educational leave, only four per cent of employees on parental leave were paid a full wage or salary by the employer. However, 65 per cent of respondents had received benefits from the municipality. Eighty per cent of employees on parental leave reported economic losses while on leave (the average loss was 414 ECU per month and 2,941 ECU per whole leave period). Every third respondent said that taking leave made their economic situation difficult as a consequence of economic losses (Andersen *et al.* 1996: 15-16).

In the Finnish evaluation survey too, the main problem seemed to be loss of earnings. The average benefit paid during leave was 536 ECU per month. Before taking leave, employees had earned on average 1,674 ECU per month. The financial loss (before tax) was on average 1,138 ECU per month. Therefore it is not surprising that most respondents (75 per cent) reported that their economic situation had worsened while on leave. In order to cope with a fall in earnings, 85 per cent of respondents reported that they had reduced their consumption, 73 per cent had used their spouse's earnings, and 66 per cent had used savings.

Despite economic problems, most employees on leave were very satisfied with their situation. Ninety per cent of Finnish respondents intended to take leave again if possible. In Denmark, 90 per cent of those on educational leave and 96 per cent of those on parental leave said they would take leave again if they had the opportunity.

4.3. Replacements

According to the rules of Finnish job-rotation leave, the employer has to take on an unemployed job applicant who is registered with a labour office to replace the employee on leave. There are no conditions with regard to the length of time that applicants have been unemployed.

In the Danish educational and parental leave scheme there is no obligation to recruit a replacement; for sabbatical leave, there is an obligation to recruit a long-term unemployed person. In the case of educational and parental leave, the average rate of replacement was 63 per cent in 1994-1995.

Characteristics of replacements

The characteristics of the Finnish replacements were quite similar to those of the employees they replaced, except for their age. Most of them were women (75 per cent), and were either married or cohabiting (74 per cent). Half of them had children under 18. The average age was 35, which is eight years less than the average age of employees on leave.

Compared to other Finnish unemployed people, replacements have experienced shorter periods of unemployment. Before their current job, replacements had, on average, been unemployed for four months. The average period of unemployment among the Finnish unemployed was 10 months in 1996. The proportion of long-term unemployed people therefore was much smaller among replacements (seven per cent) compared to the national average (31 per cent). One third of replacements stated that they had never had a permanent job. Thus, the earlier work history of replacements was usually characterised by short spells of unemployment and temporary jobs.

In Denmark, about half (54 per cent) of the replacements for people taking educational and parental leave were unemployed. In addition, about 15 per cent of replacements were already working as replacements in the same organisation. Only five per cent were long-term unemployed before they were recruited (Andersen *et al.* 1996: 164). This shows that one of the aims of the leave schemes – to combat long-term unemployment – is being fulfilled to only a very limited extent.

Recruitment and information channels

Another indication of selection patterns in Finland was that most replacements (60 per cent) had already worked for the same employer, usually for short periods. Replacements had usually learned about the vacancy from the employer (43 per cent) or from the employee going on leave (28 per cent). Only 15 per cent of respondents received information from a labour office.

In Denmark, more than half of all replacements (58 per cent) had already worked for the same organisation or they were otherwise known to the organisation (this was more common in the public sector (65 per cent) than in the private sector (55 per cent) (Andersen *et al.* 1996: 160)). Only 14 per cent of replacements were recruited via the public employment service.

Evaluation and continuation

The Finnish survey asked replacements an open-ended question about their experiences (Nätti *et al.* 1997a, 1997b). Replacements usually mentioned “possibility of getting a job“, “more work experience“, “improvement of economic situation“ and “improvement of self-esteem“ as positive aspects. By comparing incomes before and during their current job, we could estimate that on average their earnings had increased from 937 ECU to 1,373 ECU. Replacements usually mentioned the “temporary nature of the job“ and “too short a contract“ as negative aspects of the job.

According to Danish research, almost 70 per cent of employers said that they would like to keep the replacements after the end of the leave period. In practice, 22 per cent of the replacements got a job and 14 per cent continued as a replacement. So a third of replacements continued working in the same organisation. The “survival rate“ varied according to the economic sector and the person’s previous activities. The proportion was higher in the private sector (40 to 49 per cent) than in the public sector (33 to 34 per cent). In addition, the “survival rate“ was lower among those replacements who were previously unemployed (33 per cent) compared to those who were employed previously (39 to 50 per cent) (Andersen *et al.* 1996: 163-164).

In Finland, more than half (58 per cent) of replacements continued to work for the same organisation after the end of the leave period. Fifteen per cent got a job with another employer and 11 per cent went into education. One in six replacements (17 per cent) had become unemployed. The risk of unemployment was highest amongst replacements who had had no vocational training.

Compared to the most used instruments of active labour market policy in Finland (labour market training and subsidised jobs), the risk of unemployment for leave replacements is much lower. One explanation for this is that replacements come from a very particular group of unemployed people: half of the replacements had already worked in the same organisations and the proportion of long-term unemployed people was low.

4.4. Employers

Characteristics

The Finnish employers in our sample (N=434) usually had only one employee on leave (54 per cent). Some (36 per cent) had between two and five people on leave. Only 11 per cent of employers had more than 5 persons on leave. This indicates that in most cases it is the employee who takes the initiative to go on leave. An exception is the recently privatised firm Suomen PT Oy (Finnish Post and Telecommunications Ltd.) where management uses job rotation leave as an active method of personnel development.

In Denmark, the average number of employees on leave varied depending on the type of leave and the employer sector. In 1994-1995, private sector employers in our sample had an average of six people on educational leave and four people on parental leave; the corresponding figures for the public sector were seven and ten. The number of employees on leave increased in line with the number of personnel employed. Employers in health care and public administration had many employees on parental leave (Andersen *et al.* 1996: 121-122; 139-141).

Most Finnish employers (80 per cent) believed that their employees had a positive view of job-rotation leave. Only eight per cent had refused to accept employee applications for leave. In most cases, this was because of problems in reorganising the work or difficulties in finding a

replacement. Employers considered that job-rotation leave works better for blue-collar and lower-level white-collar workers compared to upper-level white-collar workers, especially in the manufacturing industry.

Recruitment practices

When recruiting replacements, Finnish employers mentioned work experience in general and having previously worked for the same organisation as the most important criteria. Other criteria mentioned were that the “person had only been unemployed for a short time” and youth. Small (and state sector) establishments usually recruited replacements through their own channels, whereas large (and municipal) establishments were more inclined to use labour offices.

According to the rules of Finland’s job-rotation leave, replacements do not have to perform the same duties as those of the person going on leave. This makes it possible for the employer to achieve greater flexibility and job rotation in the organisation’s labour force and also to modify labour costs, if desired. In practice, however, most employers (74 per cent) reported that the replacements were doing exactly the same tasks as the employee on leave had done. In certain professions (teaching and nursing), this was expected to be the case, although not necessary. Employers therefore have not sought to increase flexibility by rotating employees. However, in manufacturing (41 per cent) and the state sector (48 per cent), quite a large proportion of replacements were engaged in tasks different from those performed by the employee on leave.

Experiences

The experience of Danish employers with educational leave was positive. About 70 per cent of employers reported that employees who had participated in educational leave had improved their contribution to the organisation after returning from leave. Eighty-five per cent of public sector employers and 70 per cent of private sector employers expressed willingness to approve educational leave for their employees in the future. In the case of parental leave, the corresponding figures were lower: 80 per cent of public sector employers and 60 per cent of private sector employers were willing to approve parental leave contracts in the future. Public employers therefore seemed to have a more positive

attitude to parental leave compared to private sector employers (Andersen *et al.* 1996: 151).

Finnish employers were asked an open-ended question about their experiences with job-rotation leave. Employers usually mentioned as positive aspects that “leave relieves employee burn-out“; “leave increases the employee’s opportunities to choose new options“; and “replacements bring new ideas into the organisation“. As negative aspects they usually mentioned “leave means economic problems for employees“, “difficulties in finding replacements“ and “training of replacements takes time“.

4.5. Attitudes

The attitudes of the Danish adult population towards paid leave arrangements were examined in a survey conducted in late 1993 with approximately 1,100 respondents. The survey showed that the attitude towards paid leave was very positive. Among those respondents who were eligible for different leave schemes, 37 per cent said that they would like (within a year) to apply for at least one sort of paid leave. The attitude was most positive towards parental leave (34 per cent) and least positive towards educational leave (18 per cent), while sabbatical leave came in-between (23 per cent) (Madsen 1995).

The survey also cast light on some of the barriers to taking paid leave:

- Financial loss and lack of motivation were the most important barriers for all three paid leave schemes.
- Barriers relating to the workplace were of minor relevance and were mentioned by 20 to 30 per cent of the potential applicants for paid leave.

The attitudes of Danish employers to educational leave were also surveyed in 1993. The survey reported a number of barriers to paid leave from the firm’s point of view (Madsen 1995):

- Lack of information, especially among smaller firms.
- The economic incentives were perceived as being too insubstantial – both from the point of view of employers and employees.
- It was often difficult for the firm to guarantee that the employee would be able to return to the same job at the end of the period of leave.

- Staff lacked motivation for further education.
- It was often difficult to find qualified replacements.

According to Madsen (1995), the employer survey pointed to the importance of active involvement by the labour market authorities in order to increase the level of information among both employers and employees and to facilitate access to qualified replacements.

The attitudes of Finnish employees towards job rotation leave have been examined in two surveys. In Spring 1994, 778 employees and in Autumn 1996, 1,177 employees were interviewed as a part of a monthly labour force survey conducted by Finland Statistics. Most employees agreed that job-rotation leave fits in well with Finnish labour markets (63 per cent in 1994; 70 per cent in 1996). Those with a more positive view were likely to be female, young and enjoying a good economic situation at home (Nätti *et al.* 1997a: 26).

In 1996, people were asked whether they would be interested in taking job rotation leave during the next three years if they were paid benefit amounting to 60 per cent of the daily unemployment allowance to which they were entitled – maximum of 753 ECU per month. Eleven per cent of respondents answered “definitely” and 18 per cent answered “probably”. Respondents who did not intend to take leave said the main obstacle was worry about earnings.

Willingness to take leave varies according to the type and situation of respondents. Among women, 36 per cent showed interest compared to 21 per cent of men. People on low wages or enjoying financially sound domestic situations were also the more likely to express an interest. So the typical profile of the person most willing to take leave was female with low earnings but with a spouse on a high income.

Most respondents planned to use their leave for childcare (20 per cent), hobbies (16 per cent), other (14 per cent), vocational training (12 per cent) or other studies (12 per cent). Women preferred childcare, men preferred hobbies. Young respondents preferred studies and hobbies, the middle-aged preferred childcare, older employees preferred rest and recreation. Most respondents planned to take a period of leave of between six and nine months.

The critical question is the level of benefit. Respondents were asked what would be a suitable benefit level (as a percentage of gross earnings). The average reply was that benefit should be set at 68 per cent of gross earnings. Only five per cent of respondents said less than 50 per cent. However, after recent rule changes, the average benefit level (for average earnings) is about 30 to 35 per cent of gross earnings.

The attitude of Finnish employers towards job-rotation leave has been studied in two surveys. Finland Statistics interviewed 300 people in Spring 1994 and 1,170 in Autumn 1996. In 1994, 35 per cent and, in 1996, 23 per cent of respondents agreed that job-rotation leave fits in well with workplace arrangements. Positive answers were most common in large workplaces and in the public sector. Twenty-three per cent of respondents said that at least one of their employees would be interested in taking job-rotation leave. They felt that about four or five per cent would be interested (about 70,000 to 80,000 employees).

Employers were also asked what would be a suitable level of benefit for employees taking leave (as a percentage of gross earnings). A large number of employers answered "Don't know". Other employers felt, on average, that benefit should be 61 per cent of gross earnings. Only seven per cent of respondents answered that it should be less than 50 per cent. So employer and employee views on suitable benefit levels are almost the same (and much higher than the benefit level in place).

4.6. Barriers

Surveys of the population show there is great interest in forms of extended paid leave. At the same time there are a number of important barriers to taking leave. At the individual employee level, the decision whether or not to apply for paid leave depends on a number of both economic and non-economic considerations (Madsen 1995):

- Financial considerations, especially benefit levels, are the crucial factor. The economic situation that a person going on leave can expect to experience means that only people in the middle and higher income brackets would find it possible to survive economically while on leave.
- The level of motivation for using the leave for various purposes.

- The anticipated reactions of the employer and colleagues. Many employees – especially in the private sector – experience high non-economic barriers to taking leave. This is often related to their fear that taking leave will result in dismissal or a worsening of their working conditions.

The attitude of employers towards paid leave is also the result of complicated considerations involving:

- Regard for the personal desires and motivation of employees.
- Evaluation of the usefulness to the organisation of the activities performed by the employee while on leave (e.g. education/childcare/sabbatical). One would expect the employer's attitude to be more positive towards educational leave due to the potential increase in the qualifications of the person on leave. The employer may find it harder to see the advantage to the organisation of an employee taking leave for childcare or sabbatical leave (Madsen 1995).
- The rules and economic conditions for hiring and training replacements.
- The availability of qualified replacements.

Generally speaking, the problem is how to balance the wishes of the employees with the employers' need for a stable workforce and replacements.

5. Summary and conclusions

In all three countries, high unemployment has been the main factor influencing the emergence of leave schemes. In Belgium, the career-break scheme was introduced in 1985. In Denmark, educational leave and parental leave were introduced in 1992 and sabbatical leave in 1994. In Finland, job-rotation leave was introduced in 1996. The target group is usually employees (also self-employed and unemployed persons in the case of Danish parental and educational leave schemes). Leave must be agreed with the employer (except parental leave in Denmark). The duration of leave is usually between one week and one year. In most cases, the employer has to recruit an unemployed person as a replacement for the person on leave (except in the case of Danish parental and educational leave).

5.1. Objectives and aims

Encouragement of extended periods of paid leave is aimed at promoting and maintaining labour market resources.

- For the employee, leave provides an anxiously desired opportunity to recover from work stresses and prepare for new challenges. In most cases, there are no restrictions on the way a person may use the period of leave (Danish parental and educational leave are exceptions). So the employee may use the leave in any way he or she likes, for example for education, recovery, care of children, hobbies or rest.
- For the employer, leave brings new personnel, the possibility of reorganising jobs and job rotation.
- To an unemployed person, the leave scheme provides a fixed-term employment relationship and the opportunity of gaining a foothold in the job market.
- For society as a whole, the leave schemes result in a larger part of the subsidies used for dealing with unemployment going into direct or indirect support for efforts to maintain and develop the working skills of the labour force. This represents an investment in the future, besides ensuring the livelihood of the people concerned.

5.2. Conditions and implementation

For employers, the leave schemes may involve administrative costs, for example recruitment and training replacements. However, the schemes provide employers with an opportunity to achieve workforce flexibility and bring in new skills.

The employees on leave are paid a benefit to compensate for loss of earnings. In Belgium, the career-break benefit is a fixed sum. In Denmark and Finland, the benefit is set at a certain proportion of unemployment benefit. In Denmark, the level of benefit has changed over time and in 1997 it varied from between 60 per cent to 100 per cent in the case of educational leave. In Finland, the benefit is 60 per cent of unemployment benefit (sabbatical leave). This went up to 70 per cent on 1 January 1998. The Danish and Finnish leave schemes are administered by the public employment service. The schemes were conceived as a way of dealing

with employment problems at no cost to the public purse because any costs would be offset by reduced expenditure on unemployment benefits.

While on leave, an employee enjoys protection against dismissal. An employee on leave has a right to return to his or her former or comparable work. There are differences between the countries in relation to social security arrangements. In the Finnish leave scheme, contributions to an employee's pension while on leave are added in if he or she returns to work immediately after the period of leave is finished. In Belgium, the first 12 months of the career break are taken into consideration for the calculation of the retirement pension. Furthermore, in Belgium an employee on career break retains rights to medical care and family allowances during the entire duration of the career break.

Extended paid leave scheme arrangements are based on labour legislation. In Belgium, there is also a national and inter-occupational collective agreement which grants the right of a career break to a maximum of one per cent of employees at any given moment.

5.3. Effects and evaluation

The leave schemes have had a varying effect on employment. In Belgium, about 50,000 employees (per year) took a career break in the 1990s (about one per cent of the total number of employed people), and as many unemployed people have been recruited as replacements (about ten per cent of the total unemployed population). In Denmark, the popularity of leave schemes has varied remarkably, reflecting changes in benefit levels and other leave conditions. In 1997, the most popular scheme was educational leave (77,000 persons). Parental leave was taken by 37,000 persons and sabbatical leave by only 1,000 persons. A total of 115,000 people participated in the three leave schemes in 1996 as compared to 121,000 persons in 1996 and 136,000 in 1995. These figures correspond to about five per cent of the work force in Denmark. It is estimated that the use of leave schemes in 1995 was responsible for a fall of between 60,000 to 70,000 in the number of registered unemployed people. In Finland, during the scheme's first year (1996), about 5,500 persons took leave (0.3 per cent of total employees), and as many unemployed persons were recruited as replacements (1.3 per cent of the total unemployed population).

In all three countries, most people who take leave are women (between 70 and 85 per cent), middle-aged (between 30 and 50 years old), either married or cohabiting and working in the public sector (between 50 and 63 per cent).

Danish and Finnish research has found that employees on leave, their replacements and employers felt positive about the experience. Despite economic problems (low levels of benefit), most employees on leave (90 to 96 per cent) intended to take leave again if possible. For unemployed persons who were employed as replacements, temporary jobs offered much needed work experience and an improvement in their economic situation and self-esteem. Thirty-six per cent of Danish and 58 per cent of Finnish replacements continued to work for the same organisation after the end of the leave period. Extended leave helped employers by relieving employee burn-out. Employers also feel that replacements for the people taking leave bring new ideas into the organisation. Most Danish employers (60 to 85 per cent) were willing to agree to other employees taking extended leave in the future.

Surveys of the population show there is great interest in extended, paid leave. At the same time there are a number of barriers to taking leave. At the individual employee level, financial considerations, especially benefit levels, are the crucial factors. Employer attitudes are based on their perceptions of how useful the activities performed by the employee whilst on leave are likely to be to the organisation, the rules and economic conditions for hiring and training replacements and the availability of qualified replacements. In general, the problem is how to balance the wishes of the employees with the employers' need for a stable workforce and replacements.

References

Act on the *job-rotation leave* experiment (1663/95). The Ministry of Labour, August 1996.

Arbejdsmarkedstyrelse (AMS) statistics. Kobenhavn.

Alaluf, M., Boulin, J.Y. and Plasman, R. (1994) 'Working-time policy in Europe' in Hoffmann, R. and Lapeyre, J. (eds.) (1995) *A time for working, a time for living*, London / Brussels: Labour Research Department / European Trade Union Institute.

Andersen, D., Appeldorn, A. and Weise, H. (1996) 'Orlov – evaluering af orlovsordningerne' Socialforskningsinstituttet 96:11. Copenhagen.

European Industrial Relations Review, EIRR.

de Gols, M. (1996) 'The career break in Belgium'. A paper presented at the Job Rotation conference, 28-29 November 1996, Helsinki.

Hogelund, J. (1996) 'The Danish schemes with educational and parental leave'. A paper presented at the Job Rotation conference, 28-29 November 1996, Helsinki.

Madsen, P. K. (1995) 'Working time policy and paid leave arrangements. The Danish experience in the 1990s'. A paper presented to the Conference on Working Time Policy, 20 October 1995, Gothenburg.

The Ministry of Labour (1996): Labour market statistics. Helsinki.

Mosley, H. (1995) 'Active working time policies'. A paper prepared for the 6th international symposium on working time, 4-6 December 1995, Blankenberg, Belgium.

Närvä, T. (1996) 'Vuorotteluvapaajärjestelmät Suomessa, Tanskassa ja Belgiassa. Muistio, Työministeriö' (Sabbatical leave schemes in Finland, Denmark and Belgium; a memo), Ministry of Labour, Helsinki.

Nätti, J., Ruuskanen, S. and Virmasalo, I. (1997a) 'Vuorotteluvapaan liikkeellelähtö' (Starting job rotation leave). *Studies in labour policy* 172. Ministry of Labour, Helsinki.

Nätti, J., Ruuskanen, S. and Virmasalo, I. (1997b) 'Vähän mutta hyvää' (Not much, but good). *Studies in labour policy* 180, Ministry of Labour, Helsinki.

Pedersen, L. (1996) 'The effect of leave schemes on unemployment and employment', a paper prepared for the EALE 1996 conference, Crete.

Sapattivapaalle (Sabbatical leave). Governmental committee report 1990:5. Helsinki.

Työvuorottelutoimikunnan väliraportti (Interim report of a job-rotation leave committee). The Ministry of Social Affairs and Health, working group papers 1994:15. Helsinki.

Weise H. (1996) 'The creation of job rotation by the Danish leave schemes – evidence from a survey among firms'. A paper presented at the Job Rotation conference, 28-29 November 1996. Helsinki.

Educational leave in a lifetime working hours policy

Tom Schuller

1. Introduction
 2. From the ILO convention 140 onwards
 - 2.1. Legislation
 - 2.2. Negotiated agreements
 - 2.3. Coverage and conditions
 - 2.4. The European debate
 - 2.5. Conclusion
 - 2.6. A checklist for further analysis
 3. Rethinking educational leave
 4. Conclusions
- References

1. Introduction

“Educational leave of absence, which is becoming increasingly widespread in many countries, is an important and even essential factor in enabling adults to exercise their right to education.”(CERI/OECD 1976: 9).

This was the OECD’s perception of the position over 20 years ago. It might seem that with the increasing prominence given in the policy debate to human capital acquisition and lifelong learning generally, educational leave as an instrument would indeed have fulfilled the expectations described above and that a review of lifetime working patterns would see it as a major step forward. In fact, the position is very different. Talk of a right to education has not disappeared, but neither has it made much headway, and most of the promising initiatives of the 1970s have not proliferated as expected.

In theory, the inclusion of a policy or policies on educational leave may appear to fit in perfectly with the mainstream debate on new working time patterns, for it has behind it a huge flood of rhetoric about the need for lifelong learning as a key component of greater flexibility. At national and European levels there is a set of recurrent themes: the challenges of a knowledge-based society, the need for constant intellectual and technical updating in order to ensure economic competitiveness (nationally or at corporate level), and the role of education more broadly in promoting social cohesion and individual opportunity. The consensus spans political parties, and certainly unites the social partners.

In fact, however, the notion of educational leave in its original conception appears to have made little ground over the last two decades or so. Why this should have been so is not the main focus of this paper, but is likely to be closely linked to the shift in power relations at work, and to the general labour market context. Mass unemployment may generate government training schemes, but it does little to encourage employers to grant new rights or employees to exercise them if it means being absent from the workplace to a noticeable extent.

Whatever the reasons, the fact that educational leave has not become widespread does not mean that it should not have a central role in the debate on working time. It does, however, demand a fresh look at how such leave is perceived, and what strategies are available for implementing it. In this chapter, I give a summary look at educational leave in Europe, from the passing of the ILO Convention and Recommendation in 1974 through to the current debate at European level. This includes a little empirical detail, but does not attempt to be a descriptive overview of the position. It leads to a wider discussion about the definition of educational leave.

My conclusion is that patterns of working time and of learning are becoming more complex and variegated. As a consequence, we are unlikely to see a uniform and clear-cut development of educational leave, either nationally or across Europe. However there is immense scope for innovative and significant progress, with two key dimensions.

1. *The relationship between work and learning.* From a business point of view, and from the point of view of the employee who wishes to share in economic success, close integration is important. Conversely, from the personal point of view, the exercise of choice by the individual over when as well as what they wish to learn needs strong measures of support.
2. *The relationship between education and social policy.* On the one hand, it will be crucial, especially from the point of view of social inclusion, that educational leave opportunities are supported and not impeded by social security systems and other instruments of social policy. At the same time, the impetus behind educational leave is much more likely to develop if diverse local initiatives can be encouraged.

2. From the ILO Convention 140 onwards

Most discussions of educational leave begin with the ILO Convention 140 on Paid Educational Leave, ratified in 1974. This defined paid educational leave as “leave granted to a worker for educational purposes for a specified period during working hours, with adequate financial entitlements.” Article 4 of the Convention recommended that policies on paid educational leave should be coordinated with more general policies on hours of work.

Article 2 of the Convention used three categories of education:

- a. training at any level
- b. general, social and civic education
- c. trade union education.

Article 3 defines the objectives more fully and in terms which seem equally relevant today: [PEL policy should contribute to]:

- the acquisition, improvement and adaptation of occupational and functional skills, and the promotion of employment and job security in conditions of scientific and technological development and economic and structural change;
- the competent and active participation of workers and their representatives in the life of the undertaking and the community;
- the human, social and cultural advancement of the workers and
- generally, to the promotion of appropriate continuing education and training, helping workers to adjust to contemporary requirements.

A 1991 Expert Committee report from the ILO defined the functions of PEL slightly differently (ILO 1991). It followed the Convention's interpretation of PEL as applying not only to vocational training but also to the satisfaction of workers' broader aspirations to human, social and cultural development, but dealt with current practice under the following headings:

- a. Guaranteeing the rights of workers undergoing training.

This refers to training which is more or less closely tied to and defined by the needs of the employer.

- b. Enabling workers to carry out autonomous training plans.

The initiative is taken by the worker, who is free to choose the educational purposes, broadly or narrowly defined, which may not be related to the job performed. This was largely confined to certain European countries.

c. Leave for trade union education.

Law or collective agreements offer this leave, usually for designated official representatives rather than for the workforce as a whole.

The ILO Convention was and is a significant landmark, for educational policy and for working-time policy. However, as we shall see in the section on implementation, the effect may have been more to contribute to more general policies on lifelong learning than to establish specific rights to educational leave. Later in this paper I shall pick up some of the issues raised by the definition offered above, but first I shall sketch out, very summarily, some of the main trends since the Convention was passed.

2.1. Legislation

In a few countries there is universal or quasi-universal legislation offering a right to educational leave. But legislation is quite heterogeneous, depending on such factors as the structure of the education system; the state of the industrial relations system; and the level of economic development (Luttringer 1993). The different permutations produce a wide variation in the character of educational leave, and in the nature of participation in such arrangements. It is notable that most of the legislation took place in the 1970s, around the time of the ILO Convention (see Federighi 1990).

France and Germany provide an interesting example of the difficulties of effective comparison between countries. In France, legislation since 1971 has offered two kinds of educational leave, one – *congé formation* (educational leave) – to be taken as part of corporate training plans, the other an individual right to education – *congé individuel de formation* – *CIF*. Both are financed through a payroll tax, currently levied at 1.2%. The corporate form of leave hugely outweighs the individual. Since *congé formation* forms an integral part of overall training policy and provision, the numbers involved and the amounts spent are very significant. Over 3 million French workers benefit annually from both forms of *congé*. The CIF is open to all employees with at least two years employment record, and is financed by a 0.2% payroll tax, amounting in 1996 to 2.4 billion francs. In 1994, some 28,000 workers took CIF; although the purpose is for personal development, the great majority (85%) took it primarily for professional reasons (Lerenard 1997).

In Germany most *Länder* have passed laws entitling employees to *Bildungsurlaub* (educational leave), with varying conditions. In Berlin, for example, legislation passed in 1991 following the reunification of Germany allows all employees ten days' educational leave in a two-year period (one year in the case of those under 25). However *Bildungsurlaub* is generally a matter of specific individual entitlement, and recorded take-up has been correspondingly low. Instead of the 15% of the workforce originally expected to exercise the right, only one to two per cent have done so, and this is unevenly distributed across the *Länder*, so that many of them have under one per cent participation.

Since the 1970s, the establishment of legal rights has made headway only in Scandinavian countries, together with Belgium. In Denmark, educational leave was first introduced in 1992; Jouko Nätti describes this in his contribution to this volume.

The outstanding recent example of legislated educational leave comes from Denmark, where it was introduced in 1992. Educational leave was linked to the reemployment of unemployed people as substitutes, and was available to people who had been in full-time employment for seven years out of the last ten, as well as to the unemployed. Leave could run for any period between a week and a year, for approved courses. In 1994 the substitution criterion was dropped, the employment requirement reduced to three years in the last five and the financial entitlement was raised from 80% to 100% of the maximum unemployment benefit (in 1996 some 1,471 ECU's per month). In 1994 and 1995, 47,000 and 80,000 people respectively were granted educational leave. However this dropped to 73,000 in 1996 following a tightening of the conditions, and has declined further since.

The Danish example is impressive, not least because it includes the unemployed as entitled to educational leave. But even in the few countries where there is a record of achievement in educational leave legislation, entitlements have generally been reduced in recent years. Thus in the case of Belgium, the entitlement has been reduced from 240 hours to 120; in others, as with Denmark, financial assistance has been reduced.

2.2. Negotiated agreements

In other countries, any rights have been achieved more by collective bargaining than legislation, and these may operate at a variety of organisational levels, from sectoral through corporate to small unit level. Again, I have space only for a handful of brief examples.

The best known early initiative was the agreement negotiated by the Italian metalworkers' union in 1973 (Brasolin & Villone 1987). This created a formula linking the total number of hours' leave to the total numbers employed, multiplied by 30 over a three-year period, with 150 hours as the maximum available to any individual worker. Employees were expected to complement the time they had off from work with an equivalent amount of their own time. However this initiative, highly publicised at the time and for several years afterwards, appears to have shrivelled into a minor second chance scheme for poorly educated youths.

More recently, however, so-called employee development schemes have been introduced which can have at least some of the characteristics of educational leave in its original conception. These may have been introduced by employers unilaterally, or jointly through negotiation. The Ford Employee Development Assistance Programme (EDAP) is a major example of a universal entitlement scheme which was jointly negotiated and is managed by a joint union/management board (Forrester *et al.* 1993). It should be noted, however, that the central feature of this scheme is the entitlement to financial support, rather than to time off work. What has attracted so much attention is the fact that the entitlement is attached specifically to education which is not job-related, and that it has been so successful in attracting workers with poor educational backgrounds.

One interesting example of a joint commitment involving both time and money is the scheme developed in the UK by the public sector trade union UNISON, in collaboration with the Workers' Education Association. The basic framework involves a total of 10 days' paid release from work, made up of 12 half-days plus two blocks of two days. This represents some 60 hours, and the employer pays in addition a per capita fee for the tuition. The employee puts in an estimated 120 hours

of their own time. The union has to pay for the development of the course materials, and assists with the employer liaison. There is thus a four-way collaboration (employer, individual member, trade union, educational provider), with diverse commitments of time and money (Munro 1997).

2.3. Coverage and conditions

There is, predictably, very considerable variation in the extent to which different segments of the population are covered by educational leave. In some instances, particular groups may be targeted; in others, leave will be formally available to the population as a whole, but in effect used more by some groups than others. Coverage may vary considerably between public and private sectors; in Germany, for instance, the public sector is more prominent. However, this characteristic overlaps considerably with another, namely organisational size. Educational leave is almost certainly more established in larger organisations (which predominate in the public sector), partly because they have more established personnel functions but also because the organisational implications of staff being absent are more easily coped with. Within organisations, entitlements to educational leave may be extended to all staff, or only to certain categories: for example, those with a certain amount of service, or above or below certain levels in the occupational hierarchy. Finally, the entitlement may be restricted to certain types of learning, more or less closely related to the employee's job, or left to the employee's own discretion. This has particular distributional implications, given that the higher up the professional ladder someone is, the wider is the range of learning opportunities which can be classified as job-related.

There is no reason to believe that educational leave differs from any other occupational benefit in its general distribution pattern; in other words, it tends to be full-time 'core' staff who will have access to it. However, unlike some other benefits, the effect is not simply material; access to educational leave will enable the employee to improve their labour market position, either because it is used to gain further specific qualifications, or because it acts more generally to enhance the individual's creativity and learning disposition. This regressive pattern can of course be deliberately countered by targeting the leave to

disadvantaged groups, as the Danish example does for the unemployed. It is important to note in this context that educational leave in working time has potentially a strong gender effect, in that training opportunities which make demands on employees' private time are less likely to be effectively available to women, given their greater domestic commitments.

The entitlement may or may not be accompanied by complete protection for existing employment rights, e.g. pensionable service. The integration of financial and benefit support systems for those taking educational leave is an important and difficult policy issue. Arguably, the success of initiatives such as the Danish scheme is precisely because the support is built into the universal unemployment benefit system, with which most working people are familiar. This maybe contrasts with the German *Bildungsurlaub* and the French CIF, where exercise of the entitlement may weaken the employee's employment security, at least in their own perception.

As emphasised earlier, it is difficult to get an accurate picture of the scope of legislative agreements and of employee development schemes, even in terms of numbers of employees covered. More particularly in the context of this paper, it is not possible to get a clear idea of the amount of learning time which such schemes entail, on and off the job. How many hours/days are granted, *de jure* or *de facto*? This issue is especially important since a recent analysis reveals that the much-publicised growth in training in the UK may be a myth (Felstead *et al.* (1997) reported that growth over the last few years in the numbers of workers participating in training in any given four-week period has been cancelled out by a shrinkage in the amount of time individual employees spend on training as well as by some statistical changes). Simple figures on time are vital if we are to get the issue in perspective; for example, the French law on continuous training certainly saw a near-doubling of the number of trainees between 1974 and 1991, from 1.85 million to 3.32 million, and a 40% increase in the global number of training hours, from 115 million to 157 million (Mehaut 1995). But this amounts to an average annual number of hours spent on training equal to just 17 to 20 minutes per week.

2.4. The European debate

Over the last five years or more, a host of documents from the European Commission or associated bodies have dealt with issues directly relating to educational leave. A highly selective documentary analysis follows.

Most of the discussion has been somewhat oblique, rarely confronting the question of educational leave directly. In contrast to parental leave, educational leave has not received sufficient impetus to bring it up the policy agenda, let alone into a directive. Perhaps the strongest support came in 1993 in the White Paper on Growth, Competitiveness and Jobs (European Commission 1993).

This addressed the possibility of linking new patterns of working time with the development of training: "Experiments in this area, based notably on agreements between the various parties in businesses, should be multiplied, assessed and, where appropriate, generalised." (European Commission 1993: 121). Reference is specifically made to statutory entitlement to training leave with financial assistance from the state; and to the incorporation of the right to training in collective agreements.

More recently, the emphasis on learning has moved to the centre of the policy debate. The White Paper on teaching and learning: towards a cognitive society (1995) identified five objectives: the accreditation of skills and the promotion of a 'personal skills card'; establishing closer ties between schools and businesses; using apprenticeships; fighting against exclusion; education and training; mastery of three Community languages; and treating physical investment and investment in training equally. In commenting on this White Paper the ETUC pointed out (ETUC working group on education and training 1997, Annex III paras. 45-6) that if training is to be seen as an investment and not a cost, this must entail joint responsibilities, and that resources should not be interpreted only in financial terms, but also in terms of two other complementary elements: working time and work organisation.

In 1997 the Commission published *Towards a Europe of knowledge*. The Communication links two major preoccupations: developing 'knowledge policies' which tie innovation and research to lifelong learning, and promoting employment. Links between knowledge, citizenship and competence are postulated, but no legal or budgetary

measures are mentioned which refer specifically to educational leave. At around the same time (May 1997) the Commission produced a draft for the Joint Employment Report. Section 3.3.1 includes references to Finland, Belgium and Sweden, in addition to Denmark, as countries where innovative steps have been taken towards promoting lifelong learning through educational leave schemes. However this was not followed through in the final report from the Commission (Employment in Europe, October 1997), which has major sections on 'Flexibility and employability – the skills gap' and, immediately following, 'Flexibility and work organisation', but no specific reference to educational leave. It is the Employment Report which carries more weight, so the Commission is not helpful.

At the end of 1997 an Extraordinary European Council meeting on employment was held. In the report on this, towards the end of the 'Presidency Conclusions' a section on modernising work organisation invites the social partners to negotiate flexible working agreements in order to make undertakings more productive and achieve the required balance between flexibility and security. Amongst the items which might be covered are lifelong training and career breaks. For their part, member states commit themselves to examining the possibility of incorporating these more flexible types of contract into law.

What are we to make of the general drift of these and other statements from the Commission and associated bodies? It seems clear that educational leave, if it has any presence, is tied into a process linking lifelong learning with a general drive for greater adaptability and more flexible working patterns; and at the same time, in the Commission's statements at least, the fundamental rationale is one of economic competitiveness, though with regular reference to social cohesion or exclusion. The boundaries are blurred. It looks clear that there is a long road to travel if the goal is an entitlement to educational leave in the same sense as an entitlement to annual paid holidays. The prospects may be far brighter for a developing continuum of more or less innovative policies which combine time for learning with other moves towards greater flexibility.

2.5. Conclusion

This quick overview leaves us with some concluding observations:

- a. Thinking and practice on educational leave is moving away from treating it as a specifically educational issue and towards integrating it with wider economic and social policies.

Commenting on Germany, for example, Dohmen identifies two current trends: a rising demand for concise concentrated learning in a compact time structure, and an increasing preference to learn as a stimulating part of different activities in the workplace, the family, in travelling, shopping, in hobbies and leisure pursuits, on vacation, etc. (1997: 103). The Dutch Ministry of Social Affairs publication (1997) on Social and economic aspects of the Netherlands includes training leave as one of the sub-headings of a section on 'flexibility and security in the new labour market'. Similarly, the OECD is starting to promote the slogan 'learning, earning and living' to indicate a new focus on the integration between these different aspects of people's lives. These are very general statements, but they point towards a wider interpretation than in the past.

- b. Diverse packages are being put together, combinations of employer and employee time and money. The key component may be the notion of joint commitment.

In so far as it is possible to monitor developments, it seems that an increasing variety of arrangements are being made between employer and employees. These involve both financial and temporal (time) commitments. Employers may take on most or all direct financial costs and the employee gives up his or her own time; or there may be a more complex mix. There are those who argue that the success of any employee development scheme depends fundamentally on there being such joint commitment.

- c. The debate on what counts as education and what counts as training continues.

In some instances, support is only available if learning is closely related to the job. On the other hand, a growing number of employers see it as in their interests to promote the learning aspirations of their staff. This may be to improve their job performance, where flexibility and adaptability

are given increasing importance; or as a way of retaining staff without the rigidity of long-term contracts.

d. 'Costs' and 'benefits' remain hard to calculate.

Despite the rhetoric concerning lifelong learning, which is now prevalent across Europe, direct, hard evidence on the benefits is difficult to find. Moreover, there is room for doubt as to whether the rhetoric is being accompanied by significant changes in the volume and quality of learning offered at work (e.g. Coffield 1997). However, there are some interesting moves to change the way in which investment in learning is accounted for, with the EC supporting moves to revise the balance sheet so that human resources are placed on the asset side.

e. Information technology may be opening up new options for developing educational leave systems.

The UK is currently considering the introduction of one million 'individual learning accounts', where £150 is placed in the account to encourage targeted groups to take up learning opportunities. This is a financial arrangement, but accompanying it are proposals for a *learning smartcard* which will allow credits to be accumulated in a variety of ways (Smith and Spurling 1998). This can in principle enable employees to secure leave for themselves, and it might also be extended so that time as well as money is credited to the account.

2.6. A checklist for further analysis

Further analysis of the position of educational leave might be constructed using the following dimensions:

i) Mode of implementation

- Legislation (national e.g. France/regional e.g. German/Länder)
- Collective bargaining (national, e.g. Sweden/sectoral, e.g. Italian 150 hours)
- Informal/individual employer arrangements

ii) Discretion/choice

By: Employee

Employer

Joint

Over: Departure time

Content of education

Duration

Financial support

iii) Payment types

Salary maintained: full/basic

- Public welfare levels (e.g. Denmark)

- Other

iv) Time commitment

- Employer's time only

- Employee commits time also.

3. Rethinking educational leave

As with other aspects of working time – for instance, part-time employment (see Fagan in this volume) – there is a significant problem of definition associated with educational leave. The problem has become more significant as we enter into genuine debate on what constitutes lifelong learning. For as the level of rhetoric about lifelong learning rises, so we need a serious critique of the concept as it is commonly used.

We should recall the original ILO definition, given in the previous section. It refers to 'educational purposes', 'during working hours' and 'with adequate financial entitlements'. Each of those phrases is less simple than was the case when the convention was first formulated. Many, but not all, of the complications derive from the increased flexibility of labour market structures, and a general fuzziness of boundaries in post-modern societies. But there are broader issues of

philosophy and value, especially in the first phrase. What are the purposes of education? Is it for business success, personal fulfilment or cultural change? What are the relations between these different goals – ones of contradiction, complementary or constructive tension?

In the first place, it is feared that the so-called learning society will be more aptly termed a qualification society, with an excessive reliance on formal qualifications for individuals at the expense of broader education. The dangers of excessive certification have been well exposed long ago, by writers such as Dore (1976). To make progress towards a learning society we need to look much more closely at the relationships and networks which encourage learning, rather than measuring the amount of time spent by individuals in formal study situations. In today's context this is at the heart of the distinction between human and social capital (Schuller 1997).

This raises specific questions for the issue of educational leave: how far is it (or should it be) tied to formal study, and how far is that to be tied to the achievement of formal qualifications? If it is 'educational' leave, does that imply that it has to be taken within the public education system? This would probably be too strict a regulation for most, but it opens up significant questions about what is then to be recognised as educational. Evidence from France, for example, suggests that where there is an obligation on the employer to commit a certain expenditure to educational leave, it can be spent on activities which appear only marginally educational – such as management conferences in comfortable resorts.

This takes us in turn to the long-running question of 'education for what?' Is personal development an objective of equal weight, alongside that of occupational competence or corporate efficiency? There are two points to be made here. First, there is no simple division between any of these goals; for example, many people will find personal development through improving their occupational competence and working for an efficient organisation. Simple polarities are the enemy of effective policy. On the other hand the issue of power and control remains. If educational leave is devoted only to corporate ends, this is a very different vision from that sketched out by the ILO.

We should also pay attention to the question of what the expected benefits are, and to whom they are expected to go. Most of the rhetoric concerning lifelong learning implies or affirms that the game is an altogether positive sum – that everyone gains. This may be correct in theory. But it is very apparent that it is not universally perceived that way: large numbers of both employers and employees are highly sceptical of the benefits to them. Some of this can be attributed to a failure of information. But there are also rational elements. Employers may pursue a low-skill low-pay strategy which at least in the short term yields economic success; and avoid expenditure on human capital which proves mobile – moving across to competitors. Employees may see little direct personal reward for enhancing their skills, or find the experience of learning, at least in the form in which it is currently offered, intrinsically unrewarding. So there are issues to do with people's understanding of what is expected to occur as a consequence of any educational leave, at a personal or a corporate level.

At the level of national policy, politicians can be expected to take an interest in educational leave for a number of reasons. A primary interest is likely to be as a counter-cyclical instrument assisting the struggle against mass unemployment. At this level, the apparent net costs of any leave will fall, the higher the level of unemployment; but this makes the leave vulnerable if the labour market tightens up, as it is currently doing. Policy-makers may also be interested in educational leave as part of a general drive for greater flexibility, partly because it should enhance individual skills but perhaps more persuasively because it helps bring about a change in cultural attitudes, making them more favourable to change, even if only in a rather diffuse way.

Information technology makes the issue of definition more complicated in a number of ways. It raises questions about the meaning of 'leave', as well as the scope of learning. Firstly, the huge growth in learning packages, and the possibilities for learning via the Internet or other electronic modes, have made the boundaries between learning sites and other sites – the workplace or the home – far less clear cut than they used to be. Many large companies have open learning centres, where employees can go and use learning materials. Equally, increasing numbers of employees are linked individually to electronic networks. This means that as they sit at their desks they can be plugged in to learning

packages, especially asynchronously¹. Much learning however, takes place without the individual formally logging into a learning package, but is virtually built in to the usage of the machine or the software.

The key issue here is in whose time the education takes place. On-site open learning centres are often excellent sites, and their physical presence may significantly encourage learning in a way that verbal rhetoric does not. Generally however, it is for the employee to take advantage of the opportunities in their own time, and in so far as this is the case it cannot sensibly be counted as educational leave.

This is particularly important given the growth of contract and contingent workers who may be paid only for what they actually deliver in the way of goods or services. The question of how their continuing education is to be paid for raises exactly the question of whose time it is.

Arguably, time has superseded place as the key dimension. Generally speaking, if the employee physically went away from the workplace, with pay continued, to take part in education this was until recently important evidence of educational leave, though the strength of the claim would still depend on how far it was his or her own choice to go. Now, it may be that it is more important to determine whether or not the study takes place in the employee's own time, or that of the company – always assuming that these two can be reasonably clearly distinguished. Increasing cost-awareness has made many companies realise that it is the employee's salary and the output foregone that are the high costs. They are therefore more willing to pay for the direct costs of any education or training – fees, books etc. – than to release staff during working time. This links directly to the integration of educational leave with other working time policies. For it will clearly be the case that educational leave taken on its own is a potentially expensive affair. But where, as with the Danish example described elsewhere, it is connected to other policies such as the integration of the unemployed, then the net cost is much reduced.

¹ See Sherry Turkle (1996) for claims that many Americans are semi-permanently plugged into so-called 'multiple-user domains', or MUDs, at work, using these MUDs to play a series of virtual roles and personalities.

One further point of definition relates to financial entitlements. In a narrow conception of leave, this will relate to the maintenance of salary. But there are complications. Does salary include on-costs such as pension contributions? Or bonuses and other irregular payments? A wider set of issues is opened up where the state benefit system is involved, for instance in schemes where substitution of the unemployed is concerned. The issue of incentives, or negative incentives, becomes important. There are also broader ideological issues; if the unemployed can be regarded as eligible for educational leave, why not other groups which are outside the traditional labour market, for example the retired or semi-retired? A very strong case could be made, on the grounds of intergenerational justice, for giving older people special educational entitlements. The position is complex, but this is a classic case where modern information technology should be able to cope with otherwise insoluble complexities.

Finally, the original ILO definition has other components which are still worth bearing in mind. It refers to training for worker representatives, and to enabling workers and their representatives to take an effective part in the life of the enterprise and the community. In this conception, educational leave has a part to play in enhancing democracy, at the workplace and in the broader society. These are not idle terms; from the European level downwards there is a concern with democratic decision-making. Adequate access to the skills and knowledge is essential if participatory structures are actually to function. The conception is broader than trade union education. Once again, the notion of social capital is relevant if enterprises are to accept and discharge social responsibilities relating to their local communities.

These definition issues are not trivial. They make it extremely hard to assess the empirical extent of educational leave. The term itself is not common currency; it does not figure in day-to-day policy debate in the same way as do most of the other components of a lifetime working-hours' strategy – part-time employment, flexible retirement, etc. – (although I recognise that these terms themselves can have very varying manifestations). European information systems and analytical reports carry little information under this heading, and an Internet search through several large databases produced very little substantive information. It is not only that legislative and collective bargaining

contexts vary considerably from country to country, making it extremely difficult to aggregate and compare information, for example on the numbers of workers who have access to educational leave. More significantly, it is often difficult to distinguish educational leave provision from mainstream education and training, so that there is a risk of including in some countries measures which involve large numbers of workers but which are excluded elsewhere from the category of educational leave. The survey of national provision carried out for the ETUC illustrated both these points very clearly, with few countries reporting nothing at all under the heading of educational leave, and in several of these cases there was nothing to distinguish what was referred to from mainstream education or training opportunities. In other words, the focus was not on workplace entitlement, but on the supply of educational opportunities².

4. Conclusions

To sum up, I would suggest that in very broad terms there are two different trends to be discerned.

On the one hand the impetus behind 'pure' PEL has almost certainly waned over the last one or two decades. Thus some of the initiatives which attracted much attention during the 1970s, such as the Italian '150 hours', appear to have virtually faded away. Even in Germany, the solid legislative basis for *Bildungsurlaub* has not resulted in any large scale take-up. It is noticeable, moreover, that publications which might be expected to cover developments, such as the *International Labour Review* or the *European Industrial Relations Report* have carried no reports on PEL over the last four or five years. An Internet trawl of several social science and other databases produced not a single reference to paid educational leave.

² It is notable that the OECD published a report on human capital investment, the fundamental conclusion of which is that our current measures of human capital are extremely weak in spite of the mountains of elaborate econometric calculations that are built upon them (OECD 1998, forthcoming).

On the other hand, there is evidence that so-called ‘employee development schemes’ and other local or organisational initiatives have increased greatly in the last few years. As Schuetze (1993) observed: “It is evident that there has been no universal or sweeping movement in favour of educational leave. This should not lead, however, to the assessment that the original drive has lost its momentum. Rather, one could say that progress continues to be made, although in a piecemeal manner and by trial and error rather than by comprehensive blue print or master plan”.

Despite the slightly pessimistic tone of some of the analysis above, it may well be the case that educational leave as a concept now has the opportunity to become established as a familiar feature of working conditions. The twin drives towards changing working-time patterns and increased learning, in and out of the workplace, should be able to generate substantial support at a number of levels. However we should be clear that for this to happen there will need to be change and development in several spheres: in workplace practice, of course, and in education and training systems; but also in social security systems; and, more widely, in cultural attitudes and norms in order to give learning the value it is rhetorically supposed to have.

We may be moving towards a 24-hour society, with consumption opportunities permanently available. The whole point of staging a policy debate on new working-time patterns is to enhance the ability of working people to exercise choice, on when and where they wish to work. The same applies in respect of learning. Total choice is not realistic – probably not even meaningful. There has been an erosion of older images of fixed periods, universally defined, when different activities each occurred more or less in their specified time, such as holidays, shopping, rest or recreation. Future times will be more compact, more intense; but there is no reason why learning time should not be sandwiched in.

References

- Brasolin, A. and Villone, S. (1987) '150 hours', in Mace, Jane and Yarnit, M. (eds.) *Time Off to Learn*, Methuen, pp.135-150.
- CERI/OECD (1976).
- Coffield, F. (1997) 'Nine learning fallacies', in Coffield, F. (ed.) *A National Strategy for Lifelong Learning*, University of Newcastle, pp. 1-35.
- Dohmen, G. (1997) 'Lifelong learning – the key to a new education policy in Germany' *Lifelong Learning in Europe* 2:2, pp. 101-3.
- Dore, R. (1976) *The Diploma Disease*, London: Allen and Unwin.
- ETUC working group on education and training 1997, 'Annex III', Paras. 45-6.
- European Commission (1993) *Growth, Competitiveness, Employment*, Brussels.
- European Commission (1995) *Teaching and learning: towards a cognitive society*, Brussels.
- European Commission (1997) *Towards a Europe of knowledge*, Brussels.
- European Commission (1997) *Employment in Europe*, Brussels.
- Federighi, P. (1990) *Legislative and administrative measures in favour of adult education*, Università degli Studi di Firenze.
- Felstead, A., Green, F. and Mayhew, K. (1997) *Getting the measure of training*, Centre for Industrial Policy and Performance, University of Leeds.
- Forrester, K. *et al.* (1993) *Learning in the workplace: a report for trade unions on employee development schemes*, University of Leeds.
- ILO (1991) *Human Resources Development*, Geneva.
- Lerenard, A. (1997) 'L'effet du congé individuel de formation sur les carrières professionnelles' *Premières informations et premières synthèses* No 98.01, Ministère de l'emploi et de la solidarité.

Luttringer, J. M. (1993) 'Worker access to vocational training: a legal approach', in Hirsch, D. and Wagner, D. (eds.) *What makes workers learn: the role of incentives in workplace education and training*, National center on adult literacy, Philadelphia, pp. 49-64.

Mehaut, P. (1995) 'The French system of training levies and the dynamics of the wage-earning relationship', in *International contributions to labour studies* 5, pp. 115-129.

Munro, A. *et al.* (1997) *Partners in workplace learning*, UNISON, London.

OECD (1998, forthcoming) *Human Capital Investment*, Paris.

Report on an Extraordinary European Council meeting on employment (1997).

Schuetze, H. (1994) 'Paid educational leave and collective bargaining', in *International encyclopedia of education* (2nd ed.), Oxford.

Schuller, T. (1997) 'Relations between human capital and social capital' in Coffield, F. (ed.) *A national strategy for lifelong learning*, University of Newcastle, pp. 113-125.

Smith, J. and Spurling, A. (1997) *Individual lifelong learning accounts*, National Institute for Adult Continuing Education, Leicester.

Turkle, S. (1996) *Life on the Screen: identity in the age of internet*, Weidenfeld & Nicolsen, London.

The Dutch Ministry of Social Affairs (1997) *Social and economic aspects of the Netherlands*.

Part IV

Flexible retirement schemes

From early to phased retirement in the European Union

Lei Delsen, Martin Hutsebaut and Bernd Reissert

1. Introduction
 2. The objectives and aims of early and phased retirement schemes
 3. Implementation of early and phased retirement
 4. Effects and evaluation of early and phased retirement schemes
 - 4.1 Evaluation of early exit routes
 - 4.2 Evaluation of gradual retirement
 5. Conclusions
- References

1. Introduction

This chapter deals with early exit options from the labour market and their role in the development of a European model of lifetime working hours. The introduction of *temporary* early retirement schemes in Europe goes back to the 1970s. The principal aims were to relieve the labour market and to offer ‘burned out’ workers the opportunity to enjoy early leave. The economic environment was then characterised by downsizing, industrial restructuring, increasing youth unemployment and long-term unemployment.

The trend towards early retirement is the result of a deeply rooted consensus between the state, undertakings, the trade unions and the community. For the state, the main purpose of early retirement has been to reduce youth unemployment, which was high in the 1970s and 1980s. In many schemes, at least until recently, there has been a replacement condition. At the same time, the duration of unemployment benefit for older workers has been lengthened. For employers, early retirement has had a two-fold advantage: productivity can be enhanced without the cost nor embarrassment of an increasing number of redundancies. For the trade unions, early retirement has been a coveted prize in the long struggle to lower the retirement age; and for leaving workers, who so often started their working life young and frequently in strenuous jobs, early leave offers some years of respite in good health. The average worker has greatly benefited from this trend, particularly in countries where the financial terms of early retirement have been generous.

Unemployment and disability were, and still are, seen as being characteristic of failure, while early retirement was, and still is, socially accepted (the absence of stigma associated with disability and unemployment benefit). The latter may explain why early retirement schemes persist. In fact, the life cycle is characterised by an increasingly early exit from the labour market at the end of a working life and the average retirement age is still falling.

Over the past decades a rigid, linear, three-phase life cycle has developed; youth and training, adult life and work and then early withdrawal from work and retirement. However, the demographic outlook and its implications for pension liabilities in the decades to come oblige us today to reconsider the future economic and social contribution

of older workers to our growing service economy. In view of these developments the question arises of which policy mix or institutional arrangements would allow more individual choice for older workers and a more intensive use of the labour resources of workers who are 55 years old and over. It is the latter question that will be answered in this chapter of the book. Section 2 deals with the objectives and aims of early and phased retirement. Differences in the implementation of the various national schemes are discussed in section 3. The impact of the early and phased retirement schemes is addressed in section 4. Conclusions are drawn in section 5.

2. The objectives and aims of early and phased retirement schemes

The average statutory retirement age in the European Union is 65. Exceptions are Denmark (67) and France (60). In Austria, Belgium, Greece, Portugal and the United Kingdom the standard retirement age for women is still lower than for men, although recent legislation is tending to harmonise the retirement age for men and women.

The effective retirement age has dropped substantially in all OECD countries. This drop has been particularly pronounced in Europe (see Table 1).

During the 1970s and 1980s a large number of OECD countries took special measures for older workers that facilitated early withdrawal from the labour market, especially for low-skilled workers: special unemployment benefits, career breaks, disability benefits and early and pre-retirement schemes (see Table 2). The measures that have been taken are partly linked to occupational pensions and the personnel policy aiming at replacing older and expensive employees with younger and cheaper employees and partly related to labour market problems (unemployment) and to the restructuring of industry. These pre-retirement non-wage income provisions allow the withdrawal of elderly workers from the labour market prior to the statutory retirement age and to their eligibility for a public pension.

Table 1: Average age of withdrawal from the labour market in 1970, 1980 and 1990

Country	Males			Change	Females			Change
	1970	1980	1990	1970-90	1970	1980	1990	1970-90
Denmark	66.8	64.3	62.9	- 3.9	61.5	60.4	59.5	- 2.0
Finland	62.3	59.6	59.1	- 3.2	60.4	59.2	59.3	- 1.1
France	63.1	61.3	59.4	- 3.7	63.6	60.8	58.6	- 5.0
Great Britain	65.9	64.4	62.9	- 3.0	61.8	61.6	60.2	- 1.6
Italy	62.0	60.9	60.3	- 1.7	59.8	58.7	56.8	- 3.0
Netherlands	64.0	61.6	59.0	- 5.0	62.1	58.0	55.7	- 6.4
Spain	65.0	63.0	61.4	- 3.6	67.3	63.2	59.1	- 8.2
Sweden	65.3	64.5	64.2	- 1.1	62.5	61.8	63.1	+ 0.6

Source: Latulipe, Denis (1996), *Effective retirement age and duration of retirement in the industrial countries between 1950 and 1990*, Discussion Paper 2, Issues in Social Protection, ILO, quoted in: Ministerie van Sociale Zaken en Werkgelegenheid (1997): *Income benefits for early exit from the labour market in eight European countries. A comparative study*, Werkdocumenten, No. 61, The Hague, p. 19.

- ¹ Before standard retirement age.
- ² Before standard retirement age, but mostly above minimum retirement age.
- ³ At any age below standard retirement age.
- ⁴ Before minimum retirement age.
- ⁵ With a replacement condition.
- ⁶ Canada/Quebec Pension Plan: not available for old age security pension.
- ⁷ For arduous or unhealthy work, and for construction workers.
- ⁸ Includes labour market, i.e. unemployment component (Netherlands until 1987; Sweden until 1991).
- ⁹ To be phased out by 2004.
- ¹⁰ To be phased out by 2007.
- ¹¹ Since 1997.
- ¹² No new partial pensions will be awarded after the year 2000.

Table 2: Early retirement options in OECD countries

Country	Actuarially reduced pension ²	Full pension for long service ²	Invalidity ³	Long-term unemployment ²	Pre-retirement ⁴	Partial pension ¹
Australia			X ⁸	X		
Austria		X	X	X		X
Belgium	X	X	X	1982	1974	X ⁵
Canada	X		X		X ⁶	
Denmark			X	X	X	X
Finland	X		X ⁸	X	X ⁷	X
France	X		X		1988 ⁵	X ⁵
Germany	X ¹¹	X ⁹	X ⁸	X ¹⁰	1988 ⁵	X ⁵
Greece	X	X	X		X ⁷	
Ireland			X	X		
Iceland			X			
Italy		X	X		1985	X
Japan			X			
Luxembourg		X	X	X	X	
Netherlands			X ⁸	X	X	
Norway			X	X		
New Zealand			X			
Portugal			X	X		
Spain	X		X		X ⁵	X ⁵
Sweden	X		X ⁸	X		X ¹²
Switzerland			X			
Turkey			X			
United Kingdom			X	X	1988 ⁵	1986 ⁵
United States	X		X			

Source: Based on Holzmann, 1992; OECD, 1992; 1994; Delsen 1996; Delsen and Reday-Mulvey, 1996.

The most important aim of the introduction of various early and pre-retirement schemes, notably those with a replacement condition, was the reduction of the unemployment rate amongst youngsters. There were also other social motives. In some European countries a full pension can be obtained after 30 years of service. A number of European countries and the USA foresee the possibility of an actuarially reduced early pension. In Australia and in some EU countries the eligibility criteria for a disability benefit include a labour consideration. Moreover, in Australia and in most EU countries, the duration of the unemployment benefit for elderly workers has been lengthened and elderly people who are unemployed prior to retirement are no longer obliged to register at the labour office or to apply for a job; this measure results in an under-estimation of the unemployment phenomenon and labour market participation; this feature may also partly explain why the average duration of unemployment for older age groups in all OECD countries is higher than the average for all workers.

From Table 2 it may be concluded that there is a clustering of measures in the EU countries, aiming at reducing the labour-force participation rate for older employees, while in Japan and the USA only few such measures have been taken. However, in countries where private pension schemes are particularly well developed (Canada, the UK and the USA) workers are increasingly given options to leave early: retirement age below public retirement age; actuarial reduction of the pension level in case of early exit; or severance pay (OECD 1994).

Demographic developments – the double ageing process – will have important social and economic consequences for all OECD countries. The anticipated ageing of the population¹ will put great stress on the pension systems of the industrialised countries. In particular, higher pension contributions (wedge) will profoundly affect labour markets. Furthermore, growing pension funds are likely to have a substantial impact on financial markets, while the need to transfer an increasing amount of resources to the elderly will have significant consequences for the intergenerational distribution of welfare and create considerable

¹ The term “population ageing” refers to an increase in the proportion of a population in the older age groups, i.e. over age 55 or over 65 and is reflected in the increase in a population’s median age. In fact there is a double ageing process: life expectancy at birth increased in all OECD countries, while at the same time fertility has declined in almost all OECD countries.

pressure on the financing of social programmes. While expenditure on social programmes is rising continuously due to the ageing of populations, the number of people of working age will grow only slowly or even decline. The fiscal crisis that would result from this must be prevented. Social security contributions and taxation rates cannot continue to rise without significant repercussions on wages, the competitiveness of businesses, and consequently on employment, all of which provides yet another incentive for national governments to alter the institutional framework. Moreover, service sector employment is growing strongly. Together with higher life expectancy, new technologies and higher educational attainment, more people should be willing and able to work longer.

In the light of these developments the Council of Europe adopted in 1989 a recommendation on the flexibility of retirement age. According to the Council, this flexibilisation should be organised around the following options:

- early and/or deferred benefit;
- partial or progressive benefit;
- benefit based on length of service (seniority).

Against this same background, the Council of Ministers of the EU on 29 June 1995 passed a Resolution on the employment of older workers in which the Council invited the members states and the social partners to, amongst others things, facilitate phased retirement by, for example, developing the possibility of part-time work for older workers and activities which make good use of their skills, while ensuring that workers in comparable situations receive equal treatment, in particular with regard to access to social protection.

In the meantime a number of policy changes prompted by financial motives have taken place all over Europe. Although there are considerable differences between the EU member states, we see the emergence of the following policy trends aiming at making the retirement systems more flexible and sustainable (Tamburi 1993; Delsen and Reday-Mulvey 1996):

- the abolition of financially attractive alternatives for full, early retirement options: certain alternative exit routes are abolished or made less attractive (communicating vessels);

- the replacement of pay-as-you-go financed basic – and complementary – systems by funded systems;
- the individualisation of contributions and entitlements;
- basing pension entitlements on average earnings instead of on final earnings; also a tendency to base pension entitlements on contributions paid rather than on salary levels;
- in the field of actuarially based pension schemes: a tightening of the link between contributions paid and benefit levels (equivalence principle): i.e. earlier retirement means lower benefits and visa versa;
- in order to promote labour mobility, the transportability of pension rights is increased;
- the statutory and pre-retirement age is raised;
- gradual retirement to replace the immediate transition to full retirement: this is socially desirable, financially significant and fits into the framework of transitional labour markets. Gradual retirement provides the material and financial conditions for older workers to stay in the labour force: an incentive to work part-time and moreover, to work more years;
- governments subsidise employment of older workers, and;
- EMU implies that social security systems become more transparent: policy competition is used to attract employment; a race to the bottom is set in motion.

Concrete measures have been taken or are being discussed in order to increase the effective retirement age and to reduce retirement costs (Delsen and Reday-Mulvey 1996; Hutsebaut 1997). These include: raising the statutory or contractual retirement age (Germany, Japan, the Netherlands, New Zealand, Sweden, USA); reduction of pension benefits (Finland); abolition of financial incentives in social security in order to discourage early retirement, for example the exclusion of labour market considerations from the definition of disability (Finland, Germany, the Netherlands, Sweden); cutting or abolition of early retirement benefits (Germany, Finland, the Netherlands, Sweden); increase in the number of years of insurance required in order to qualify for a full pension (France, Japan and Spain) and the possibility of a partial pension (Austria, Belgium, Denmark, Finland, France, Germany, Italy, the Netherlands and Spain). As an example of this, see the policy changes introduced in Germany which are presented in Table 3.

In the Netherlands, sectoral, part-time, early retirement schemes have been agreed by the social partners. Also, the legal framework for supplementary pensions has recently been adopted. Full and partial drawing of pensions is possible between the ages of 55 and 70. The latter developments are partly promoted by the EEC Council recommendations of 1982 on policy principles with regard to retirement age. These principles, which are still valid as long-term guidelines for the Community policy, include a more flexible retirement age, the right to financial compensation in the case of gradual retirement and the right to gainful employment after retirement. However, where not securely incorporated into company policies, public policies to stem early retirement may not necessarily produce the expected results. Moreover, a higher age at which public pensions become available or reduced benefits may not result in an increase in the actual retirement age if other favourable public and private early exit routes are not altered or abolished.

Gradual or part-time retirement means, in general, that the transition from the phase of full occupational commitment to that of full pension phase takes place over a longer period with a gradual (step-by-step or continuous) reduction of occupational activity, consisting principally in a reduction of working time with the earnings from part-time work being complemented by a part-time retirement benefit. Gradual retirement has been advocated, introduced and used for various reasons (Delsen and Reday-Mulvey 1996: 9). It is a way of avoiding the pension shock, following an abrupt transition from full-time work to full retirement: it is also a method of achieving greater flexibility and individualisation in working life by distributing work and free time over the latter part of the occupational cycle, and it is a potential means of redistributing the available amount of work. It provides a “soft” form of personnel reduction, and a means of reducing the growing exclusion of older employees from the labour force; for management it offers cost-effective opportunities to retain people with valuable corporate knowledge and precious technical skills and prevents occupational disability. Finally it reduces retirement and unemployment costs not only by reducing the number of benefits but also by lengthening the contribution period and by broadening the contribution base.

Table 3: Early retirement regulations and recent policy changes in Germany

<i>Regulation</i>	<i>Main conditions</i>	<i>Bearer of cost</i>	<i>Number of entrants (1994) (Thousands)</i>	<i>Changes of regulations in 1996/1997</i>
1. Retirement age for women	Regular retirement age for women is 60	Pension system	223 (ca.)	Gradual increase of retirement age for women to 65 between 2000 and 2010
2. "Flexible retirement age"	Retirement age is 63 instead of 65 after 35 years in insured employment (since 1973)	Pension system	94	Gradual increase of retirement age for men to 65 between 2000 and 2004
3. Disability pensions	Early retirement due to partial or total disability to work (definition depending on labour market situation)	Pension system	280	
4. Extended duration of unemployment benefit (UB) for older workers	Duration of UB is 32 months for older workers (over 53) after 64 months in insured employment during last 7 years (since 1987)	Unemployment insurance	?	Maximum duration of UB (32 months) only for workers over 56 (from 1997 onwards)
5. Early retirement pension following unemployment	Retirement age is 60 for workers having been unemployed for 1 year during last 1.5 years and after 8 years in insured employment during last 10 years Together with regulation no. 4 results in "57-year-rule": UB for 32 months from age of 57, followed by early retirement at 60	Pension system	204 (1994) 290 (1995)	Gradual increase of minimum age for entering scheme to 65 between 1997 and 2007 Scheme can still be entered by workers between 60 and 64, but pension is reduced by 3.6% for each year of premature claim (applies also to regulations nos. 1 and 2). Additional contributions to the pension system can be paid to avoid pension reduction
6. Special regulations for East Germany: a) Vorruhestandsgeld (Vog) b) Altersübergangsgeld (Alüg)	Early retirement benefit for unemployed workers over 54 who could claim UB for the maximum duration (32 months) Duration: 5 years Level: similar to UB (65% of net wage)	Federal govt. and pension system	460 (1990; ca.) 350 (1991; ca.) 242 (1992)	No more entrants into scheme after 31.12.1992; no more benefit recipients after 31.12.1997

3. Implementation of early and phased retirement

In Europe, policies and schemes related to pensions and retirement from work differ substantially between countries (see Table 2 and the four following Boxes), reflecting differences in both cultural and institutional backgrounds (Casey 1996; Kohli *et al.* 1991; Schmähl 1989; Naschold and de Vroom 1994; OECD 1994). There is, however, an almost common trend to reduce full, early retirement and to move towards gradual retirement (see Box 3 on Germany).

With regard to the national, (statutory) part-time retirement schemes already applied in Europe, a distinction can be made between schemes with an obligatory replacement condition and schemes without a replacement condition. The Austrian, Italian, Swedish, Danish and Finnish schemes have no replacement obligation. The schemes in France, the United Kingdom, Belgium (for those under 60) and Spain all have a replacement condition.

Box 1: System of retirement and pre-retirement in Belgium

Since 1 July 1997, the *statutory retirement age* in Belgium has been 65 for men and women: 45 years of insurance contributions are required for a full pension. Women – who previously retired at age 60 – will see their official retirement age go up progressively during a transitional period lasting until the year 2009. In 1998, the (transitional) retirement age for women was 61.

Early retirement is possible from the age of 60 onwards for both men and women, provided that they have a minimum of 22 years of insurance (situation in 1998). From 2009, 35 years of insurance will be required for early retirement.

For many years now (since 1974) Belgium has also had a system of *full-time pre-retirement* (linked to compensatory recruitment). This system is based on a national collective agreement.

Full-time, pre-retirement is possible from the age of 60 onwards (on the basis of a national collective agreement). However, sectoral or company agreements can reduce the pre-retirement age to 58. Workers in shift work, including night work, are entitled to pre-retirement at the age of 55. Pre-retirement is possible from the age of 52 for workers employed in enterprises in difficulty or in the process of restructuring.

Full-time pre-retirement workers are entitled to an income composed of unemployment benefit (60% of gross salary, with a ceiling) and a supplementary allowance paid by the employer. This supplementary allowance equals a minimum of 50% of the difference between the net salary and the unemployment benefit.

Full-time, pre-retired workers maintain their social security rights.

Full-time pre-retirement is only possible after redundancy by the employer.

Since the national collective agreement no. 55, concluded in the National Labour Council in 1993, *half-time pre-retirement* (combined with half-time work) is possible for workers aged 58. For half-time, pre-retirement leave, the employer's agreement is required.

On the basis of a collective agreement in the sector or in the company, the age for half-time pre-retirement can be decreased to 55. The agreement of the employer remains a requirement unless the collective agreement foresees the right to half-time pre-retirement.

In total about 860,000 workers are covered by a Collective Agreement on part-time, pre-retirement schemes offering the possibility for partial retirement at age 55 to 58. The income of a half-time, pre-retired worker is situated between the full-time net salary and the full-time pre-retirement benefit. All social security rights are maintained. In practice, the formula for half-time pre-retirement is much less successful than the one for full-time pre-retirement since only about 280 workers have opted for this formula up to now (March 1998).

More successful than part-time pre-retirement is the formula for part-time career interruption from the age of 50 onwards: this formula gives the worker the right to a part-time salary, supplemented by a specific state benefit of 5,000 BEF plus, increasingly frequently, a supplement from the employer.

Box 2: Pre-retirement in France

The right to retire from the labour market at the age of 65 was lowered to 60 in 1982. However, there are currently significant differences in the reduction of the pensionable age between the private and the public sectors. Firstly, since 1994, employees in the private sector have had to pay 40 annuities before being entitled to a full pension while, in the public sector, the threshold is still 37.5 annuities. Moreover, pension levels are now calculated on the best 25 years of an individual's career instead of the best 10, as previously.

Since 1982-1983, with the implementation of the solidarity contracts on working-time reduction and on pre-retirement and progressive early retirement, several schemes concerning early withdrawal from the labour market have been implemented in France. Since 1985, 953,000 employees have participated in one of these early retirement schemes (this represents the majority) and progressive early retirement (the minority). In December 1995, 205,000 people were involved in these schemes. The result has been a strong decrease in the rate of activity for those aged 55 to 59 years old: 52.5% of the people in this age group were still at work in March 1995.

Currently, three schemes can be used by firms for (progressive) early retirement.

1. National Employment Fund early retirement

According to a 1994 edict, amended in 1995, a firm can come to an agreement with the state (the National Employment Fund – FNE) in the framework of a social plan (this means a plan concerning redundancies) which allows for early retirement (definitive). Employees must be 57 years old (exceptions are allowed for those aged 56 and over), they must have paid social security contributions for 10 years and must have been employed in the firm for at least one year. They must also have resided in France before the lay-off and may not accept further employment after having agreed to join the early retirement scheme. The grant is 65% of the reference wage within the upper salary limit for social contributions and then 50% up to double this limit. The minimum daily amount is fixed at 163.55 FF (25.2 Euro). The firm and the employee contribute to the financing of the scheme and the firm should prevent redundancies for employees between 50 and 56 years of age.

With this scheme, redundancy payment can be avoided, however, the social plan and the agreement with the FNE must be accepted by both the employees' representatives and by the employees concerned.

2. Progressive early retirement (with or without new recruitment)

The various schemes were merged in 1993. With the resulting new scheme, compensated part-time work is possible in order either to avoid or limit the number of lay-offs or to create new jobs. Employees must be between 55 and

65 years old. Other conditions concerning the employee are the same as those for early retirement. Part-time work may vary in duration from between 20% and 80% of the former working time, but the average over the period of progressive retirement must be 50%. Wage compensation is 30% for days not worked for those within the upper salary limit for social contributions (which means 80% of the former full-time wage) and 25% for the share of the wage which exceeds this limit (not to exceed double this limit). The daily minimum is fixed at 81.78 FF (12.6 Euro). A financial contribution is required from the firm, depending on its size, of between 4% and 6% of the costs for firms with less than 200 employees, and between 6% and 8% for larger firms. In this scheme, the employer must hire employees in order to compensate for the reduction in working time. Where there is a social plan, this obligation is cancelled. Generally, this scheme is used by firms that want to renew their staff. In this case, new jobs must be created within three months.

3. ARPE : Allocation de remplacement pour l'emploi

In the private sector, the social partners agreed in September 1995 within the UNEDIC System (unemployment fund under joint management of the social partners) to create the ARPE (*Allocation de remplacement pour l'emploi*) to last until the end of 1998, for all workers aged over 57.5 (in 1997 this was increased to 58 years) and who had paid in contributions for 40 years (or assimilated periods) but who had not yet reached the statutory retirement age, provided that they were replaced by a newly recruited employee. The employer had to agree to the pre-retirement.

The employee should have contributed to the UNEDIC for the previous 12 years at least and should have been employed by the firm for at least one year. The daily amount of the allocation is 65% of the previous wage with an upper limit of four times the upper ceiling for social security (56,360 FF, 8670 Euro). The daily minimum is fixed at 163.55 FF (25.2 Euro). By the end of August 1998, 121,167 people had benefited from the ARPE and about 106,766 new people were hired under the scheme. The cost to the UNEDIC is evaluated at about 25 billion FF (3.9 billion Euro).

According to an agreement which was signed on 22 December 1998 by all partners, the scheme was prolonged to 1999. It was also extended to employees aged 56 or 57 and over and who started working at the age of 14 or 15. This will allow 40,000 to 50,000 employees to enter the scheme in 1999.

Civil servants from central and local authorities and from hospitals are entitled to similar leave and benefit, called CFA, *congé de fin d'activité*, at 70% of full former pay, up until the retirement age of 60, provided that they have given at least 25 years of service, are aged at least 58 years and have paid pension contributions for at least 37.5 years.

Box 3: The new German partial retirement regulation

If,

- working time for older workers (over 54) is reduced by half,
- wages for these workers are reduced accordingly,
- the employer pays an allowance to the worker which raises the reduced wage to at least 70% of his/her previous net wage,
- the employer, in addition, pays contributions to the pension system on 90% of the worker's previous wage, and
- the employer fills the vacancy created by the reduction of working time with an unemployed person or with a worker who has just completed his/her apprenticeship in the firm (replacement condition),

the Federal Employment Institute will compensate the employer for

- the allowance, raising the reduced wage to 70% of the previous net wage,
- the additional contributions to the pension system corresponding to 90% of the previous wage for a maximum duration of 5 years.

The reduction of working time may take the form of standard part-time employment, but it may also take the following form:

- the worker works full-time during the first 2.5 years of a 5-year period and
- is not available for work for the next 2.5 years and
- the wage is paid continuously on a part-time basis for the entire 5-year period.

The reduction of working time may be based on a collective agreement, on an agreement between the works council and the firm, or on an agreement between the individual worker and the employer. The second form of working-time reduction described above *must* be based on a collective agreement.

Following at least two years in partial retirement, a worker can claim access to the "early retirement pension following unemployment" described above (Table 3, no. 5) if he/she has reached the corresponding age threshold.

Box 4: Flexible retirement in Italy

In addition to the harmonisation of the different pension systems, the new pension law of 1995 provides for the redefinition of the criteria for calculating pensions and for the flexibilisation of the retirement age.

Redefining the criteria for calculating pensions

Under the new system, the pension is calculated on the basis of the contributions paid, whereas the previous system provided for a percentage calculation of the average of the remuneration (earnings) over the entire working life. The amount of the contributions paid is multiplied by an individual coefficient based on the age of the policyholder at the time of retirement. The contribution rate used equals 33% of the taxable base for salaried workers and 20% of annual income for the self-employed. The annual amount of the contributions is re-evaluated at the end of each year in relation to the five-year variation in the nominal GDP. The amount of the credited contributions is multiplied by a coefficient based on the worker's age, but equal for women and men, with a minimum of 4.720 at 57 and a maximum of 6.136 at 65. The revaluation coefficient can be changed every 10 years in line with demographic and economic changes (change in GDP). The new system applies fully to workers who begin their career as of 1 January 1996. For workers with a contribution period of more than 18 years on 31 December 1995, the remuneratory calculation system will remain in force, while a mixed system will apply to those with less than 18 years of contributions on 31 December 1995: for the periods of work before that date, the pension will be calculated according to the remuneratory system, while for subsequent periods the calculation will be made using the contributory system.

Flexibility of the retirement age

Under the new system, the old age pension will be granted under the following conditions:

- after 40 years of contributing, with no age condition;
- at age 57 to 65 under the following conditions:
 - termination of the work contract;
 - five years of actual contributions and
 - an amount of pension which is more than 1.2 times the social welfare allowance: this condition does not apply to workers over 65.*

The legal retirement age will be fixed for the old age pension in the remuneratory system but is flexible (between 57 and 65 years of age) in the contributory system. As a result, pensions calculated solely according to the contributory system will no longer be integrated into the minimum salary. The new rules will be fully applicable as of 2008; until then, a transitional system gradually approaching the new grant conditions is provided.

Comparing the system prior to 1992 with the new contributory system, the situation will become less favourable for retirees as regards the relationship between the pension and the final wage. A comparison of the 1992 Amato Reform with the 1995 Dini Reform shows that the new calculation favours workers who delay retirement.

However, the contributory system also has advantages, such as:

- reducing avoidance of social security contributions;
- more choice for workers;
- a system better suited to varied career paths;
- more similar treatment of employees and the self-employed, and
- more similar treatment among workers in different pay brackets.

The new system:

- allows workers to choose a retirement age of between 57 and 65;
- is more generous for workers with interruptions in contributions;
- is more favourable for short careers and careers that begin late;
- extends the activities for which retirement entitlements can be purchased retroactively, and
- provides for an additional figurative (fictitious) contribution to bringing up children and for assistance for the handicapped.

On 1 November 1997 the government and the CGIL, CISL and UIL trade union confederations concluded an agreement on some changes to the previous pension reform introduced in 1995. These changes speed up the 1995 reform and allow budgetary savings of approximately ECU 2.1 billion. The agreement followed a very complicated period of negotiations with the social partners and within the majority coalition, a dispute between the government and the Communist

Reconstruction Party (RC) – upon whose votes the then government was dependent in Parliament, – and a quasi-crisis in the government. The deal which resolved the crisis was a compromise leading to the 35-hour working week introduced by law and to the exclusion of blue-collar workers by the new changes in the pensions system. The agreed reform contains measures to:

- accelerate the implementation of the previous reform of 1995, which provides for a phased increase in the retirement age for employees in the private sector from 53 to 57 by the year 2002. The number of years of pension contributions necessary to qualify for retirement will also increase from the current 35 to 40 by 2008;
- speed up the harmonisation of pension provisions in the public and private sectors by 2004: this will thereby bring the more generous public sector pension schemes into line with the private sector schemes and it will allow the government to make long-term savings;
- speed up the harmonisation to increase the level of social security contributions paid by self-employed people with the aim of gradually bringing them into line with dependent employees. This new agreement provides for a 4% increase in contributions for self-employed workers by 2004 and an increase in their retirement age from 57 to 58;
- abolish all special pension provisions, such as those for employees at the Bank of Italy and airline pilots, and bring them into line with general pension systems in terms of contributions, eligibility and benefits, and
- maintain seniority pension rights for blue-collar workers who have been employed for 35 years;

**Social welfare allowance*

For Italian citizens resident in Italy who have reached the age of 65, the social welfare allowance has been created in place of the social pension. For 1997, the allowance amounts to 6,477,250 lire. The allowance is granted subject to income conditions.

Box 5: Flexible retirement in Spain

Full-time early retirement is possible in Spain, from the age of 60 onwards for workers who started to pay contributions before 1967. The early retirement benefit depends on the number of years of pension contributions. A reduction of the entitled benefit of 8% will be applied per year below the age of 65; the reduction of the benefit will be only 7% after a minimum of 40 years of contributions and the involuntary termination of the work contract.

Partial early retirement for salaried workers is possible on the condition that all requirements for ordinary retirement are met, except the age condition: the age of the worker must be less than 3 years lower than the ordinary retirement age for the regime in question.

The pension entitlement will be equal to 50% of the corresponding pension level, taking into account the number of years of contribution at the time of the application and will not, in any case, be lower than 50% of the minimum pension for a retired person at the age of 65. No reduction will be applied for anticipated retirement. On the other hand, partial early retirement is linked to the obligation for the employer to replace the part-time retired worker with a registered unemployed person for the same number of hours. It has to be mentioned that this so-called "relay" contract is not very much used by companies and workers (in 1997 only 197 such replacement contracts were registered by the public employment agencies); most workers and companies prefer to sign full-time early retirement contracts when the workers meet the retirement conditions.

The UGT and CC.OO. are working out fresh proposals for a new system which would make the formula for linking early retirement to the signing of new employment contracts more operational.

The new Agreement on the consolidation and the rationalisation of the system of social security, signed in October 1996 between the government and the two main trade union organisations, the CC.OO. and UGT, on the basis of the "Pact of Toledo", aims mainly to strengthen the public pension system and the contributory character of the system; the Agreement also foresees the progressive increase, from 1997 onwards, of the number of reference years (from 8 to 15) for the calculation of the pension base. This Agreement forms the basis of legislation introduced in 1997 to reinforce the contributory nature of the Spanish social security system.

(Situation March 1998)

The system applied in the Federal Republic of Germany does not have a replacement obligation, but premiums will be refunded only once replacement has taken place. The schemes with a replacement condition emphasise the sharing of available jobs between a larger number of people as a means of reducing unemployment. In the Netherlands, sectoral part-time early retirement schemes were introduced in the second half of the 1980s. In Belgium, part-time pre-retirement schemes date from the mid-nineties.

With the exception of the German system, in all the other countries under review, the part-time early retirement system exists in parallel with a full, early-retirement system. In Germany, the existing, full, early retirement schemes and their functional equivalents are gradually being replaced by the part-time early retirement scheme. In France the full early retirement scheme under the solidarity contracts was abolished in 1983 in order to promote the partial early retirement option, which is much easier on the public purse. In 1995 the ARPE system was introduced. In the United Kingdom, in 1986, the part-time Job Release Scheme was brought to a standstill while the full-time Job Release Scheme continued to function (see Table 2).

The Swedish partial pension scheme is financed by a pay-roll tax. Under the German scheme, the costs are also borne by the employer. However, in the event that the resulting vacant part-time jobs are filled by someone registered as unemployed, there is a full refund of the extra costs. The other national part-time early retirement schemes in Europe are state financed, though some are financed by the unemployment fund and thus mainly on the basis of social contributions by employers and workers (e.g. Belgium).

Contrary to most full early-retirement schemes, none of the national schemes give employees an automatic “right” to part-time early retirement: partial early retirement requires an agreement between the employee and the employer (or a collective agreement).

4. Effects and evaluation of early and phased retirement schemes

4.1. Evaluation of early exit routes

Unemployment, early retirement and disability are the principle causes of early exit from working life by workers aged 55 and over in Europe.

In 1990, 23% of inactive persons aged 55 to 64 in the European Community were out of work for reasons of illness or disability; another 54% went into early retirement for economic or other reasons; in addition, about 8% of the labour force in this age group were unemployed (OECD 1992: 206, 207). In Germany, for example, only 27% of all new male pensioners entered the pension system at the standard retirement age of 65 in 1993: 30% claimed a vocational disability or an invalidity pension; 18% claimed early retirement after having been long-term unemployed, and 17% made use of the “flexible retirement age” (63 years of age) for the long-term insured (Schmähl *et al.* 1996: 76). In the Netherlands, 47% of 55 to 59 years olds (and 32% of 60 to 64 years olds) who were not working were registered as long-term sick (OECD 1995: 38). Unemployment, early retirement and disability can thus be considered as communicating vessels (cf. also OECD, 1992: 205-232; OECD, 1995: 67). They have brought down the effective retirement age to well below the official retirement age, notably for men (see Table 1). As Table 4 shows, only about one third of the older workers are still in employment in the EU. This ratio decreased considerably during the 1980s and the early 1990s, and it is particularly low in Belgium, Italy, the Netherlands and France. Sweden is an exception to this rule. There, almost two thirds of older workers are still in employment, and, unlike in other countries, the employment rate of older women is hardly below that of older men (Delsen and Reday-Mulvey 1996; Casey 1996; Schumacher and Stiehr 1996; OECD 1994).

Table 4: Employment rates of 55 to 64 year olds in the EU member states

Country	Both sexes		Men	Women
	1983	1996	1996	1996
Austria		29.4	42.4	17.3
Belgium	29.0	21.8	32.2	12.0
Denmark	50.6	47.5	58.4	37.0
Finland	47.3	34.8	36.8	32.6
France	39.9	33.5	38.6	28.6
Germany	38.1	35.7 ¹	47.2 ¹	24.4 ¹
Greece	46.3	40.5 ¹	58.9 ¹	23.8 ¹
Ireland	43.5	40.3	58.7	21.8
Italy	34.1	27.3	42.1	13.8
Luxembourg	25.1	22.6	35.6	10.2
Netherlands	30.6	30.0	40.7	19.4
Portugal	49.1	46.2	58.6	35.5
Spain	41.3	33.0	49.9	17.8
Sweden	65.5	63.4	66.0	60.7
UK	47.5	47.7	57.0	38.8
European Union	40.7	35.1	46.4	24.4

¹ Data for 1995 instead of 1996

Source: OECD 1997: 166-195

The exchange of elderly employed persons for young unemployed persons, a primary objective of early retirement schemes in Europe, is not only an expensive method of preventing long-term (youth) unemployment but it is also an inefficient measure because it excludes the potential productive resources of older workers and results in the long-term unemployment of the latter. Flexible retirement schemes, such as part-time retirement, would be far preferable from both a social and an economic point of view (Schmid and Reissert 1996: 258).

4.2. Evaluation of gradual retirement

Naschold and De Vroom (1994: 441) conclude that in countries where gradual retirement options apply, e.g. Japan, Sweden and the USA, the labour force participation rates are higher than in countries like Germany and the Netherlands with a one-stage transition pattern.

According to Delsen (1996), so far only the Swedish partial pension system has proved a success. The partial pension scheme has stimulated part-time employment among older men in the eligible age group, and contributed to the humanisation of work in the sense of enabling individual workers to adapt the number of hours to their personal preferences. Unemployment, early retirement and disability are significant causes of early termination of an active career by older workers aged 55 and over; all three may be considered interdependent. In Sweden, part-time work for older workers has helped to avoid dismissals and reduce full, early-retirement and full disability benefit. It has also improved the health of older workers. The introduction of the partial pension reduced the total costs of early retirement and may contribute to the fight against unemployment by redistributing labour. Part-time employment has helped to reverse the downward trend in labour market participation rates for older workers. Also, changes in the level of compensation have had an impact on the take-up rate of partial pensions (Delsen 1990).

We may conclude from Swedish (best) practice that flexible and partial pensions combined with various income replacement rates can change the choice of the gainfully employed between early and late retirement and between larger and smaller work efforts. The abolition of financially attractive alternative options for full early retirement also significantly influenced the number of partial pensioners. The Swedish example also shows that actuarial reductions and increases in pension benefits need to be considerable in order to have an impact on the willingness of workers to continue working. The active labour market policy and the positive attitude of trade unions, employers and government towards part-time employment contributed to the success in Sweden. The Dutch example also shows that offering part-time employment possibilities will considerably reduce both the number of full-disability claimants and the number of workers taking up full early retirement.

Sweden offered a model for Denmark, Finland and the Netherlands, but the resulting initiatives were differentiated by contrasting patterns of support from the labour market actors. In these countries the right to income prevailed in public labour market policies. Early retirement and disability benefits have been used to reduce the unemployment rate. The labour market situation has also been a major factor in determining the success or failure of gradual retirement schemes. Another important condition for success is an adequate supply of part-time jobs, while the impact of part-time employment on pension entitlements is also of importance.

From the experiences of the four countries it can be concluded that essential conditions for the success of gradual retirement are: a social consensus on the advantages of part-time employment, good social security conditions linked to part-time employment and retirement and the absence of excessively generous benefit alternatives.

5. Conclusions

The working and retirement patterns of older people (55 and over) have undergone major changes in the course of the last few decades. Moreover, the recent pension legislation of most EU countries seems to be moving towards the flexible extension of working life. Evidence presented in this chapter suggests that the incentives supplied by public and corporate labour market policies have so far been unbalanced, have disguised unemployment (Walker 1998) and restricted employment opportunities for older workers.

A major challenge for labour market policy in the OECD member countries for the years to come is to increase employment and labour force participation rates or, more realistically, to devise new ways of redistributing employment at existing levels². Various unions and

² Although nearly all social groups agree that stronger economic growth would contribute most towards solving the unemployment problem, the prospects of a return to the conditions which prevailed before 1973 are poor. It may be argued that a general saturation, demographic developments and environmental problems may cause bottlenecks for economic growth. Important changes in the labour supply and in the sectoral distribution of employment are taking place away from the full-time, full-year concept. Also, advances in information technology make it imperative to re-examine the old concept of full employment (Delsen 1997).

academics argue in favour of collective working time reduction formulae as a means of preserving jobs. A redistribution of employment is indeed the maximum result to be achieved under acceptable and negotiated wage conditions. However, such a policy alone may not sufficiently contribute to avoiding early exit, reducing the exclusion of older workers and coping with the financial burden that lays ahead. The ageing of our societies also requires that older workers remain genuinely integrated in the labour markets. This necessitates the removal of the linear career model with its three successive stages and the establishment of an alternating pattern of work, training and leisure throughout the life cycle, the abolition of the age limits (on jobs) and the abandoning of fixed retirement in favour of flexible retirement. Age discriminatory measures against older workers must be eliminated, labour market programmes and labour market training for older workers could be extended, the rehabilitation of long-term sick and disabled workers should be promoted and part-time retirement or pre-retirement possibilities are to be developed if the employment rate of older workers is to be increased (Hutsebaut 1997).

Gradual retirement as a positive measure provides the material and financial conditions for older workers to remain within the labour force: it is an incentive to work part-time and moreover to work more years. The advantage of gradual retirement over other forms of transition from work to retirement often used in the past fifteen years (early retirement, unemployment and invalidity insurance) is that gradual retirement is built into retirement schemes (and thus more easily incorporated into overall employment policies) so that it can be considered as a “permanent” system. Flexible and partial pensioning can affect the choice made by the gainfully employed between early and late pensioning and/or between a larger and smaller work effort. Gradual retirement accompanied by adequate financial incentives is an important instrument in coping with the problem of ageing and in raising the effective retirement age, thereby helping to ease future financial constraints (Delsen and Reday-Mulvey 1996).

In principle, the changes that have been introduced recently in the retirement schemes in the various European countries should be advantageous for all parties: the pension shock is avoided; the viability

of the welfare state is guaranteed; employees have broader choices because of greater flexibilisation and individualisation of their working lives and solutions are found to the financial burden that lays ahead.

In practice however, the concrete results are still disappointing:

- participation rates of older workers are still low and decreasing;
- it still seems to be important to employers to be able to dismiss older workers (think of the steep age/wage profiles);
- employees still prefer early retirement. The pay-as-you-go financing of early retirement implies that they would be thieving from their own purse if not taking the first opportunity to retire;
- employees still consider part-time employment as second class;
- gradual retirement results in a decrease in pension entitlements in final pay schemes;
- the labour market situation – persistently high unemployment rates – is an important incentive to work redistribution and early retirement;
- there is a continuing lack of an adequate supply of part-time jobs by employers;
- social consensus – an essential condition for the success of any change in the retirement systems – is often lacking, and
- other generous benefit alternatives, i.e. exit options, are still available.

The early retirement culture is still deeply rooted in the EU countries. This is not only demonstrated by the low and decreasing participation rates of older workers throughout Europe. It is also illustrated by the fact that all recent policy changes refer only to early and phased retirement but not to deferred retirement.

A change in attitude is needed. Flexible retirement entails not only a decrease in the number of hours or years worked, but also an increase, i.e. not only early retirement, but also deferred retirement (cf. Council of Europe's recommendation). Flexible retirement must be seen in the context of the labour market challenge facing all European countries to increase labour force participation rates. Gradual retirement constitutes a flexible extension of working life, and should be promoted as such. The

European social partners can play an important role here by, for example, concluding a framework agreement on partial retirement for older workers which is similar to the agreement on part-time employment concluded on 6 June 1997 by the ETUC, UNICE and CEEP.

References

Casey, B. (1996) 'Exit options from the labour force' in Schmid, G., O'Reilly, J., and Schömann, K. (eds.) *International Handbook of Labour Market Policy and Evaluation*, Cheltenham: Edward, Elgar, pp. 379-401.

Council of Europe (1989) *Recommendation no. R(89)3 of the Committee of Ministers to Member States on the flexibility of retirement age*, adopted on 4 March 1989.

Council of Ministers of the EU (1995) *Resolution of the Council and of the representatives of the governments of the Member States, meeting with the Council of 29 June 1995 on the employment of older workers*, Official Journal No. C228, 02/09/1995 pp. 001-003.

Delsen, L. (1990) 'Part-time early retirement in Europe' in *The Geneva Papers on Risk and Insurance*, Vol. 15, No. 55, April, pp. 139-157.

Delsen, L. (1996) 'Gradual retirement: lessons from the Nordic countries and the Netherlands', *European journal of industrial relations*, Vol. 2, No. 1, March, pp. 55-67.

Delsen, L. (1997) 'A new concept of full employment', *Economic and Industrial Democracy*, February, Vol. 18, No. 1, pp. 119-135.

Delsen, L. and Reday-Mulvey, G. (eds.) (1996) *Gradual retirement in the OECD countries. Macro and Micro Issues and Policies*, Aldershot, Brookfield USA, Singapore, Sydney: Dartmouth Publishing Company.

Delsen, L., Reday-Mulvey, G. and Scarioni, A. (eds.) *La pensione flessibile. Politiche statali e strategie imprenditoriali*, Roma: Liocorno Editori Srl.

Holzmann, R. (1992) 'Economic aspects of pension reform in OECD countries', a paper presented at the 48th Congress of the International Institute of Public Finance on "Impact of demographic changes for the public finances", Seoul, 24-28 August.

Hutsebaut, M. (1997) *Pension systems facing up to change*, Brussels: European Trade Union Institute.

Kohli, M., Rein, M., Guillemard, A. and van Gunsteren, H. (eds.) (1991) *Time for retirement. Comparative studies of early exit from the labour force*, Cambridge: Cambridge University Press.

Naschold, F. and de Vroom, B. (eds.) (1994) *Regulating employment and welfare. Company and national policies of labour force participation at the end of worklife in industrial countries*, Berlin: Walter de Gruyter.

OECD (1992) *Employment Outlook 1992*, Paris: Organisation for Economic Cooperation and Development.

OECD (1994) *The OECD jobs study. Facts, analysis, strategies*, Paris: Organisation for Economic Cooperation and Development.

OECD (1995) 'The transition from work to retirement', OECD Social Policy Studies No. 16, Paris: Organisation for Economic Cooperation and Development.

OECD (1997) *Employment Outlook 1997*, Paris.

Schmähl, W. (ed.) (1989) *Redefining the process of retirement. An international perspective*. Berlin: Springer-Verlag.

Schmähl, W., George, R. and Oswald, C. (1996) 'Gradual retirement in Germany' in Delsen, L. and Reday-Mulvey, G. (eds.) (1996) *Gradual retirement in the OECD countries. Macro and micro issues and policies*, Dartmouth, Aldershot, Brookfield USA, Singapore, Sydney: Dartmouth Publishing Company, pp. 69-93.

Schmid, G. and Reissert, B. (1996) 'Unemployment compensation and labour market transitions' in Schmid, G., O'Reilly, J. and Schömann, K. (eds.) *International Handbook of labour market policy and evaluation*, Cheltenham: Edward Elgar, pp. 235-276.

Schumacher, J. and Stiehr, K. (eds.) (1996) *Retirement in the 1990s and beyond*, Frankfurt am Main: Institut für Soziale Infrastruktur.

Tamburi, G. (1993) 'Pensions and social security in the European Community: developments and critical issues', in *Elderly people in Japan and in the EC. Employment opportunities and future problems concerning social security*, EC/Japan Annual Tripartite Conference, Brussels, 20 October 1993.

Walker, A. (1998) in *When the work force ages*, Workshop Summary no. 2, March 1998 Work Life 2000, Arbetslivsinstitutet, Solna (Sweden), p. 2.

List of contributors

Jean-Yves Boulin, Researcher in Sociology, Centre national de la recherche scientifique (CNRS), Institut de recherche interdisciplinaire en socio-économie (IRIS), Université Paris-Dauphine, Paris.

Lei Delsen, Assistant Professor, Department of Applied Economics, University of Nijmegen, the Netherlands.

Colette Fagan, Lecturer in Sociology, University of Liverpool, UK.

Reiner Hoffmann, Director, European Trade Union Institute (ETUI), Brussels.

Martin Hutsebaut, Administrative Manager, European Trade Union Institute (ETUI), Brussels.

Dolores Liceras, Employment Secretary, CC.OO., Spain.

Jouko Nätti, Senior Research Fellow, Finnish Academy, University of Jyväskylä, Finland.

Cateline Passchier, Legal Adviser, FNV, the Netherlands.

Bernd Reissert, Professor of Political Science, Berlin Polytechnic University (FHTW), Germany.

Herman Schmid, Associate Professor of Sociology, Roskilde University, Denmark; Member of European Parliament (since 1999).

Tom Schuller, Director of the Centre for Continuing Education, University of Edinburgh, UK.

Ieke van den Burg, Member of European Parliament (since 1999), formerly member of the FNV Executive Committee and President of the Social Affairs section of the Economic and Social Committee of the European Union.