



**JILPT REPORT**

No. 7  
**2009**

# **Working Time —In Search of New Research Territories beyond Flexibility Debates—**

– 2009 JILPT Workshop on Working Time –



**The Japan Institute for Labour Policy and Training**

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**The Japan Institute for Labour Policy and Training**

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**Published by The Japan Institute for Labour Policy and Training 2009**  
**8-23, Kamishakujii 4-chome, Nerima-ku, Tokyo, 177-8502 Japan**  
**Telephone: 81-3-5903-6326 Facsimile: 81-3-3594-1113**  
**Printed in Japan**

## Foreword

The Japan Institute for Labour Policy and Training (JILPT) held the International Seminar on Working Time from January 21<sup>st</sup> to 23<sup>rd</sup>, 2009 in Tokyo. We planned a two-day seminar with a preliminary meeting, a closed workshop with mostly academic participants, and an open forum in order to learn from the experiences of each participating country. The detailed theme of the seminar was “Working Time—In Search of New Research Territories beyond Flexibility Debates.” JILPT took up broader issues beyond flexible working hours, for example: work-life balance, gender gap, growing atypical employment, and long and excessive working time. The seminar brought together international scholars from France, Germany, Sweden, the United Kingdom, and the United States, as well as from Japan to conduct cross-national discussion and comparative analyses on the above theme.

In Japan, working time has entered the spotlight as an aspect of “work-sharing” since the beginning of 2009. In January, trade unions and employers’ federations agreed to discuss work-sharing because of the effect of the global financial crisis after October 2008. The working time issue is also related with some of JILPT’s research projects, such as “Research and Study of the Development of Social Systems and Employment Environments for Work-Life Balance.” Our research projects have been set for a five-year term from April 2007; JILPT are carrying out them substantially.

We believe the seminar was a great success, with much thought-provoking discussion and insight into the similarities and differences of the working time issues of each country from a comparative aspect.

This report is a compilation of the papers presented to the workshop. The substance of these papers and the result of the discussion will be published in the final reports of our research projects. We very much hope that these reports will provide useful and up-to-date information and also benefit those who are interested in comparative study of the issue.

Lastly, we would like to express our sincere gratitude to the foreign guests at the workshop, who submitted excellent national papers. We are especially grateful to Professor Hiromasa Suzuki of Waseda University, and Professor François Michon, Research Director at CNRS, for their efforts to coordinate and to implement the seminar successfully.

June 2009

Takeshi Inagami  
President

The Japan Institute for Labour Policy and Training

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# Introduction

**Hiromasa Suzuki**  
Waseda University

## The Theme and Its Background

2009 JILPT International Seminar on Working Time was held in Tokyo, January 21<sup>st</sup> –23<sup>rd</sup> (Preliminary Meeting on 21<sup>st</sup>, Closed Workshop on 22<sup>nd</sup>, and Open Forum for the public on 23<sup>rd</sup>), 2009, with participants from the U.S., the U.K., Germany, France, Sweden, and Japan. Under the theme of “In Search of New Research Territories beyond Flexibility Debates” the seminar was designed to explore the current situation of Working Time with special emphasis on its expansion into new areas. As coordinator of the seminar, I sent the following memo to the participants to explain the theme and its background.

*The JILPT (Japan Institute for Labour Policy and Training which is a research institute attached to the Ministry of Health, Labour and Welfare) is planning an international workshop on working time to be held in Tokyo, on 21st – 23rd of January, 2009. The main purpose of the workshop is to take stock of recent developments in the field of working time in selected industrialized countries (France, Germany, Sweden, USA, UK and Japan) and to stimulate research activities in Japan. Invited participants are expected to present recent developments in their own country concerning working time issues (current situation, researches and debates) and discuss these with Japanese participants (mostly academics). We are hoping that the discussions and exchange of views during the workshop will give an effective message to Japanese participants to revitalize research activities and public debates on working time issues.*

*In Japan, as in many other industrialized countries, public concern and research activities on working time issues have waned a great deal since the 1990s. This is in stark contrast to previous decades when reduction of working time was hotly debated, which led to a major amendment to the Labour Standards Law in 1987 that stipulated 40 hours a week as the legal limit. The deterioration of economic conditions after the burst of the bubble and long series of recessions explain the shift of focus in public debates; discourse on the flexibility in working time and labour markets got the upper hand on that of improvement of working conditions. Employers’ circles were vocal in demanding flexibility on the ground that jobs today were mostly individualized, which made collective regulation of working time out of date.*

*Along with this change of focus in the broad picture, two other related issues have attracted public attention in recent years. Firstly, growth of atypical employment, especially part-time work, has become the subject of debate and research. The issue of part-time work in Japan has been approached from different angles ranging from gender inequality to work-life balance.*

*Secondly, long and excessive working time has become a major concern. Regular employees of certain age groups work very long hours (one out of five employees aged 30-40 years old work on average more than 60 hours a week). This is probably due to the fact that most Japanese firms restricted recruitment of new graduates during the 1990s, so that young*

*employees with responsibilities tend to be over-worked. The question of excessive long hours is analyzed from various points of views such as health of workers, work-life balance, and human resource management.*

*Since working time issues are at the intersection of employment status and family life, they relate necessarily to other important social issues, for instance: conditions of work, industrial relations, gender gaps, work-life balance, health, social norms, international standards, etc. It is with such a state of debate and concerns in mind that we are hoping to take stock of national experiences, so as to find new avenues for research activities and revive debates on working time in Japan.*

## **Concluding Remarks**

The national papers presented at the Workshop on the 22<sup>nd</sup> are contained in the following pages. These papers are of excellent quality written by well-known researchers, and are all very informative. Readers will find it interesting to see various developments of working time issues in each country.

Before bringing the readers to the national papers, I would like to make four short points regarding working time issues on the basis of the discussions during the Workshop.

Firstly, the situation of working time varies widely among the six countries represented: working time generally is lengthy in US, Japan and, to a lesser degree, in UK, while it is relatively short in France, Sweden and Germany. Beyond this diversity, the keyword of the discussion was the flexibility of working time. In the countries where working time is long, flexibility results from employer's choice. In the three continental European countries, worker's preference tends to lead to individual flexibility of working time. It is important to clarify for whom flexibility is adopted, i.e. employer's choice or worker's choice.

Secondly, a policy of reduction of working time is often delicate and difficult to implement in practice, different social groups (managers, low-paid workers, women) having conflicting advantages (and disadvantages) to shorter hours of work.

Thirdly, national experiences show that the issue of working time is closely related with other major social and economic factors. This implies that each country should develop its own policy for working time, taking into consideration the national context (industrial relations, welfare policies or demographic factors) and business cycles.

Finally, the impact of the current global economic crisis was also discussed: Participants were of the opinion that a clear conceptual separation should be made between emergency measures (temporary worksharing schemes) and longer term policies designed for better work-life balance.

I believe this book provides invaluable information for those interested in working time issues.

# From “Working Less for More Jobs” to “Working More for More Money” – Recent Development and Issues on Working Time in France

François Michon<sup>1</sup>

CNRS – Université de Paris 1 and IRES-France

## 1. Introduction

In the first years of the François Mitterrand presidency, in the beginning of the eighties, the French government decided to reduce the workweek from 40 hours to 39 hours and the retirement age from 65 to 60 years old. It was the two main axes of a new employment policy, a work sharing policy: to reduce working hours and working life to share employment and reduce unemployment; *working less for more jobs*. By the end of the 1990s, the 35 hours workweek continued this policy.

Today, after twenty years of efforts to reduce working hours and working life, French public policies intend to increase workweek and employment rates for older people and to develop their flexibilities. *Working more for more money*, as President Nicolas Sarkozy said. This is exactly the opposite of the previous policy.

As usual in France, all these employment policies imply changes in the Work Law. So after the first point that describes the main French societal choices for working time and working life, changes in the regulatory framework will be described. These changes intended to encourage collective bargaining to take a better place within the regulatory framework and to favour job creation and the economic activity. These issues were long debated and contested. This will be the last point of this paper.

Because working time is an important aspect of French employment policies and is a highly controversial and conflictual topic within social and political debates, it will be impossible to give an acceptable view of all regulations, policy schemes and debates within a short paper. Choices had to be made. So this paper begins in 1998 with the 35 hours work week and focuses on one main issue, working hours, and two of its correlates, non-standard employment relationships (temporary contracts, part time contracts) and older workers. Obviously, in each case, flexibility will be an important issue to be taken into account. Nevertheless these choices imply that issues like the life course working time, work life balance policies, variable working hours... will be indirectly and partly explored only, even if part time or older workers issues are important pieces of these policies. Clearly, the reason is that in France working time flexibility appears to be mainly involuntary, satisfying changing work load of the firms, rather than to be an implementation of work-life balance issues.

## 2. The French societal choices for working times and working life

### 2.1. Today, a few issues are specifying the working time situation in France.

Husson (2008) emphasizes that over 15 years, the macro economic evidence is that, in

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France, all the employment increase is the result of working time reduction. In Germany also, working time reduction is balancing the lack of economic growth in such a way that the slow growth did not generate any employment decrease. In the past decade, this evidence constitutes the core of what is commonly labelled as the Continental Type (European Commission, 2007): working time reduction was a major piece of the labour market equilibrium.

In other respects, French public debates often reduce flexibility issues to the employment security; to the protection that is offered by the labour contract. Flexibility means temporary contracts much more than working time flexibility. It may be some kind of singularity of French debates, in comparison to what is discussed in some other European countries, even in the Continental type countries. Moreover, for the European Employment Strategy (EES), for the Scandinavian or British Types, even for German debates, part time is considered as a central piece of the voluntary working time flexibility and of life course policies. It is not in France. For the public debate, the evidence is so great that it is generally considered in France that the French labour market is highly dualistic, according to the job stability, the nature of labour contracts and the working hours: permanent full time contracts on one side, temporary contracts and part time contracts on the other.

For many issues and even if the picture is changing today, French labour markets and employment policies reveal how much the French case has its own rationality. This can be reduced neither to the evidence that the French State is an important actor of the regulatory framework design as it has been systematically asserted by international institutions, and criticised as an obstacle to economic and social efficiency; nor to the 35 hours workweek experiment that often astonished foreign observers. It is mainly because the societal choices are really different from what happened in many other European countries.

In comparison to many other industrialised countries, the main empirical evidence can be summarized as follows:

- French working hours have low levels; adult full timers do not have long workweeks or work years.
- Males have relatively short hours, but females have longer hours than in many other countries.
- Working life is short: older people have low employment rates, young people have a lot of difficulties for their entry into working life; they have to experience a transitional period with succession of temporary jobs.
- Rhythms of work are highly intensive. The hourly productivity is high.

The French debate has always emphasised the danger to have shorter ordinary workweek and working life than the main economic partners of France. The comparative evidence is not so clear.

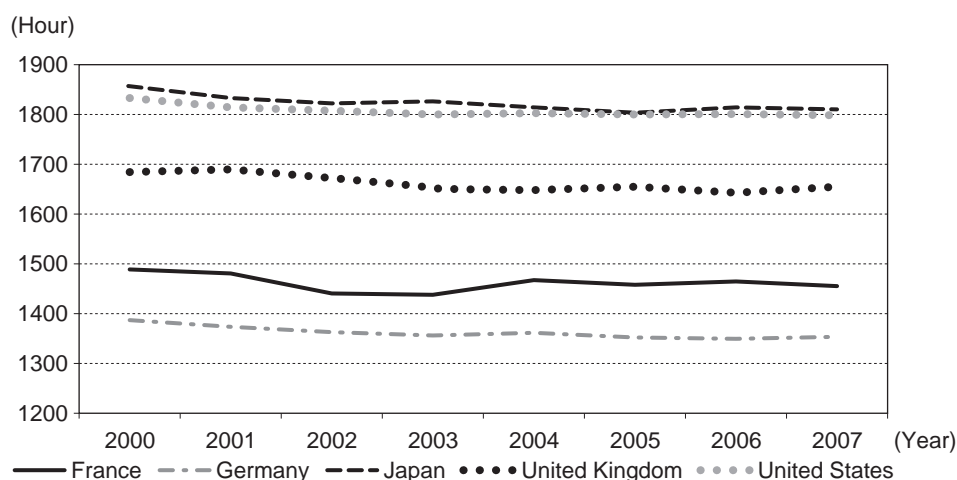
## 2.2. Working hours

a) The annual working hours in France for dependant employed are on lower levels than in many countries, but are not exceptionally low. German levels are under the French ones.

b) The average number of usual weekly working hours for full timers only is above 40 hours per week, despite the 35 hours workweek regulation. Taken into account i) that part time is less diffused in France than in Nordic European countries, even if French part timers have longer weekly hours than in many other countries, and ii) that for full timers, annual vacations are longer in France, the common work week is not so short as it is commonly said. Taking into account all these contradictory points, it appears clear that the short annual working hours in France are resulting from a societal choice that reduces work year of full timers,

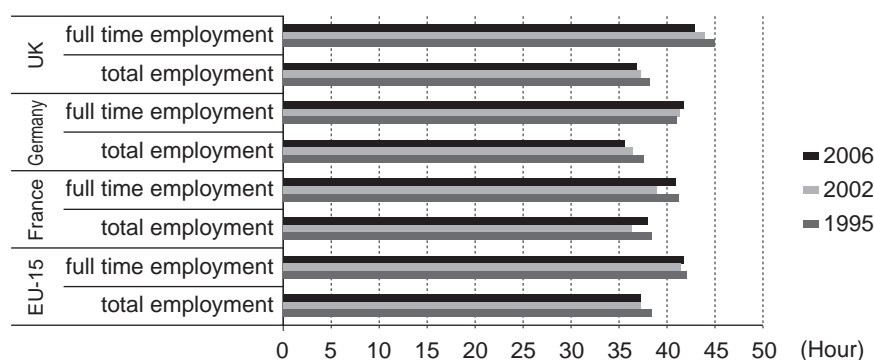
- by increasing vacations better than reducing the effective ordinary workweek, and
- by reducing full timers' working hours rather than by increasing part time arrangements as it is observed in Nordic European countries.

Figure 1. Annual working hours, dependent employment



Source: OECD, 2008, <http://stats.oecd.org/WBOS/Index.aspx>.

Figure 2. Average number of usual weekly hours of work in the main job (All persons)

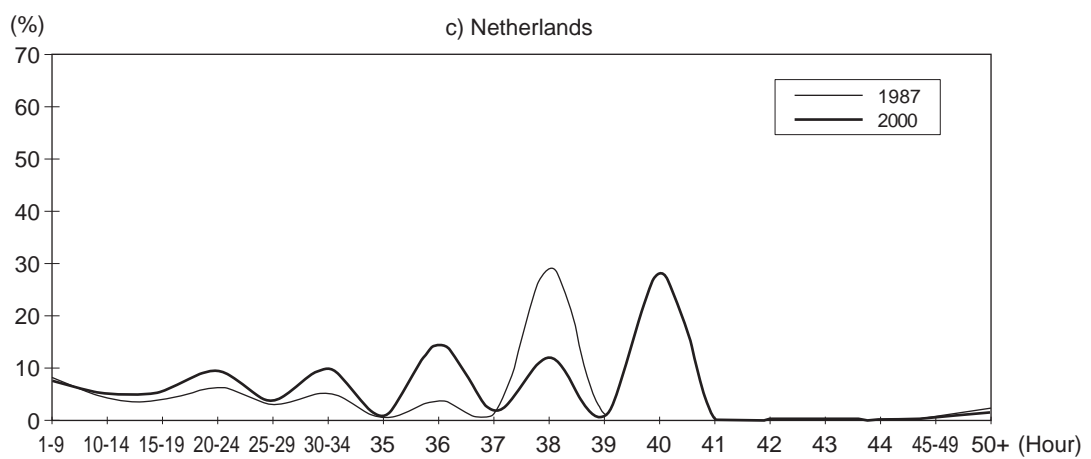
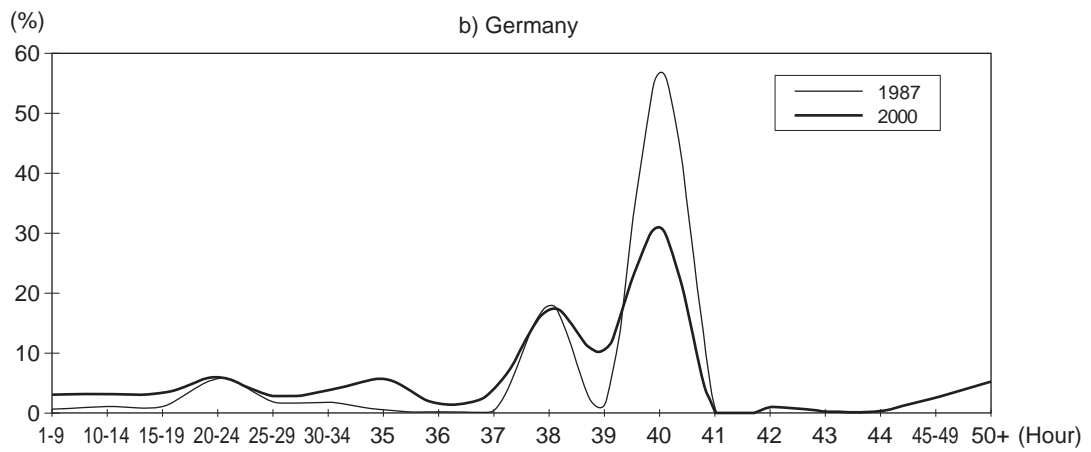
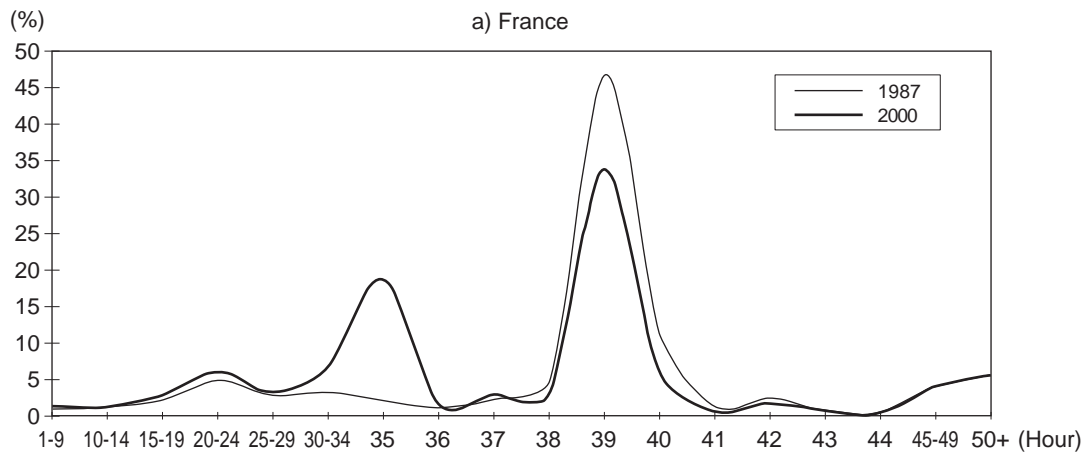


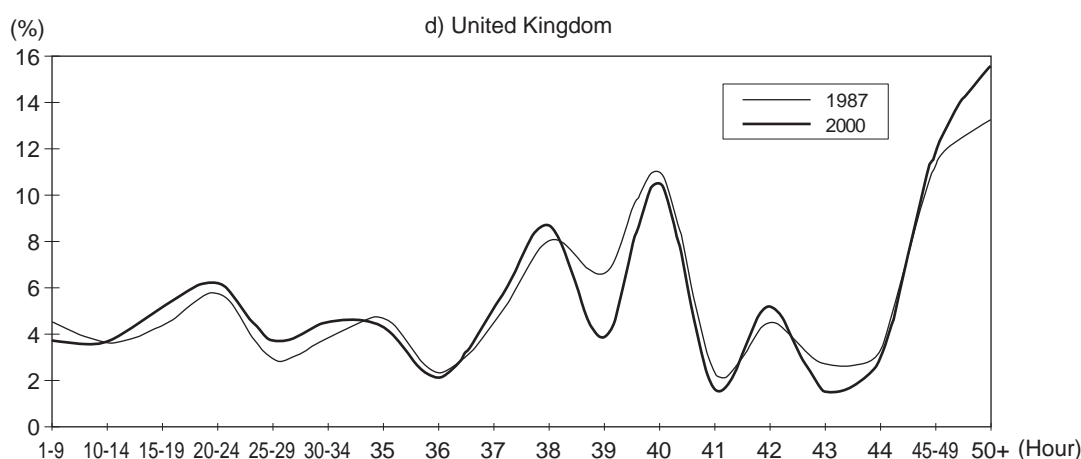
Source: Eurostat (European Commission, 2007).

c) It is also observed that in France, working hours are highly concentrated around two reference points: first, around the standard full time workweek (39 hours on the Figure 3 below, before the complete implementation of the 35 hours workweek); second, just under the maximum limit of the part time workweek (30 hours). In France, full time workweek is short; part time workweek is long.

It means that long workweeks are less frequent than in many other countries but also that short workweeks (and part time work) are less frequent than elsewhere. It also refers to the high impact of standards. In France all the activity is highly concentrated around social standards: 35 hours work week, long part time just near 30 hours, and (as it has been said just above) working life highly concentrated during the adult period.

Figure 3. Distribution of workweek hours (all people)





Source: reproduced from Lee [2004].

### 2.3. Temporary and part time contracts

Temporary and/or part time employment are increasing in France. And each is highly concentrated within some jobs and some workforce groups.

There are a lot of temporary contracts that are regulated by law. TAW (temporary agency work) is just one of these contracts. It is not the most important. Table 1 includes four kinds of temporary contracts that have a legal status.

Table 1. Share of standard and non standard contracts in the total work force

	(%)		
	2003	2004	2005
Independents	11.3	10.8	10.9
Employees	88.7	89.2	89.1
TAWs	1.9	2.0	2.2
Apprenticeships	1.2	1.2	1.3
Fixed term contracts	6.5	6.8	6.9
Training period and subsidized contracts	2.1	1.8	1.7
Open-ended contracts	77.0	77.4	76.9
<i>Total Labour Force</i>	<i>100.00</i>	<i>100.00</i>	<i>100.00</i>

Note: dependent and independent  
 Source: INSEE. Enquêtes sur l'Emploi.

In France every temporary status has its own use: temporary agency work for young males, unskilled blue collars in a few number of activities (car industry, construction, food industry for example); fixed term contracts are more feminine, more used in the non manufacturing sectors. Training period and subsidized contracts are conceived as temporary contracts to facilitate the first entry in employment for young people.

Part time is not so highly diffused in France as it may be in some other countries, especially in the Northern Europe where part time appears a crucial piece of the life course policies.

Table 2. Part time employment - 2007

	(% of total employment)	
	Dependent employment	Total employment
Japan	n.a.	18.7
USA	n.a.	12.5
Netherlands	35.9	54.7
UK	23.2	23.2
Germany	22.6	22.2
EU-15	18.7	18.1
France	14.1	13.4

Note: less than 30 hours per week – n.a. non available.  
Source: OECD.

Part time is mainly for employed women. In the EU-15, Eurostat evaluates part-timers in 2006 as 8.1% for males, 36.7% for women (% of total employment). This is highly variable from one country member to another. For France: 5.8 and 30.2. For Italia: 4.7 and 26.5. For Netherlands: 23 and 74.7<sup>2</sup>. Formally, part-time is defined by Eurostat as people working no more than 30 hours per week and this definition is compulsory to country members. In France, it is more often perceived as another non standard and insecure arrangement, even if this contract is not at all precarious per se, according to the evidence that part time is mainly involuntary and implies long hours (the common part time contract is a 4/5 workweek hours (that is free Wednesday, when school is closed), just under the threshold of 30 hours work week). It is also observed that its working hours can be highly variable from one period to another; part time is the first to suffer from redundancies.

The working time reduction for the core workforce (shorter standard workweek, longer annual vacation for male adults with standard contracts) proceeds together with some other kind of changes for peripheral workforces: longer period without work, between temporary contracts for example, mainly for young people, part time arrangement for women (but clearly less than in some other European countries). But it has to be observed that part time is not so well developed as in some other European countries. Everything is as if France should prefer to reduce working time of full time insiders, mainly with more vacation, better than to develop part time arrangements based on reduced workweek. The compensation could be a higher insecurity (as a result of the development of non standard employment arrangement) for some work force groups (younger's for example, according to the fact that temporary work is highly present among young workforce).

#### 2.4. Working life: retirement age and employment rates

The effective retirement age is in France one of the lowest in Europe: 58.7 years old in average, far behind Sweden or UK.

The Lisbon European Council of 2000 relaunched the European Strategy for Employment. It was decided that overall employment rate should rise to 70% “preferably by 2010”. The Stockholm European Council of 2001 decided another target for older people, an employment rate of 50% by 2010. According to Eurostat, France was far from these targets in 2007: the overall employment rate was only 64.6 % (Table 3).

The evidence is that these low overall employment rates are the result of low rates for young and old people, lower than those in UK, Germany, and even than EU-15 as a whole (Figure 4).

In other words, the working life is shorter in France than in many other EU member states. This is another French way to reduce work contribution of people, adjust employment

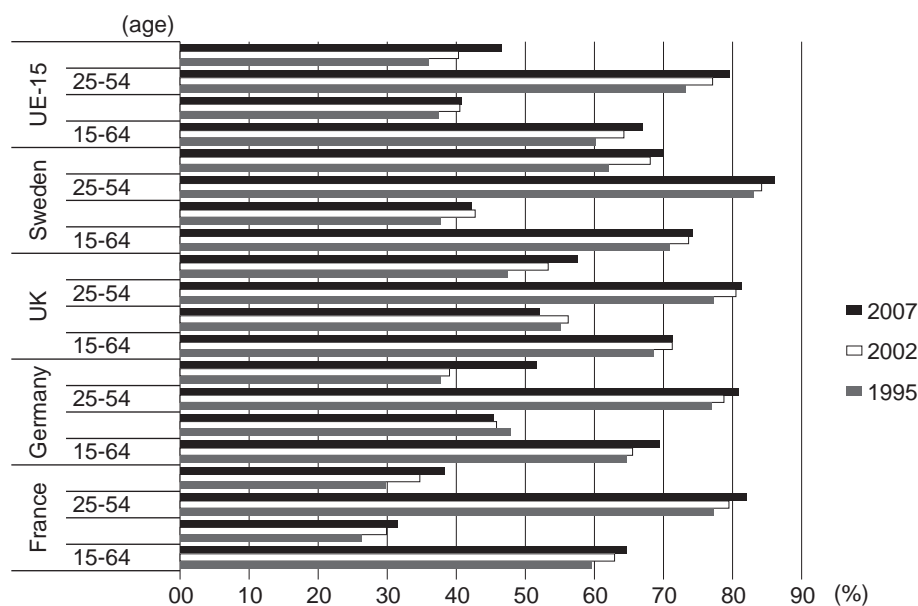
<sup>2</sup> Source: European Commission (2007), “*Employment in Europe 2007*”, Luxembourg, Office for Official Publications of the European Communities, 324 p.

Table 3. Overall employment rates in France and in EU

	(% of total population 15-64 years of age)		
	1995	2002	2007
France	59.5	63.0	64.6
Germany	64.6	65.4	69.4
UK	68.5	71.3	71.3
Sweden	70.9	73.6	74.2
EU-15	60.1	64.2	66.9

Source : Eurostat, Labour Force Surveys.

Figure 4. Employment rates (% of population of each age)



Source: Eurostat, Labour Force Surveys.

to needs. The entry into the labour market is difficult for young people and implies more and more a long period for insertion, characterized by a long sequence of employment (with temporary contracts) and unemployment periods. And despite the general claim of authorities about the necessity for older people to work longer, as soon as firms have to reduce their staffs, the first way to do that is to propose retirement and early retirement for old people. This is always one of the main tools for the first urgency; even today, the deepness of the crisis cannot be satisfied with this only.

As a consequence, the seniority within-the-firm indicators clearly show that not only effective retirement age are younger in France than in many other countries, but that older people do not have a very long presence within the same firm. Comparison to Germany is significant, according to the Casey's evaluation (Casey [1997]): French adults appear to stay a longer time within the same employer than German adults; French younger or older people stay a shorter time.

## 2.5. The counterparts: rhythms, workload, intensity

It is rarely emphasized how this situation of short working time and short working life could be maintained, facing an intense international competition, when competitors do not support such hard constraints. The answer is obvious.

- In France, productivity per people became very low, but productivity per hour or per product unit remained very high, even if the increase is not so fast now as it was in the

Table 4: Proportion of each age group staying with the same employer at least five years (%)

	France	Germany	Netherlands	Japan
20-24	43	46	47	69
25-29	54	39	23	72
30-34	49	39	29	65
35-39	56	62	33	69
40-44	51	43	35	70
45-49	60	51	35	66
50-54	42	65		65
55-59	25	33		36
Actual retirement age	59.9	60.8	60.8	64.8
Full state pension age	60	65	65	65

Source: partial reproduction from CASEY [1997].

1960s, 1970s and even 1980s. A major argument used by the supporters of working time reduction is its influences on firm organisation, highly favourable to productivity increases. Montaut (2008) evaluates that the hourly cost of dependant work has more than doubled between 1975 and 2004 (+ 1.7% each year), because of wage growth, working hours reduction, higher skills, more expensive social contributions of firms. He observes that all this is fully compensated by hourly productivity gain (+ 2.1% per year). So the cost of each product unit decreased. Fayolle [2008] discusses what he named the ambivalence of the French performances for productivity: low productivity per head, high hourly productivity. The evidence is that the French industry has one of the highest hourly productivity. But this could be the result that less efficient people are excluded from work. Exclusion of young or old people, short working time for male (but longer for women than in other countries).

- Any way, it means more intense rhythms of work. The empirical evidence is clear and well known, generally used to describe change in working conditions, less frequently correlated to working time reductions. Work rhythms that are judged too intensive by workers, work that are depending on delays judged too short by workers, are increasing everywhere in Europe. Employees appear to loose their autonomy in their work rhythms and their work methods (OECD, 2003). In France, between 1994 and 2003, repetitive work or work that is directly controlled by hierarchy became less frequent. But organisational constraints that workers are suffering are increasing: work rhythms more frequently imposed by consumer demand, more dependent on those of colleagues, more frequently controlled by computers; tasks more frequently interrupted by some unexpected things; feelings of more urgency than before... (DARES, 2004).

### 3. The implementation of the French working time policies: the regulatory framework and its recent changes

In the first years of the François Mitterrand presidency, in the beginning of the eighties, the French government decided to reduce the workweek from 40 hours to 39 hours and the retirement age from 65 to 60 years. It was the two main axes of a new employment policy, a work sharing policy.

Today, after twenty years of efforts to reduce working hours and working life, French public policies intend to increase workweek and employment rates for older people and to develop their flexibilities. These new policies maintain the two regulatory references that are the 35 hours workweek and the 60 years old retirement age but relax constraints of the regulatory framework, to allow firms and individuals to have “more work to make more money” as the French President Nicolas Sarkozy claimed.

Standard being decided by law, they are very influential. Nevertheless the French situation is more and more characterized by a voluntarism that gives more and more possibilities to collective bargaining within the firm to enlarge effectively applied regulation from the general standard. Working time issues are one of the areas where decentralised collective bargaining is more and more influential, especially to flexibilize the regulatory legal framework.

### **3.1. The 35 hours workweek**

The statutory 35 hours workweek was introduced in 1998 and 2000 (with the two Aubry's laws<sup>3</sup>) and has been modified since then (the January 2003 law, called "*loi Fillon*", the March 2005 law about "*the working time organisation within the firm*"). Nevertheless, it continued to be the reference of the working time regulatory framework. The recent August 2008 law "*for the social democracy renovation and working time reform*" rebuilt some elements of the architecture of the regulatory framework.

#### *The architecture of working hours*

The French statutory workweek is only a threshold from which overtime is beginning. Overtime can be included in the usual working hours if decided by the employer. It has to stay under limitations of maximum working time (10 hours a day, 48 hours per week). The maximum annual amount of overtime is decided by law or by collective agreement, the maximum legal overtime being able to be transgressed if decided by collective bargaining, and with some limitations. Overtime gives to employees some enhanced rate of pay and/or some compensatory time-off. The increased rate and the compensatory time off are decided by law or by collective agreement. Within these statutory limitations, this is the employer that decides the effective workweek (in other words, the employer decides the overtime), he has only to inform the employee representatives. Any firm is free to vary its collective schedules and calendars according to its needs.

This overtime architecture was not really new<sup>4</sup>. It can be said that the new architectural points that were proposed by the Aubry's laws were i) to extend the possibility to exchange the enhance rate of pay with some compensatory time-off ii) to increase possibility to flexibilize collective hours over the years (the "*annualisation*" of "*modulation*" schemes) and iii) to give an increasing part to the collective bargaining, more and more authorised to change the legal prescriptions. But these points, even this last one, were the continuation of changes introduced before, in the 1980s and 1990s.

#### *The statutory 35 hours workweek*

In 1998, the first Aubry's law decided the objective of 35 hours, with a delay for implementation no later than 1<sup>st</sup> February 2000 for the firm employing 20 people or more, no later than 1<sup>st</sup> January 2002 for the very small firms (less than 20 employees). This law proposed a program of financial support to firms to experiment some negotiated workweek reduction that could create new jobs or save the employment levels. The second Aubry's law (2000) largely reproduced contents of collective agreements that tried to implement the 35 hours workweek, to propose a general regulatory framework. The Aubry's laws decided a maximum overtime amount of 130 hours per year<sup>5</sup>.

<sup>3</sup> See <http://www.eiro.eurofound.ie/1998/06/feature/fr9806113f.html> for the 1998 law, and <http://www.eiro.eurofound.ie/2000/01/feature/fr0001137f.html> for the 2000 law.

<sup>4</sup> The main axis of this overtime system was introduced after the 2<sup>nd</sup> World War to maintain the 40 hours workweek introduced themselves in 1936 by the "*Front Populaire*" government and at the same time, to favour long hours to satisfy the need of the post war economy. In this way, one can say that the workweek flexibility has existed in France for a long time.

<sup>5</sup> Some sectors derogates the statutory framework. In these sectors, a workweek longer than 35 hours may be considered by law as an equivalence of the 35 hours (Hotel Restaurant and Café sector, Road Transport sector). These specific regulations have to be decided by a Ministerial Decree.



With the working hours reduction, collective bargaining can introduce some additional flexibility of working time. Flexible collective systems (“modulation” or “annualization”) have the purpose to facilitate variations of collective workweek within the year and in some sense render the threshold of overtime ineffective. They substitute the 35 hours standard by its yearly equivalent of 1,600 hours. Individual collective systems are also regulated by law and introduced by collective bargaining.

The first law made more difficult the recourse to overtime working. In companies with more than 10 employees, overtime of more than 41 hours within an annual 130-hour quota must be compensated with time off of 50% of the time worked. It offered to collective hours the possibility to calculate the number of hours worked over a one-year period (annualised hours, the 35 hours standard being substituted by its yearly equivalent of 1,600 hours) and to express the reduction of working time as days off<sup>6</sup>. It offered to individual hours the calculation over a period longer than one year, days off being accumulated as holidays and carried over for a period of several years with « time saving accounts ».

The second Aubry’s law proposed the overtime compensation:

- A 25% premium on the hourly rate from the 36th to the 39th workweek hour, paid as time off if no firm agreement for working time reduction exists, paid either in the form of wages, or in time off when there is such an agreement;
- A 25% premium or time off or a combination of the two from the 40th hour to the 43rd;
- And a 50% compensation from the 43rd hour included.

A transitional compensation was introduced for 1 year, and a longer transitional period for firms with fewer than 20 employees, which is until January 2002.

Finally the masterpiece of the Aubry’s Acts was all the incentives that were distributed to firms to encourage them to reduce working hours. The first 1998 Act decided some reduction of social contribution to favour experimentation of new working time organisation that could create new jobs and increase employment levels (first modality) or avoid job cuts and maintain employment levels (second modality added a little time after the first one).

#### ***Notable further developments in recent years – What remains of the 35 hours workweek ?***

The 35 hours workweek has been highly debated, as soon as the Government informed of its intent (see below for a brief summary of this issue). Taking into account a hard opposition, frequent changes of the original framework were introduced since then.

a) As soon as 2001, the Jospin government postponed the deadline of the 35 hours implementation for the very small firms (under 20 people) until 2004.

b) After the 2003 change in the political majority, new Governments introduced successive modifications of the regulatory framework: January 2003, December 2004, and March 2005. All these changes increased the amount of authorized overtime, and possibilities for working time flexibilities.

The 2003 Fillon’s law increased yearly overtime to 180 hours, extended the transitional period for the 35 hours implementation to the end of 2003, and practically suspended its implementation in very small firms. In December 2004, a new Bill increased the yearly overtime quota to 220 hours.

The March 2005 Act gives to the collective negotiation the possibility to increase flexibility of working hours :

- The working time accounts can get supplies for non spent overtime or paid vacations that can be transformed in money.

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<sup>6</sup> This explains i) why it has been analysed that professional and managerial staffs were the “great winners” of the 35 hours workweek. Their unions succeeded to exchange all the working hours reduction against their equivalent calculated as days off: the well-known “*jours de RTT*”, working time reduction days. ii) why 35 hours work week is narrowly linked to flexibilization within the year: the days offs became an important way to flexibilize workweek.

- Agreements for time choices system can decide to overpass the yearly overtime quota.
- Again, the deadline for the 35 hours implementation in the very small firms is postponed.

c) The August 2007 Act (called TEPA Act, "*en faveur du Travail, de l'Emploi et du Pouvoir d'achat*"<sup>7</sup>) and the last August 2008 Act ("*pour la rénovation de la démocratie sociale et la réforme du temps de travail*")<sup>8</sup> are a real reformulation of the working time regulatory framework.

- The main change (in any case the more contested) is that the 2008 Act increases possibilities for collective agreement to overpass the annual overtime quota. Conditions that were restricting these possibilities are suppressed.
- For the working hours organization, the 2008 Act gives the predominance to the firm level. Contents of the firm agreement are applied to whatever could be decided by a possible sectoral agreement.
- The working hour annualization can be introduced without any agreement, under the condition to organize working hours in periods no longer than 4 weeks.
- The regulations for the overtime compensation and for the working hours organization are simplified. In case of collective agreement (firm level or sector level), the overtime premium must be 10% or more. In the absence of any agreement, 25% for the 8 first hours, 50% for the others.
- The 2007 Act reduced the cost of overtime with some exemptions of social security contribution for employees as well as for employers (this is new), and in case of overtime hours or days off renouncement. It is also applied to part timers in case of renouncement of complementary hours.<sup>9</sup>

All these new schemes act to favour overtime. The evaluation of their influences on working time is the main issue that has been debated for these few years (see below).

### 3.2. The retirement and pension schemes

Reduced in the beginning of the 1980s from 65 to 60 years old, the retirement age did not change since then. But exactly as the legal workweek is a threshold for the beginning of the overtime compensation, the 60 years old retirement is only the age that gives to people the right to receive a full retirement pension. As it was said in 1993, "attainment of the retirement age had no particular effect on the contract of employment (although occasioning the termination of employment in the special case of established civil servants): if employees decided to terminate their employment, they resigned, and if retirement originated from a decision by the employer, it constituted dismissal. Since a law of 1987, this latter case has been subject to special rules" (Lyon-Caen, 1993).

Anyway, early retirement schemes also have to be taken into consideration. The first ones were introduced in France in the middle of the 1970, just after the oil shock. Without any ambiguity, they have been always considered by everybody (employers, public authorities, people themselves who welcomed this possibility to achieve their working life early and with good financial conditions, instead of staying unemployed for a long time) as a central way to reduce employment and unemployment, by reducing the labour force and transferring people out of the labour force. It has been evaluated that in the beginning of the 1980s when the retirement age was reduced from 65 to 60 years old, 60 % of the people of this age were early retired already (Gauvin and Michon, 1989).

In 2002, the new government decided to change the pension schemes. With the ageing of people and the arrival at the retirement age of the baby boomers, pension funds are judged to

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<sup>7</sup> "in favour of work, employment and purchasing power"

<sup>8</sup> "for an updating of the social democracy and the working time reform"

<sup>9</sup> Hours above the regular schedule of part timers, but under the 35 hours.

be too poor to cover these hard increases of expenses for retirement pensions. The Aout 2003 Act decided to prolong a previous 1993 change for employees of the private sector. The insurance duration required to have a full rate pension will be progressively extended from 40 years today to 42 years before 2020. And from now pension will be evaluated on the basis of the 25 best years of activity, instead of 20 best years<sup>10</sup>.

Progressive retirement scheme gives to older people the possibility to work as part timers and to receive at the same time some part of their pension. In 2006, conditions required to access to this scheme was made less restrictive.

At the same time as regulatory framework favoured delays of departure to retirement, the 2003 Act and a following collective agreement (November 2003) gave possibility to retirement before 60 years old for “long careers” within the framework of the general scheme for pensions. It is required: to begin to work very young, to have a subscription duration to pension schemes longer than the standard required. Anyway, a long time before, early retirement schemes have been elaborated by collective agreements (sectoral within the firms) especially within firms that needed to reduce their staff.

#### **4. Controversies on working time**

Since the middle of seventies, working time has been considered not only as an important element of the quality of working conditions, but also as the heart of the employment policies. In this way, effect of working time reduction on employment levels is the first issue of French controversies. Another issue is less controversial, but highly important for the future of the French Industrial Relations System. For these twenty years, working time policies have been a kind of experimental area of attempt to give more dynamics and to decentralise collective bargaining: for example, public authorities tried to disengage themselves to the central regulatory role they were traditionally assumed to engage in France and to give more possibilities to social actors. These two points of view are adopted below.

The 35 hours workweek has been highly debated, as soon as the Government informed of its intents. A few years later this policy was evaluated by many studies. All evaluations have been contested. Today, other controversies go on, mainly about the influence of measures recently adopted to favour overtime. But when the Aubry's policies not only encouraged working time reduction with costly aids for job creation or job preservation, but also gave important funds to proceed to empirical evaluations of its results for employment policy, actual policies that tried to make working time longer have not been observed with the same care. The empirical evidence cannot be really evaluated.

##### **4.1. The 35 hours controversies<sup>11</sup>**

Nobody was surprised to observe that the 35 hours controversies were political as well as scientific. The opponents immediately questioned the decisive part of the public authorities. Even if the formal arguments that were used were focusing on their bad efficiency to create or protect jobs, the real main issue was about the firm governance. Can the working time be decided by other than the employer, that is to say, by the State or the unions? Working time belongs to the prerogatives of the employer: this is the permanent claim of French employer representatives since the 1930s and the 40 hours work week experience; this is the main issue that structures the public debate on working time policies.

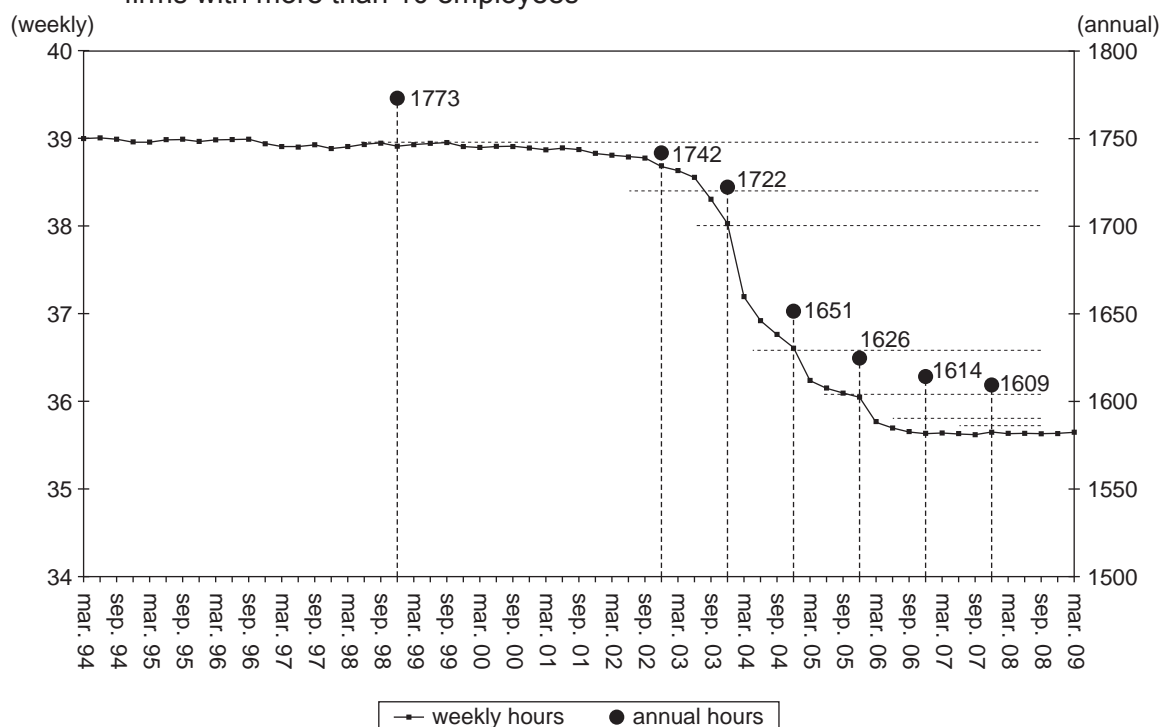
Anyway, the academic experts mainly focused on the employment effect of the Aubry's Acts. Beside, other points have been examined: compensation with productivity increases,

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<sup>10</sup> The pension scheme of the civil servants does not obey to the same rule. But it was also changed, in the same ways.

<sup>11</sup> This part is largely adapted and translated from Michon [2005].

Figure 5. Evolution of collective working hours (weekly and annual) since 1990 firms with more than 10 employees



Source : enquêtes ACEMO trimestrielle et annuelle, DARES.

dynamics of collective bargaining.

Before that, the evidence must be reminded. Even if the effective workweek remains above 35 hours, it has been strongly reduced. The Aubry's incentives have had an unquestionable influence.

Firstly, it has been observed that during the years when Aubry's Acts were in force, the employment increase rates were the highest in France since the beginning of the century. Obviously, it is highly difficult to prove a causal relation. How much of the employment increases can be attributed strictly to the working time reduction, and to incentives that encouraged reductions? How much to the rapid growth that characterized the period when 35 hours came in force? Whatever the suggested answer, expert evaluations give results that are very far to be insignificant: from 300,000 to 500,000 jobs, depending on the studies (see Rouilleault [2001], Husson [2001], Askenazy, Bloch London, Roger [2004], for example).

Secondly, there has been observed unquestionable dynamics of collective bargaining. However, firm reluctances against the 35 hours did not disappear without difficulties. In 2002, two years after the 35 hours Acts were compulsory for firms with 20 people and more, half of them (and ¼ of employees) had not adopted the 35 hours workweek yet [Jorand, Tonneau, 2004]. The small and medium sized firms, which benefited from more time until the changes were applied, claimed for obtaining new deadlines. In contrast to this, the big firms' managers discreetly emphasized that their organisations had to be adapted to the new working time rules and that it would be difficult to change again their organisations.

A successful collective negotiation for the introduction of the 35 hours was a compulsory condition to obtain reductions of social contributions that were proposed by Aubry's Acts. By the end of the first half 2003, when it was the closing of the incentives introduced by the second Aubry's Act, 330,000 firms (i.e. a total number of 9,900,000 employees) had signed an agreement to benefit from such reductions; that is 20.6% of the total number of firms and

50.6% of the total dependant workforce. For firms with 20 people and more, 56% signed, covering 76.3% of the dependant workforce. [Dares, 2004b and 2005].

Thirdly, a major argument by the supporters of working time reduction is its influences on firm organisation, highly favourable to productivity increases. Interviews from a panel of French actors or experts of the economic and social life (collected by Fayolle [2008]), discussed what Fayolle named the ambivalence of the French performances for productivity: low productivity per head, high hourly productivity. The evidence that the French industry has one of the highest hourly productivity could be the result that less efficient people are excluded from work: low participation rates of young and old people (see above). Conversely, this could be the result of a better mobilization of productivity reserves. Far from constituting an obstacle to economic growth (with shortage of productive factors that could have been created), the working time reduction increased collective bargaining on organisational issues and was a major source to mobilize these productivity reserves.

#### **4.2. Recent controversies about overtime and other issues**

The contrast is striking. Controversies about 35 hours could be drawn on a number of data, official reports, and academic studies. Since 2003, working time has always been a controversial issue on the political and social scene. Changes of regulatory framework are frequent, and always contested. But quantitative data or qualitative information are very scarce, and evaluations much more difficult to produce. It is only possible to produce some insights.

Firstly, if employment rates of old people are low in France and declined until the beginning of the 2000s, they have been stabilised since then, even have a slight increase. Mini [2008] only comments as follows: the increase of employment rates for old people can be explained by three factors: incidence of change in the demographic structure, unemployment decrease, and finally, incidence of employment policies for old people. In other words, this evidence may mean something else than successful policies. Anyway, changes in the pension schemes were not really discussed. Behind some formal protest, everybody seems to agree with the necessity to save pension schemes and to delay age of departure out of the labour force.

The very last changes are too new to be evaluated. In last November, the Parliament decided to postpone the age from which an employer can push an employee to retirement without consultation: from 65 years old to 70. Nevertheless this is following a great public debate organised to discuss on pension schemes, which concluded that this possibility should have to be suppressed. With this measure, there was also an increase in the number of years required for a full pension before 65 years old. For the opponents, this is a first step to a future contest of the right to a 60 years old retirement. But these two points do not generate a real debate. This is disappearing behind the fear of the current crisis.

Secondly, since 2003, controversies focused on overtime. As a result of the 2007 TEPA Act, government claimed this summer that the new regulatory framework for overtime that was introduced with this Act was a great success. In fact, measured overtime increased in the second 2008 quarter, despite the strong slowdown of the economic growth. This is unusual enough to be emphasized. But the evidence could not be so clear. Ducoudré [2008] observes, but does not conclude, that it is within firms where working hours were already above 35 hours that overtime is increasing the most. It could be a windfall effect. Firms that had overtime without any registration and compensation for overtime could have declared overtime now, to obtain the benefit of the reduction of social contributions. Barroux [2008] observes that it is too short a period since the Act to really have conclusions. He also reminds that some experts emphasize that in such a weak economic dynamism, an increase of overtime implies an employment decrease.

In the last days of January, the French Department of the Economy addressed to the

Parliament a report that asserted a very favourable influence of the TEPA Act on the economic growth and a highly positive welcome of the new overtime scheme by firms. According to this report, 20% of full time employees belong to firms that indicate to have increased their overtime use, since the beginning of the TEPA Act implementation; of which, 40% belong to firms that never used overtime before. Nevertheless this report cannot hide that there is no data that could authorize a serious comparison between before and after the TEPA Act implementation.

Thirdly, all these changes are planned together with an official talk about necessity to debate and to mobilize social actors to bargain changes. But the contents of the new regulations that are introduced are often very far from what was previously discussed and agreed by the social actors. The last August 2008 Act generated terrible reactions for unions. It appears that we are now exactly in the same situation that was charged against the Aubry's Act at the end of the 1990s: there is a formal protest of government in favour of debate and bargaining with social actors; but its real attitude is opposite.

Finally the real question should be: if the 35 hours were a costly measure for insufficient results, why the new policies are not evaluated in the same way. If the new policies have real effects on overtime, i) how many jobs are not created because of this overtime increase, ii) how costly are these new policies?

Table 5. Reductions of social contribution and working time policies

	(millions of Euros)						
	2000	2001	2002	2003	2004	2005	2006
Expenditure for employment (% of the GDP)	51,046 (3.5)	52,711 (3.5)	56,673 (3.7)	58,223 (3.7)	58,518 (3.5)	57,701 (3.3)	56,952 (3.2)
Reductions of social contribution (% of the GDP)	1,576 (0.80)	14,416 (0.96)	15,425 (1.00)	16,090 (1.01)	16,275 (0.98)	17,193 (1.00)	19,490 (1.08)
Of which							
Robien's Act (June 1996)	554	506	539	565	388	17	8
Aubry 1 Act (June 1998)	2,073	1,949	2,362	1,949	846	258	30
Aubry 2 Act (January 2000)	3,674	6,371	8,191	4,260	–	–	–
Fillon's Act (January 2003)	–	–	–	7,230	15,033	16,918	19,453
Total Expenditure + reductions (% of the GDP)	68,622 (4.35)	67,127 (4.48)	71,998 (4.65)	74,313 (4.66)	74,793 (4.51)	74,894 (4.34)	76,442 (4.23)

Source: (millions of Euros) reproduced from Roguet [2008].

There are no real evaluations of their effects on employment levels. All that is known is that these policies are very costly. The report addressed to the French Parliament by the Department of the Economy is evaluating the total amount of the exemptions of social security contribution that intended to favour overtime at € 2.75 billions for 2008.

## 5. Conclusion

Issues exposed in this paper don't present all that was discussed in France or is discussed now. For example, today, the last major public debate focuses on the Sunday opening of retailing.<sup>12</sup>

One cannot say that the regulatory framework of the 35 hours reform was very easy to apply. The evidence is opposed. One cannot deny that there was a need for simplification of the regulatory framework. In some aspects, the last changes bring such a simplification and give tools for a better flexibility of working time. But where is the security of working time – and of incomes? The present situation gives the answer: high job cuts, strong reduction of temporary agency work uses, high partial unemployment or technical lay-offs.

With the current crisis, after last summer, working time issues appear to be out of date. In fact, European economies have come into a situation where announcements of jobs cuts are more and more frequent and important. Is it really a good time to organize longer overtime? More work for more money, is it possible if there is not enough work for everybody? This issue is not questioned. The French Government is pursuing its previous policies.

For a long time, one of the preferred devices of the governmental policies has been opposed, on one hand, by privileged workforce groups, the insiders. Their conservative oppositions, passed on by their representative unions, were against, on the other hand, any changes that could reduce their “privileges” and that are proposed as a good way to restore a better equality between workforce groups. This will be more and more difficult to continue this opposition. These “privileges” are disappearing with the rapid increase of job cuts everywhere. Will it be possible to come back again to solidarity policies as work sharing?

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<sup>12</sup> The present regulation disposes that an employee must have one full day per week for rest. This must be Sunday. Of course, there is a list of exceptions which allows to work on Sunday: in manufacturing sectors (shift work), in all activities related to tourism, in hospitals, entertainment and show business, transport... Today, the government intend to facilitate the Sunday opening, arguing that economic influences of this kind of flexibility could be very positive: it should satisfy individual preferences of consumers, increase their consumption, increase employment. Opponents (which are not only members of the political Opposition) refer to the perfect symmetrical arguments, arguing that the only influence should be some transfer from the ordinary days to Sundays. Each refers to some survey results. See Mathiot (2008).

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# Working Time and Working Time Policy in Germany

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## 1. Introduction

In most industrialized countries 120 years ago, average working time was around 3,000 hours per year. Up to 1992, average working time has declined by almost 50 percent (Table 1). In 1992 hourly productivity in Germany, for example, is approximately seventeen times higher and wages have risen tenfold than 1,870, if we take gross domestic product per capita as a rough indicator of the evolution of wages, in the absence of any other data. From the perspective of our great-grandfathers, therefore, in 1992 Germans work “part-time” hours for ten times the wage they once earned. The pattern of development has been in the long run broadly similar in the other developed industrial economies. In the short run, however, the differences are substantial because of different institutions and regulations, levels of economic developments and also different household structures.

Table 1. The evolution of working time, hourly productivity and gross domestic product per capita in % (1870-1992)

	USA	Germany	Japan	France	Great Britain
Working time	-46.3%	-46.9%	-36.3%	-47.6%	-50.0%
Hourly productivity	+1,287.6%	+1,734.7%	+4,352.2%	+2,127.9%	+918.8%
GDP per capita	+918.6%	+998.3%	+2,632.0%	+967.1%	+501.7%

Source: Maddison, 1995.

However, workers work not only shorter hours today but also in a different way (Bosch 1997 and 1998). The sharp growth in productivity, out of which the tenfold increase in wages has been financed, has been mainly achieved only through the introduction of completely new forms of work organization and plant utilization. The labor process has been intensified through scientific management methods, such as Taylorism. Machine utilization times have been extended by reducing stoppage times and increasing operating hours (Anxo et. al. 1995; Foss 1984). Shorter average working times per worker have not proved to be an obstacle to increased capital stock utilization. Different forms of shift organization have been developed. In continuous (i.e. 7-day) production plants, such as in the steel, textiles and chemical industries, two-shift systems were the norm in the last century. At the beginning of this century, there was a change to three, after the Second World War to four and in recent years to five-shift systems.

In the early years of industrial development the man did not earn a family wage. In consequence women and even children had to work. The increase of hourly wages of the last century made it possible for households to reduce their labour supply and the bread-winner model with the women staying at home became the dominant model for combining work and family life. This has changed in the last decades. Because of many reasons (better education, changing preferences, decline of real wages) in most industrialized countries more and more

women are working. Their working hours depend very much on institutions of the welfare state like provision of child care, school hours, public care provision, tax and social security systems). Since these institutions differ substantially hours of women differ more than hours of man between countries.

In the following I would like to describe the recent developments of working hours in Germany. Section 2 of this paper provides a description of regulations of working hours. Section 3 surveys the usual weekly and yearly working hours in Germany also in comparison with other European countries. In section 4 I analyse the impact of the German conservative welfare state on working hours of men and women. Section 5 analyzes the decoupling of operating and working hours. Section 6 looks on the present discussion on work sharing after to mitigate the negative employment effects of the financial crisis. Section 7 summarizes the results from these empirical findings.

## 2. Regulation of working time

The German working time law (last revision in 2006) covers all employees with the exception of managerial staff. The law stipulates that daily working hours should not exceed 8 hours. The working day, however, can be extended to 10 hours if within six month the average of 8 hours is not exceeded. Deviations are possible by collective agreements, firms agreements or by approval through authorities. Since Saturday is a working day the maximum weekly working hours are 60 hours. Wages for Public Holidays are paid if they fall on a working day. Work on Sunday and Public Holidays is prohibited. Exceptions have to be approved by authorities. Possible reasons for exceptions are technical reasons like the need for continuous production, economic reasons to safeguard or create jobs, social reasons like caring for people or public interest like security. For daily working hours between 6 and 9 hours there is a minimum unpaid rest of 30 minutes, for longer working hours it is 45 minutes. The minimum rest time between 2 shifts is 11 hours. There are 20 working days paid vacation. Part-time workers have to be paid the same hourly rates as full-timers. Part-timers receive social benefits pro rata.

The German working time law had to be changed due to European directives. Because of the European Working Time Directive (1993)<sup>1</sup> paid vacations were increased from 3 to 4 weeks and due to the European Directive on Part-Time-Work (1997)<sup>2</sup> equal treatment of part-timers was implemented.

The duration and distribution of working hours is mainly regulated by collective agreements. Average weekly working hours were reduced to 40 hours in nearly all industries. Paid vacation were raised to 30 days for most workers. After the long strike on working time reductions weekly working hours were reduced in several steps until 1995 to 35 hours a week in the German engineering industry. Unions of other industries tried to follow this example but in most industries did not succeed to reduce working hours to the low level of the engineering industry. Since 1995 collectively agreed working hours are stagnating in West Germany. In some industries the unions even had to accept working time increases (like in public service from 38.5 to 39 hours). Only in East Germany slight adjustment to the lower West German level was agreed upon (Table 2). Today the agreed working hours for full-time workers are around 1,659 a year in West and around 1,720 hours in East Germany. There are substantial differences by industries. Agreed weekly working hours vary from 35 in the engineering industry to 37.5 in the chemical industry (West), to 38 in insurances and 39 in banks (East and West) up to 40 hours in construction (East and West) and 40 hours in hotels

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<sup>1</sup> <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32003L0088:EN:NOT>

<sup>2</sup> <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31997L0081:EN:NOT>

Table 2. Collectively agreed weekly and yearly working time 1990 to 2006 (in hours)

year	Weekly working time		Yearly working time	
	West	East	West	East
1990	38.4		1,689.1	
1991	38.1	40.2	1,676.0	
1992	38.1	40.1	1,672.9	
1993	37.7	40.0	1,659.8	
1994	37.7	39.7	1,655.9	
1995	37.5	39.5	1,651.9	
1996	37.5	39.4	1,645.1	
1997	37.5	39.4	1,644.4	
1998	37.4	39.4	1,643.2	1,735.5
1999	37.4	39.2	1,642.8	1,729.9
2000	37.4	39.1	1,642.5	1,727.7
2001	37.4	39.1	1,641.9	1,724.2
2002	37.4	39.1	1,642.6	1,722.7
2003	37.4	39.0	1,643.5	1,721.9
2004	37.4	38.9	1,643.3	1,719.2
2005	37.4	39.0	1,643.2	1,718.9
2006	37.4	38.9	1,644.7	1,720.3

Source: WSI-Tarifarchiv.

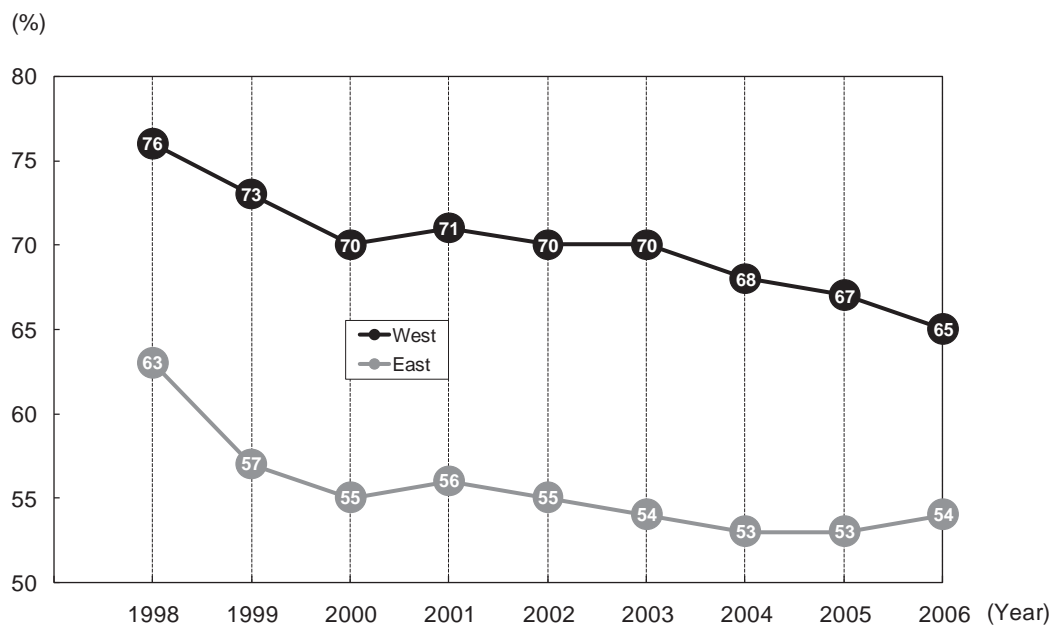
and restaurants (East).

The importance of collective bargaining to regulate working hours is declining since the coverage of collective agreements went down from over 80% in the 1980's to 65% in West- and 54% in East-Germany. Moreover, those firms not covered by a collective agreement are increasingly unlikely to use a collective agreement as a benchmark in setting pay and working conditions like working hours. There are several reasons for this: (1) Employers leave the employers' association to escape coverage, (2) Firms in industries with strong trade unions and a high rate of coverage by collective agreement are increasingly exploiting the high inter-industrial pay differentials in order to outsource certain activities such as cleaning, catering and logistics to other collective bargaining areas or areas in which there are lower or no collective agreements. (3) Employers' associations have revoked the traditional consensus on limiting competition on wages and working conditions. Under pressure from its members that benefit from outsourcing, the Confederation of German Employers' Associations (BDA) is blocking any attempt by the joint "Collective Bargaining Committee"<sup>3</sup> to declare collectively agreed wages rates and working hours generally binding. Consequently wage and working hours competition between firms covered by collective agreements and those not so covered is no longer restricted by declaring collective agreements generally binding like in the past in important industries like the retail trade. As the segments of the labor market no longer regulated by collective agreements have increased in size, so pay and working hours levels have once again become a factor in competition. This has given many firms outsider opportunities to recruit workers at below collectively agreed rates and above agreed working hours in order to obtain a competitive advantage.

As important as external erosion of collective bargaining (declining coverage) is the internal erosion which signifies local practice or agreements which violate standards agreed at higher levels. One form of violation are local "wildcat" agreements not authorized by the employers' association or the union at a higher level. The other form are so-called hardship or opening clauses. They allow for local deviations from industry standards in firms with

<sup>3</sup> Employers' associations and unions send the same numbers of members to this committee. Only if the majority of the committee votes for an extension of an industry agreement the state will declare this agreement as generally binding.

Figure 1. Coverage of employees by collective agreements in West- and East Germany (in per cent) 1998 - 2006



Source: IAB establishment panel, taken from Bosch/Kalina 2007; Ellguth/Kohaut 2007.

economic problems. In such cases it is possible for example to reduce wages in the construction industry by 10 percent, or to deviate from standards including weekly working hours in the chemical and the engineering industry. Most agreements allow temporary reductions of the weekly working time mainly to 30 hours to avoid dismissals in companies experiencing acute economic difficulties. Firms were initially slow to make use of hardship clauses, but the speed of adoption quickened subsequently.

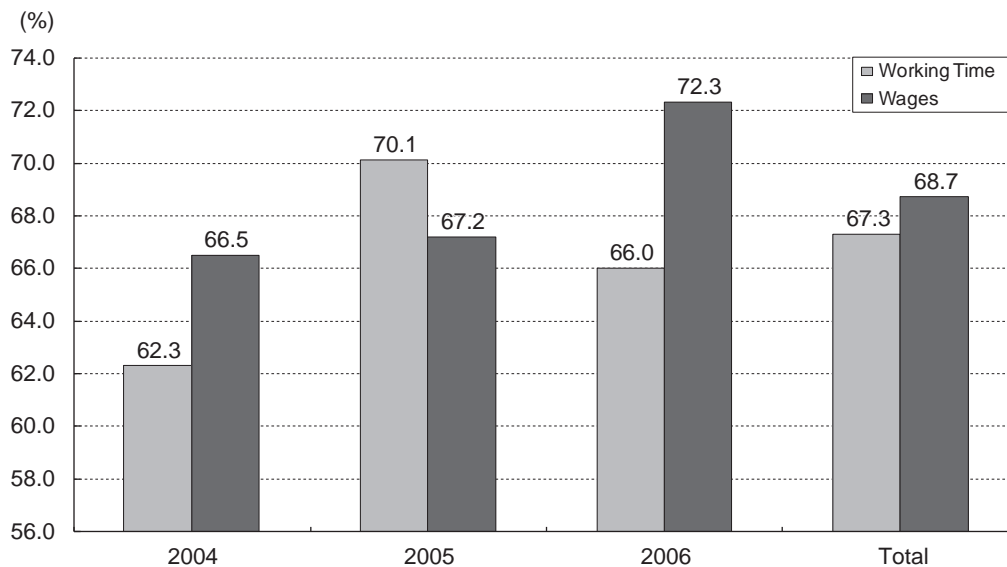
This situation changed with the signature under the '*Pforzheim<sup>4</sup> Agreement*', by the social partners in the engineering industry in 2004. The negotiation of this agreement was to a certain degree a reaction on the political pressure that the then federal red-green government had built up by threatening to introduce statutory 'opening' or derogation clauses. The agreement specified that derogation agreements were possible provided that jobs would be safeguarded or created as a result and they would help to improve competitiveness and ability to innovate, as well as investment conditions. The Pforzheim Agreement contained a number of provisions stipulating, among other things, that the measures should be scrutinised and negotiated by the bargaining parties at firm and industry level, that companies should make comprehensive information available and that the negotiating parties at industry level should be empowered to conclude derogation agreements.

The findings from an analysis of the 850 firm agreements negotiated in the industry from 2004 to 2006 show that the material concessions are clearly dominated by two topics or issues, namely working time and wages. Over the entire observation period, well over 60% of the derogation agreements contained provisions on these two issues (Figure 2).

The extension of working time is by far the most important single issue in the derogations. Of all derogation agreements, 58.5% (and 86.9% of those concerning working time) contain provisions on the extension of working time. Other working time issues, such as working time flexibilisation (in 19% of all derogations from working time norms), working time scheduling and working time reduction (both under 6%), lag significantly behind. Among the various forms of working time extension, increases in weekly working time, which

<sup>4</sup> A small city in the South-West of Germany.

Figure 2. Issues addressed in deviant agreements 2004-2006 in the German engineering industry



Source: Haipeter (2009).

account for almost 65% of all derogations involving extensions of working time, are by far the most important parameter, followed by working time budgets containing a certain number of extra hours to be worked by employees (26%) and additional training periods to be used for further and advanced training (about 12%). In 2006, however, the share of agreements on the extension of weekly working time declined to 53.5%, which suggests that trade union control of the substance of derogations has improved. Further evidence pointing in this direction is the decline in the average length of weekly working time extensions (as a weighted arithmetic mean based on the upper cut-off point of the hour intervals) from 3.7 hours in 2004 to 3.3 hours in 2005 and 2006. In the overwhelming majority of cases, working time was extended without any compensatory pay increase. In an increasing number of cases, however, provision has been made for the working time increases to be reduced – usually in stages – while the derogation remains in force. In 2006, 28.6% of all weekly working time extensions contained provisions of this kind (Haipeter/Lehndorff 2008).

It can be expected that in the present economic crisis many firms will use the possibility of reducing weekly working hours without wage compensation to retain their skilled workforce.

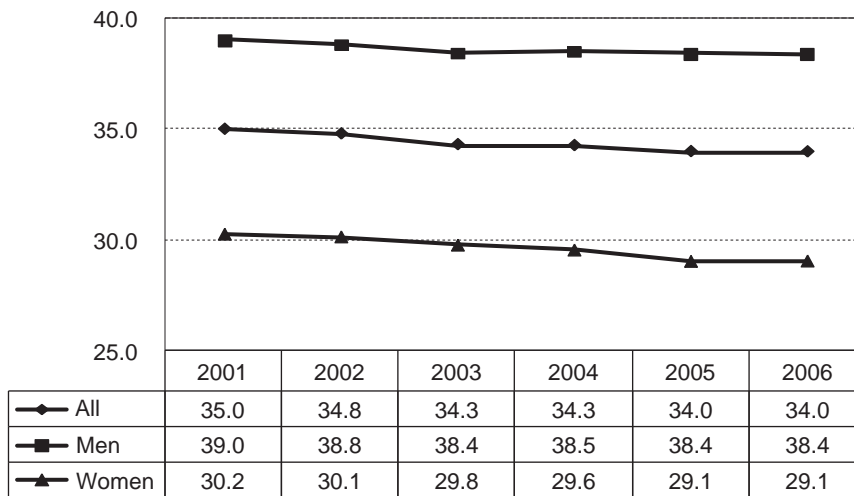
### 3. Usual Working Hours

#### 3.1. Duration of weekly working hours

In the following I will describe the recent development of actual working hours using the data of the microcensus, a yearly 15 sample. Employees are asked the question “How many hours you usually work a week including overtime hours?” Since 2001 the share of full-time employees fell from 76.8% to 70.9%, the share of marginal part-timers working less than 15 hours a week increased from 8.3% to 12.2% and the share of other part-timers increased from 14.9% to 16.9%. Because of this increase of different forms of part-time work average weekly working hours went down between 2001 and 2006 by one hour from 35 to 34 hours (Figure 3).

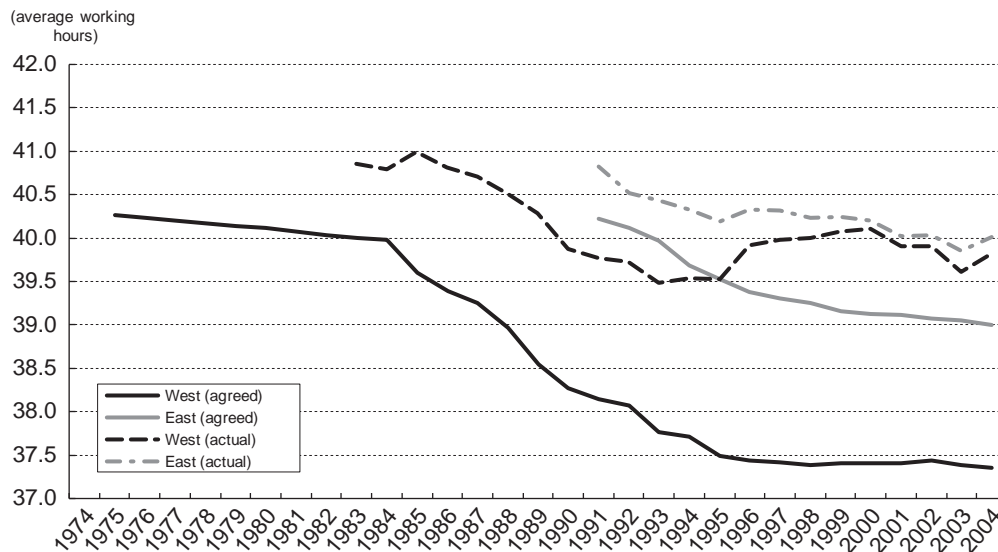
The impact of part-time on average working hours is especially strong in Germany since

Figure 3. Usual weekly working hours 2001 to 2006 (full-time and part-time)



Source: Kümmerling et. al 2008: 40.

Figure 4. Development of actual and agreed hours of full-time employed in West and East Germany 1975 – 2004 in hours per week

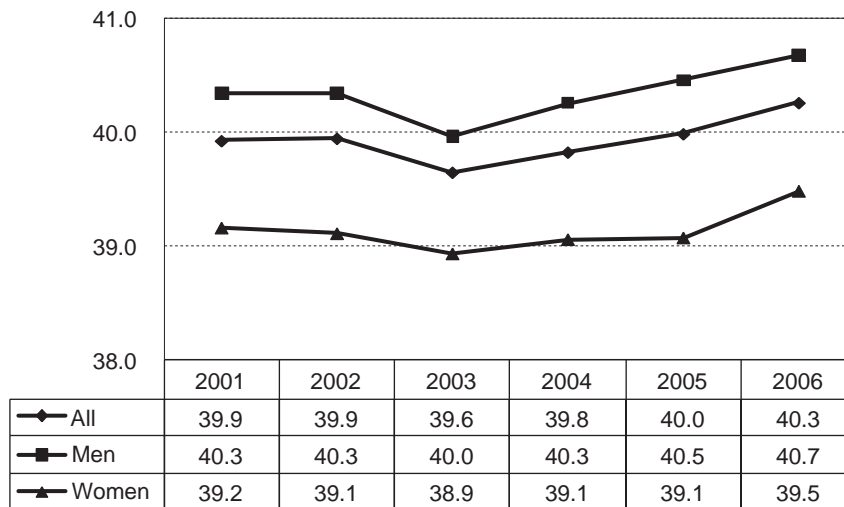


Source: Bosch/Schief/Schietinger 2005.

the average working hours of part-timers only amount to 17.9 hours a week in 2006 (17.8 hours 2001) which is low by international standards. Until the mid 90s usually worked hours followed the development of agreed hours. Figure 4 shows that since 1995 this is not anymore the case. The reasons are declining coverage of collective agreements, use of hardship clauses and extension of paid and unpaid overtime. Since 1995 the weekly working hours of full-timers are fluctuating with the economic cycle. They went down to 39.6 hours in 2003 and increased in the following economic upswing to 40.3 hours (Figure 5).

A more detailed analysis shows very different working time patterns behind these average figures:

Figure 5. Usual weekly working hours 2001 to 2006 (only full-time)

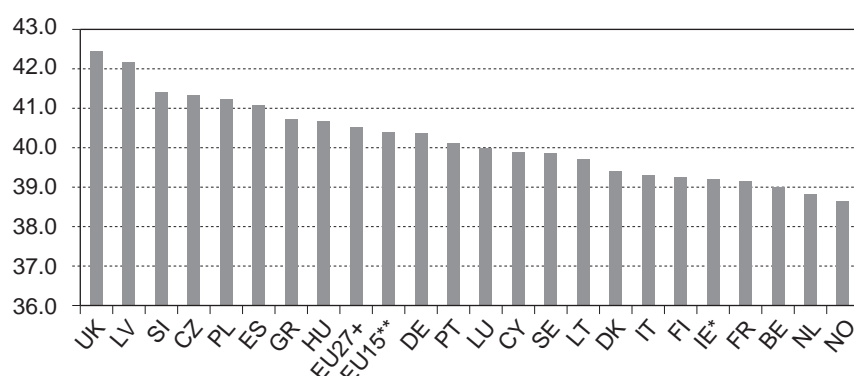


Source: Kümmerling et. al 2008: 43.

- Average weekly working hours in East-Germany are longer than in West-Germany (35.6 compared to 33.6 hours in 2006). The reason for the longer working hours in East-Germany are not – as might be expected – the longer agreed working hours but the longer hours of East-German part-timers (see section 3.2).
- In some industries the differences between agreed and usual worked hours are bigger than in others. Average weekly working hours in the West-German engineering industry amount to 39.1 hours which is 4.1 hours higher than the agreed hours. The reasons might be the increase of agreed hours in companies using hardship clauses or not covered by collective agreements, and paid and unpaid overtime because of the strong export demand for German manufacturing goods.
- Weekly working hours of blue-collar workers are about 1 hour shorter than working hours of white collar workers (39.7 compared to 40.6 hours in 2006 – only full-time employed). The main reason is that working hours for blue-collar workers are better regulated while white collar workers often work unpaid overtime.
- Weekly working hours of (only full-time employed) high-skilled (42 hours in 2006) are longer than of workers with middle (40 hours) and low skills (40 hours). This can be explained by skill bottlenecks for skilled workers and by the increasing informality of working hours for the high-skilled.
- Weekly working hours of employed in SME's (less than 50 employed) are longer than in bigger companies (40.7 compared to 40.0 hours in 2006). The reasons for this are: SME's are less covered by collective agreements, they often do not have work councils which control working hours, and they are under higher cost pressures as suppliers.

Usual weekly working hours in Germany are above the average of most West-European countries. They are longer in the new member states of the EU, in some South European countries and in the UK. Germany had the highest increase of weekly working hours between 2003 and 2006. Especially in the new EU member states weekly working hours were reduced but from a much higher level (Kümmerling et.al. 2008: 117-8).

Figure 6. Usual weekly working hours in selected European countries, 2006



\* Data for Ireland from 2004.

\*\* EU15 without Ireland, + EU27 without Ireland.

Source: Kümmerling et. al 2008: 119-20 (*European Labour Survey 2006*).

### 3.2. Yearly working hours

In Germany average vacation entitlements are 30 days per year (see Table in Annexe). About 10 public holidays are paid. The agreed yearly working hours amount to 1,642.8 which is longer than in Denmark, Sweden or France. Actual hours for all employed are shorter than the agreed hours since the part-time effect is much stronger than the overtime effect. Only in the Netherlands the part-time effect is higher and brings down the Dutch yearly working hours to the lowest level in Europe (Table 3).

Table 3. Calculation of yearly working hours based on different working time statistics in selected European countries, 2006

	A. Yearly working hours full-time only	B. Yearly working hours full and part-time	A-B	C. Agreed working hours (EIRO)	A-C
LV	1965.4	1925.8	39.6	1864.0	101.4
UK	1930.2	1655.9	274.3	1696.4	233.8
SI	1897.5	1829.6	67.9	1832.0	65.5
PL	1897.1	1838.8	58.3	1840.0	57.1
HU	1887.3	1858.5	28.8	1856.0	31.3
CZ	1868.5	1828.7	39.8	1717.6	150.9
ES	1856.6	1733.8	122.8	1740.2	116.4
EL	1849.7	1804.9	44.8	1816.0	33.7
IE*	1810.7	1623.9	186.8	1801.8	8.9
CY	1810.6	1768.1	42.5	1725.2	85.4
LT	1803.4	1755.8	47.6	1816.0	-12.6
PT	1793.5	1748.6	44.9	1707.5	86.0
BE	1793.4	1617.3	176.1	1729.6	63.8
DE	1775.7	1521.3	254.4	1658.8	116.9
FI	1766.7	1661.1	105.6	1687.5	79.2
NL	1766.6	1359.2	407.4	1707.5	59.1
FR	1753.3	1630.2	123.1	1568.0	185.3
DK	1750.3	1530.9	219.4	1642.8	107.5
NO	1747.1	1510.0	237.1	1695.0	52.1
IT	1737.7	1634.0	103.7	1679.6	58.1
SE	1730.1	1547.8	182.3	1631.7	98.4

\*2004

Source: EIRO.



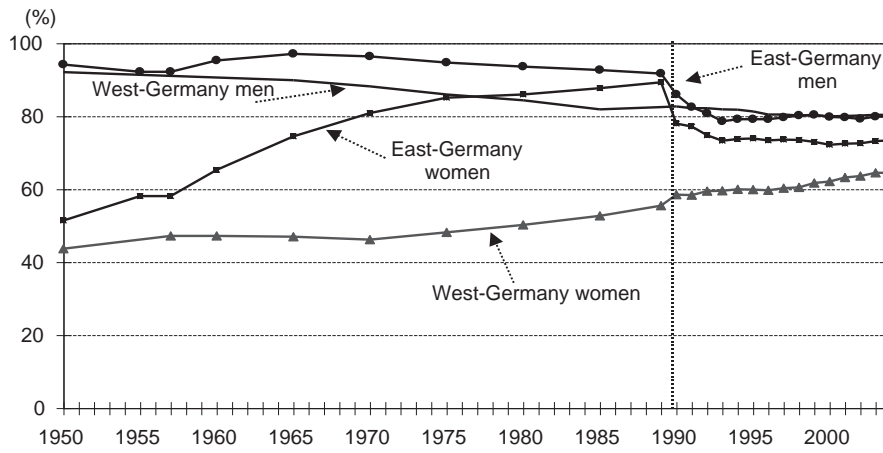
#### **4. The welfare state and working hours**

Between 1949 and 1990, the two German states developed completely different family policies. One of the GDR's policy objectives was a high female employment rate and this was made possible by a highly developed system of day nurseries and schools that stayed open all day. The female employment rate was almost as high as that for men and the part-time rate was low. As a result of their labor force participation, women acquired their own entitlement to social security benefits. In West Germany, on the other hand, in reaction to the Nazi regime but also to developments in the GDR, raising children was considered a matter purely for the family and any state intervention was rejected as an unwarranted intrusion into the private sphere. For children under three years of age there were virtually no public crèche facilities. Nurseries for children between the ages of three and six usually closed at midday, schools were open only in the mornings, there were no guaranteed school times (i.e. if a teacher was ill, the children were sent home) and after-school care was available only for socially disadvantaged children, regarded as pitiable, whose mothers had to work. The social insurance system was geared to the single male breadwinner. Married women and children obtained their health insurance at no extra cost through the family breadwinner and their husband's pensions or, if they died, the widow's pensions were the most important sources of old age insurance for women. Men were obliged to pay maintenance for their economically inactive former wives if they divorced, whereas divorced women in East Germany had to fend for themselves. In 1958, the so-called 'splitting' system of assessing married couples' income tax was introduced in West-Germany, in which both partners' pre-tax income is divided in two and then taxed. In a strongly progressive taxation regime like that in Germany, this system favors households with one earner or those with two earners whose incomes diverge sharply. Because of these strong incentives for women not to work Esping-Andersen (1990) put characterized the Germany as a "conservative welfare state".

To avoid an increase of registered unemployment the West German government supported early retirement schemes. After the mass redundancies in manufacturing beginning with the working life (mainly of men) was reduced and employment rates of the 55-64 year old dropped from over 50% to 37.6% in 2000 (EC 2007: 291). In the former GDR such early retirement schemes did not exist because of full employment. They were, however, introduced after the unification to buffer mass dismissal in East-German industries. Consequently labour market participation of older East-German workers decreased to an even lower level than in West-Germany. Figure 7 shows the different developments of labour market participation of East- and West-German men and women.

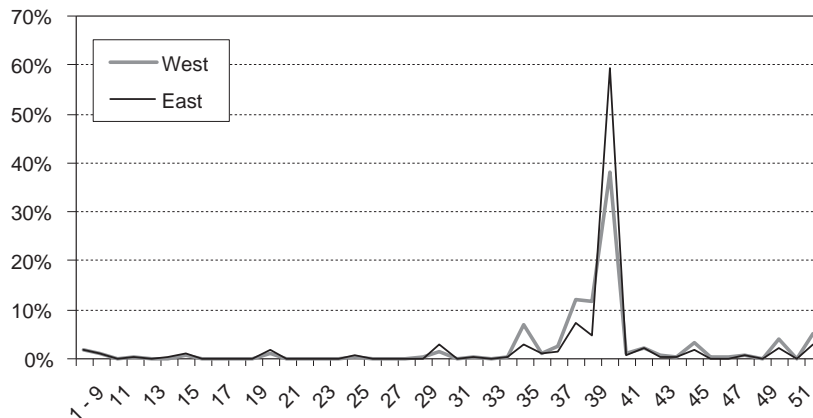
Most men in West and in East-Germany usually work between 37 and 40 hours a week. A small but growing group is working more than 40 hours (Figure 8). Also working hours of East-German women are quite standardized. Most East-German women work between 30 and 40 hours. Most female part-timers in East-Germany are working involuntary part-time. The working hours of West-German women are influenced by the conservative welfare state. High proportions are working few hours (Figure 9). Short working hours are made attractive by the so-called mini-jobs. Employees in mini-jobs are below a certain earnings limit (less than €400 per month since 2003). They are not covered by the general obligation to pay social insurance contributions. Employers pay a flat-rate contribution of 30 per cent (13 per cent for health insurance, 15 per cent for old-age pension and a 2 per cent flat-rate tax). These mini-jobs are attractive to housewives, since the income advantage by the splitting system and the derived entitlement to social protection is preserved. The marginal deduction rates for an increase in working time above the mini-job threshold is extremely high. Depending on the family's tax rate, they can easily be in excess of 100% and thus acted as a very effective brake on any increase in the female labor supply in particular, as the sharp increase in marginal part-time work shows.

Figure 7. Labour market participation of men and women in West- and East-Germany 1950 - 2007



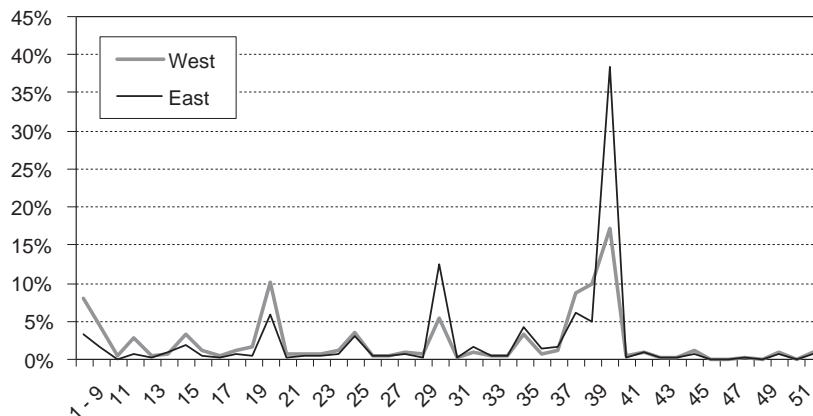
Source: Bothfeld 2005, Federal Statistical Office.

Figure 8. Usual working hours of men in West- and East-Germany 2006, for employees (16-64 years)



Source: Kümmerling et. al. 2008 : 81.

Figure 9. Actual working hours of women in West- and East-Germany 2006, for employees (16-64 years)



Source: Kümmerling et. al. 2008 : 83.

Because women are increasingly working part-time, their share in total volume of hours worked did not increase as fast as their share in employment. Between 1991 and 2004 the share of women in total employment increased by 4.6 percentage points to 48.7%. In the same period its share in the total volume of hours worker only increased by 1.7 percentage point to 41%. In East-Germany the share of women in the total volume of paid work is much higher than in West-Germany (45.7% compared to 39.9%).

Children have no impact on employment rates and working hours of men but a strongly impact on women. In 2006 the overall employment rate of women in East-Germany amounted to 60.8 and in West-Germany to 61.5%. The employment rate of mothers with children under 3 years is only 31.6% in West- and 41% in East-Germany. A higher share of young mothers is working full-time in East Germany (22.5% than in West-Germany (9.7%)) (Kümmerling et. al. 2008: 28).

When men have children they work longer than without children mostly to compensate for the financial losses when their wives stop working or reduce their working hours. Working hours of women go down with the number of children. Again the East-West-Differences are remarkable. While West-German men are working slightly longer than East-German men, East German women especially those with children are working longer than West-German women (Table 4).

Table 4. Usual working hours of men and women by number of children in West- and East-Germany

	Germany	West	East	E-W- Difference
All employees	35.3	35.6	36.9	+1.3
Men without children	39.7	39.6	39.0	-0.6
Women without children	32.4	32.8	34.4	+1.6
Men 1 child	40.7	40.7	40.5	-0.2
Women 1 child	25.9	27.6	33.6	+6.0
Men 2 children	41.6	41.5	40.4	-1.1
Women 2 children	21.6	23.0	31.4	+8.4
Men 3+ children	41.8	41.6	39.7	-1.9
Women 3+ children	21.4	22.2	29.2	7.0

Source: Kümmerling et. al 2008.

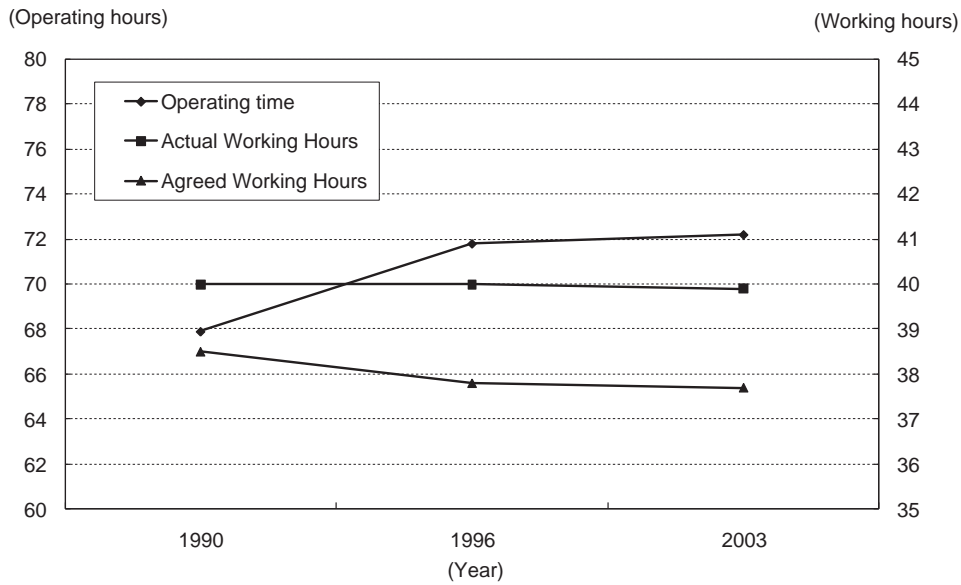
## 5. Operating hours

One form of increasing productivity is a better use of capital stock by increasing operating hours. One possibility is to increase operating hours by extending working hours. Such a coupling of working and operating hours limits the possibility of a better use of the capital stock. The decoupling of working and operating hours by new shift systems or staggered working hours offers new elbowroom for the extension of operating hours. In their comparison of working and operating hours in European and Japanese automobile plants Bosch and Lehndorff were able to show that in plants with shorter working hours operating hours were longer than in companies with longer working hours. They also showed that in plants with long working hours operating hours often were inflexible and rigid (Bosch 1995, Lehndorff 1995).

There are also empirically studies on the impact of working time reductions in Germany in the 1980s and 1990s on operating hours (Figure 10). While agreed working hours were reduced and usual working hours remained stable operating hours were increased. Average operating hours increased between 1990 and 2003 by 4.3 hours per week. This decoupling of working and operating hours was linked with an increase of flexible working schedules.

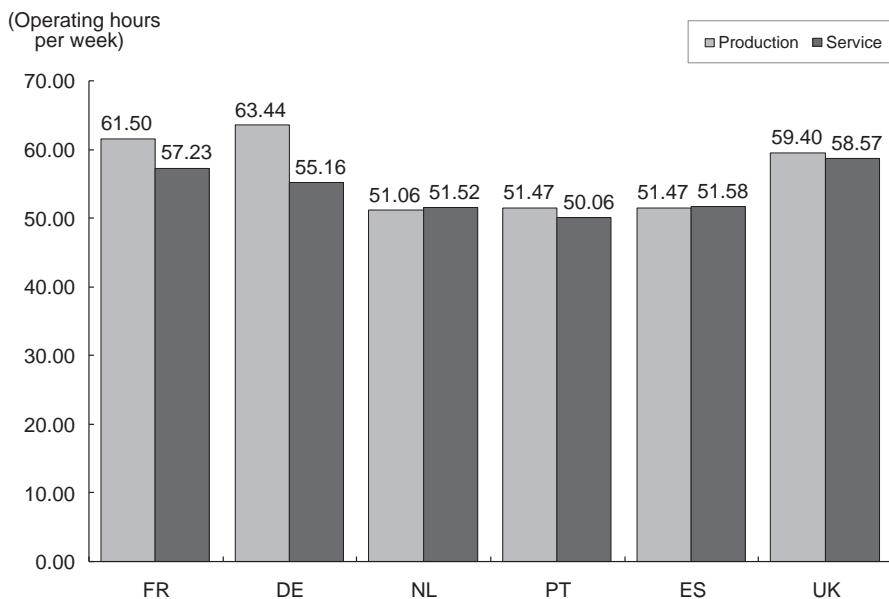
An international comparison of operating hours – using a slightly different indicator as in Figure 11 – shows that operating hours in the German production sector are the highest among the compared countries. The strong reduction of agreed working hours in the engineering industry and the high export demand were the main drivers for the introduction of flexible working schedules to increase operating hours. The operating hours in services, however, are a little lower than in France and UK. One reason for this might be the stronger deregulation of shop opening hours in these industries.

Figure 10. Average operating hours, usual and agreed working hours 1990, 1996, 2003



Source: Groß et al. 2004, *European Labour Force Survey*, BMWA 2004.

Figure 11. Operating hours in the production and service industries (in hours per week, indirect measurement)



Source: Groß et al. 2004.

## **6. Work-sharing after the financial crisis**

The German economy with its strong manufacturing industry is highly dependent on exports. Demand for German exports goods has been substantially decreased after the financial crisis. German unions were demanding a moratorium with the main component not to dismiss workers in 2009. In the recent upswing 2004 – 2008 employers had employed 1.5 million new workers and had invested much in the training of these new workers. They still remembered the long-term negative consequences of the mass dismissals in last two economic downturns (2001/2 and 1995/6). In the following economic booms companies were confronted with substantial skill shortages.

Due to union and employer pressure the state extended the so-called “short-time scheme” (Kurzarbeit) from 12 to 18 months and made it cheaper for companies. Companies with lack of orders have the possibility to reduce working-hours or shut-down the plant temporarily. The workers remain on the payroll of the companies but receive 67% of their usual net income. The short-time allowance of the Employment Office will only be granted if overtime has been abolished and credits on working-time accounts have been used up. The maximum duration of short-time work is now 18 months. Companies receive in addition half of the contributions to social security. If they train workers the employment office will pay all contributions and reimburse the training costs.

A high proportion of German manufacturing companies are now (January 2009) using this scheme. In many cases they top up the income of their workers, so that the income losses for workers are modest. By using the short-time scheme the companies are able to retain their skilled work-force and avoid high dismissal costs. Short-time work is regarded a bridge between the present situation of low turnover and the increase of demand when the anticyclical fiscal programmes in Germany and in other countries will have its intended positive impact on demand. Human resource directors of some companies, for example BMW, have declared in public that they will not dismiss workers in 2009.

Beside this state subsidized scheme all German collective agreements provide the possibility of unpaid temporary working time reductions of about 20% of the yearly agreed working hours to avoid dismissals. This instrument has been used in some companies in recent years. The most well known case is Volkswagen. In the early 90s working hours were reduced for many years from 35 to 28.8 hours per week to avoid 30,000 dismissals. These temporary working time reductions were cheaper than short-time work which at that time were quite costly since the employers had to pay all contributions to social security. In the present crisis companies may use both schemes. The idea to dismiss hours and not workers seems to be well accepted.

## **7. Conclusions**

Until 1995 agreed weekly working hours have been continuously reduced. After the unification the rise of mass unemployment reduced bargaining power of the unions substantially so that working time reductions came to a standstill. The unions had instead to accept hardship clauses which allow deviations from the agreed pay rates and working hours. Due to overtime, decline of coverage by collective agreements and negotiated deviations from the standards of the agreements weekly working hours increased again. Although employers resist further reductions in agreed working hours they accept the idea of temporary work sharing to buffer the negative impacts of the financial crisis on their work-force. The state supports work-sharing by subsidizing the salaries of workers which are temporarily working less. In addition all German collective agreements provide the possibility to reduce working hours without wage compensation to avoid dismissals. Therefore it makes sense to differentiate between permanent or structural and temporary work sharing.

Working time reductions in the engineering industry together with the strong demand for products of the German export industry were the main drivers for the introduction of flexible work schedules and the increase in operating hours.

Working hours especially of women are substantially influenced by the conservative German welfare state. The welfare state is setting strong financial incentives for the spouse (mainly women) to work short hours or to stay at home. These incentives channelled the increasing number of women who were looking for work into marginal part-time work. In spite of a strong increase of the female employment rate their share in the total volume of paid work only rose slightly. Remarkable are the differences between East- and West-German women. East-German women were brought up in a socialist welfare state supporting work life balance by public child-care provision and all-day school. In addition social security entitlements and taxes were individualized. This legacy still influences working time patterns and preferences of East-German women. With the unification Germany did not use the historical chance to reform the out-dated West-German welfare by taking over the more future-proofed elements from the East-German family model. At present first steps to reform the welfare state are finally taken since women less and less accept the old system and also because birth rates went down substantially.

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## Annexe:

Table 5. Average agreed hours in Europe 2006

	A. Usual weekly working hours	B. Yearly gross working hours (A × 52)	C. Vacation entitlements in days per years	D. Public holidays	E. C + D	F. Yearly working hours (B–E)
LV	40.0	2080.0	20.0	7	216.0	1864.0
HU	40.0	2080.0	20.0	8	224.0	1856.0
PL	40.0	2080.0	20.0	10	240.0	1840.0
SI	40.0	2080.0	20.0	11	248.0	1832.0
LT	40.0	2080.0	20.0	13	264.0	1816.0
EL	40.0	2080.0	23.0	10	264.0	1816.0
IE	39.0	2028.0	20.0	9	226.2	1801.8
ES	38.5	2002.0	22.0	12	261.8	1740.2
BE	37.6	1955.2	20.0	10	225.6	1729.6
CY	38.0	1976.0	20.0	13	250.8	1725.2
CZ	38.0	1976.0	25.0	9	258.4	1717.6
PT	38.2	1986.0	24.5	12	278.9	1707.5
NL	37.5	1950.0	25.6	7	244.5	1707.5
UK	37.3	1939.6	24.6	8	243.2	1696.4
NO	37.5	1950.0	25.0	9	255.0	1695.0
FI	37.5	1950.0	25.0	10	262.5	1687.5
IT	38.0	1976.0	28.0	11	296.4	1679.6
DE	37.7	1960.0	30.0	10	301.6	1658.8
DK	37.0	1924.0	30.0	8	281.2	1642.8
SE	37.8	1965.6	33.0	10	325.1	1631.7
FR	35.0	1820.0	25.0	11	252.0	1568.0

Source: EIRO, 2006.

# Working Time in the UK – Developments and Debates

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## 1. Introduction

The UK's working-time regime has comparatively weak statutory regulations and an uneven system of collective bargaining. This 'voluntaristic' or market-based model of flexibility stands in contrast to the more regulated forms of 'statist' or 'negotiated' flexibility observed in most of the other member states of the European Union (Anxo and O'Reilly 2000). The UK's voluntaristic flexibility model exhibits a dispersed distribution and polarization of working time. There are high rates of very long full-time and short part-time hours, it is common for both part-timers and full-timers to be working 'non-standard' hours (evenings, nights, week-ends) and there is a lack of a widely shared common standard in either the length or scheduling of working hours (Fagan 1997, 2001a, Rubery et al. 1998). The UK is distinctive among the EU member states for this combination of long full-time hours and a high rate of short part-time hours which produces one of the largest national gender gaps in working hours among the employed (Rubery et al. 1998, Anxo and O'Reilly 2000, Fagan 2004).

In 1997 a Labour government was elected in the UK, ending an 18 year period of Conservative rule. In the period since this change of government there have been some important policy changes, as well as continuities, which shape the UK's working-time regime. The European Union (EU) policy framework for employment policy has also been influential. EU Directives have triggered some pertinent legal reforms to working-time policy and the 'softer' policy regulation in the EU's European Employment Strategy – the so-called Lisbon Process – has added further impetus to the national agenda; particularly in relation to work-family reconciliation and the quality of women's working-time. While the broad contours of the UK working-time regime have not been radically altered by these policy measures there are some developments underway which may mark a modest shift in the trajectory of working-time options available and the associated working-time arrangements pursued by men and women within this institutional framework. This includes some early signs that a lifecourse perspective on working-time may be emerging in policy design.

Section two of this paper describes the working-time trends, patterns and preferences in the UK. Section three describes recent developments in the main features of the UK's institutional framework which shape the working-time options in place. The current working-time debates are reviewed in section four and conclusions are drawn in section five.

## 2. Working-time arrangements in the UK – trends and the current situation

Following the decline in annual and weekly working hours in the first part of the twentieth century, from the mid-1970s onwards there was a process of working-time

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reorganisation, destandardisation and intensification in the UK. This general pattern occurred in most industrial countries to a greater or lesser degree, as a result of the economic and political crisis of 'Fordism' and the ascendancy of post-fordist 'flexibility' (Bosch et al. 1994, Rubery et al. 1999, Messenger 2004).

A parallel development was the rise in women's employment during the childbearing years, and the demise of the single-earner 'male breadwinner' household as 'dual-earner' arrangements became more common for couples; typically with the woman working part-time (Crompton 2006). The steady increase in the female employment rate since the 1970s was set against a decline in the male employment rate associated with the combined pressures of prolonged education, earlier retirement and unemployment. Since 2001 the female employment rate has settled at 74%; only slightly lower than the male rate (78%)<sup>2</sup>.

Much of this increase in female employment was in part-time jobs, and the rate of female part-time employment rose across several decades. Since the mid-1990s the proportion of employed women who work part-time has hovered at 43-44%, although in the recent period since 2005 the rate has dropped slightly to 41% by 2008. Part-time work among employed men has become more common, with a sharp rate of increase occurring from 1991-2 onwards, which coincided with the recovery from a period of economic recession. By 2008 10% of employed men worked part-time. Overall, part-timers constitute a large part of the workforce, hovering at 23-24% of all employed persons since the mid-1990s.

Part-time employment has long been associated with the onset of motherhood for women in the UK. This results from a combination of individual preferences and constraints on the working-time options for mothers. Many mothers prefer to reduce their paid working hours when children are young, associated with longstanding cultural norms which define 'good mothering' with a withdrawal from full-time employment (Duncan 2006). This normative position on motherhood varies within the population and is shaped by the interplay of their experiences, resources and the web of social relationships they are situated in (McDowell et al 2005). For example, Afro-Caribbean mothers consider full-time employment to be a normal responsibility for mothers in order to provide for their children (Reynolds, 2001). Another example is that women are more likely to favour employment when children are young if they hold interesting and well-paid managerial or professional positions (Crompton 2006).

The institutional constraints on employees' ability to combine full-time employment with care responsibilities are the limited options presented by the organisation of care services and leave options for those with children or elder care responsibilities, and the long hours expected from full-timers in many workplaces (discussed further in the next section). Thus in 2008 more than half of part-time employed women said the main reason they worked part-time was because they had childcare or other domestic responsibilities.

This increase in male part-time employment is associated with broader structural changes in the economy rather than a change in men's involvement in care responsibilities. These economic changes have steered a higher proportion of younger and older men into part-time employment. Firstly, there has been a rapid increase in the pool of students – men and women – seeking part-time employment due to changes in education policy which have created an expansion of higher education alongside cuts in student grants and the introduction of a student loan system. By 2008 one fifth of all part-timers were students. The incremental reforms to the 'New Deal' active labour market policies have increased the onus on the unemployed to accept part-time employment if full-time work is not available and this has also contributed to the increase in young and older men working part-time in private services (e.g. retail, hospitality and leisure services) in order to enter employment or to defer involuntary retirement following job loss. Hence one third of male part-timers are students

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<sup>2</sup> Unless specified, the data cited in this paper have been calculated using the weighted UK Labour Force Survey data.

and another quarter is aged 55 years or older. The comparable figures for women are that 14% of female part-timers are students and only 9% are aged 55 years or older.

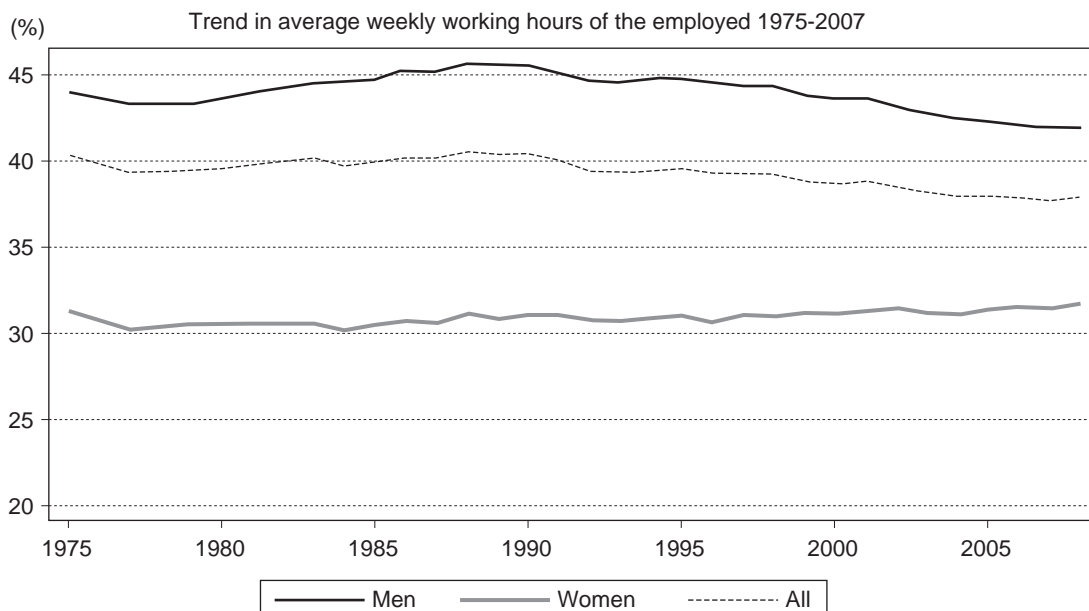
Figure 1a presents the usual average weekly working hours including overtime in the main job for the employed (employees and self-employed). Caution is needed when interpreting the data prior to 1984 due to some discontinuities in the time series, but nonetheless it is apparent that average hours have fallen for men from a peak at 46 between 1998-90 to 42 hours from 2005 to 2008. While some of this decline might be expected given the economy entered a recession in 1991-92, men’s average hours did not rise again as the economy recovered. Over the same period weekly hours for women averaged 30-31 until the end of the 1990s, after which the average crept up modestly to 32 in 2006 through to 2008.

When we exclude part-timers from the analysis it is evident that the average weekly hours for full-timers have also fallen over this period (Figure 1b). The main message to take from this figure, however, is the long average hours worked by full-timers in the UK. For men, average usual weekly full-time hours rose to hover at 46-47 hours in the period 1988-1999 followed by a modest decline to 44 by 2007 and 2008. By contrast, women employed full-time have worked an average 40-41 hours per week since the mid-1980s.

In the UK part-time employment is typically organised into short hour arrangements of 16-20 hours. This contrasts with the situation in some other countries where the hours are longer and more akin to a reduced hour arrangement (such as Sweden) or the more unusual example of Japan where being part-time primarily denotes a lower status rather than shorter hours (Houseman and Osawa 1998). The average hours worked by part-timers started to climb over the 1990s but still remain below 20 hours a week on average (Figure 2).

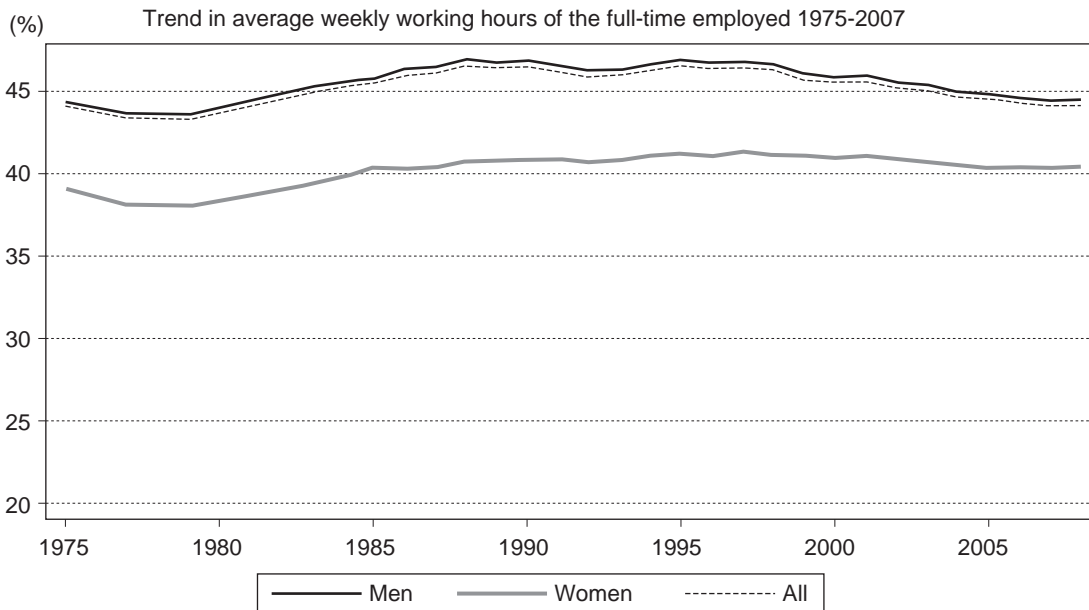
Figure 1. Trends in average weekly working hours (including all overtime) for the employed

1a) All employed



Data: weighted UK Labour Force Survey Data: 1975, 1977, 1983-2008. Yearly- 1983-91, quarterly (March- May) - 1992-2002, January-March from 2003 onwards.  
 Mean Weekly working hours of men and women who were employed or self employed. Hours are defined as those usually worked in the main activity, including overtime. Caution is required when interpreting figures before 1984.

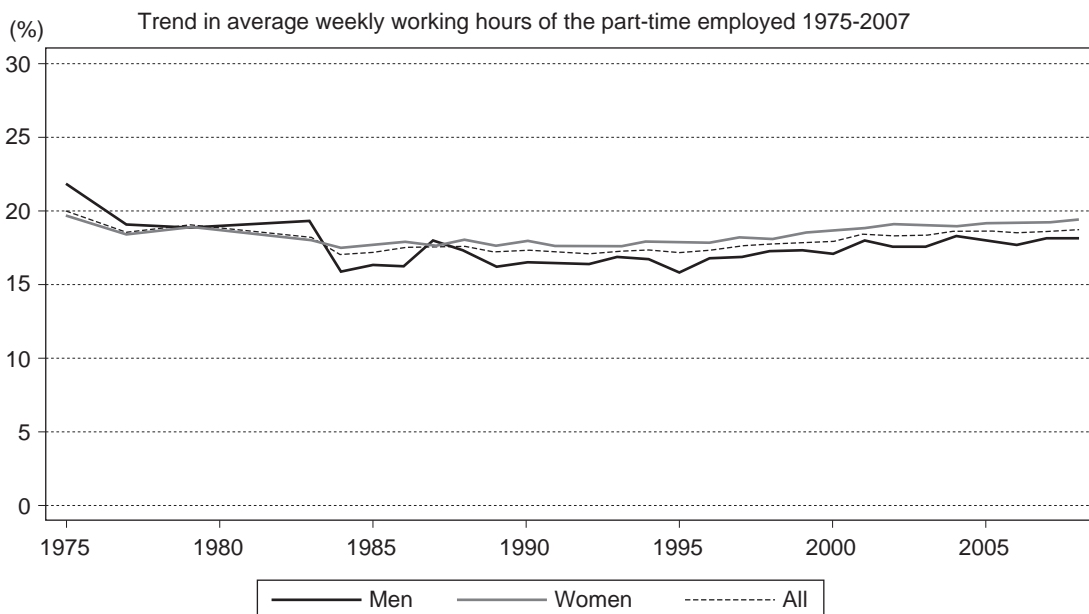
1b) Full-time employed



Data: weighted UK Labour Force Survey Data: 1975, 1977, 1979, 1983-2008. Yearly- 1983-91, quarterly (March- May) - 1992-2002, January-March from 2003 onwards. Employed or self employed men and women who declared they worked full- time (main job). Hours are those usually worked in their main job, including overtime. Caution is required when interpreting figures before 1984.

Note: Hours are those usually worked in the main job, including all overtime (paid and unpaid). Data are for the employed and self-employed. The distinction between full-time and part-time is a self-assessment of status (based on the main job). Source: UK Labour Force Survey.

Figure 2. Trends in average weekly working hours (including all overtime) for the part-time employed

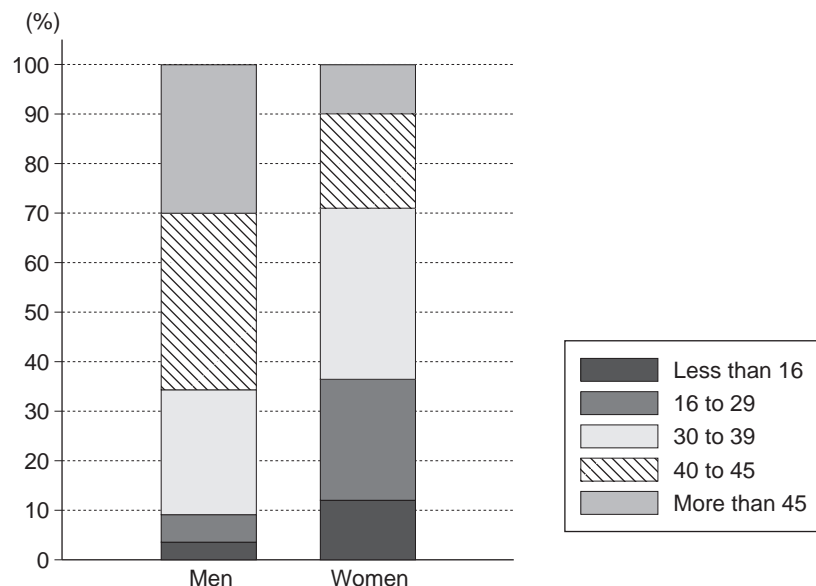


Data: weighted UK Labour Force Survey Data: 1975, 1977, 1979, 1983-2008. Yearly- 1983-91, quarterly (March- May) - 1992-2002, January-March from 2003 onwards. Employed or self employed men and women who declared they worked part- time (main job). Hours are those usually worked in their main job, including overtime. Caution is required when interpreting figures before 1984.

Note: Hours are those usually worked in the main job, including all overtime (paid and unpaid). Data are for the employed and self-employed. The distinction between full-time and part-time is a self-assessment of status (based on the main job). Source: UK Labour Force Survey.

Figure 3 shows the diversity in the typical length of the working week for the employed in the UK. Less than one third of employed people have working arrangements which fall in the 'middle-ground' of 30-39 hours. The figure reveals the high incidence of long hours working in the UK.<sup>3</sup> In 2008 30% of employed men and 10% of employed women usually worked more than 45 hours per week. For men the rate was even higher between 1988 and 1997, fluctuating between 38-41%, after which the trend has been steadily downward. The proportion of women working these long hours rose from the early 1980s to reach 10% in 1994, and since then the rate has hovered at 10-11%. A working week of 40-45 hours is also common, particularly for men. At the other end of the distribution, 12% of employed women work less than 16 hours, down from 18% in the mid-1980s. Only 4% of employed men have such short working hours, even if the long-term trend has been upwards. Around one in three employed women has longer part-time arrangements of between 16-30 hours.

Figure 3. The variation in the average length of the working week (including all overtime) for employed men and women, 2008



Data: Weighted UK Quarterly Labour Force Survey April-June 2008.  
Hours are those usually worked in the main job (including overtime) by employed men and women in the UK.

Working hours vary quite markedly with occupational category in the UK. Many of the men and women who work long full-time hours are located in managerial positions and some professions; mostly jobs which are well-paid. However long full-time hours are also common for men in the skilled trade occupations (e.g. construction) and some lower paid jobs (e.g. private security firms; transport). Overall, long hours are most common in the private sector and in non-unionised workplaces (Cully et al 1999).

Manual employees who work long hours are the most likely to say they do so for financial reasons, while managers and professionals usually emphasise their job commitment (although financial rewards may come later via promotion or bonuses). Those with the highest degree of autonomy over how they organise their work are the most likely to attribute long working

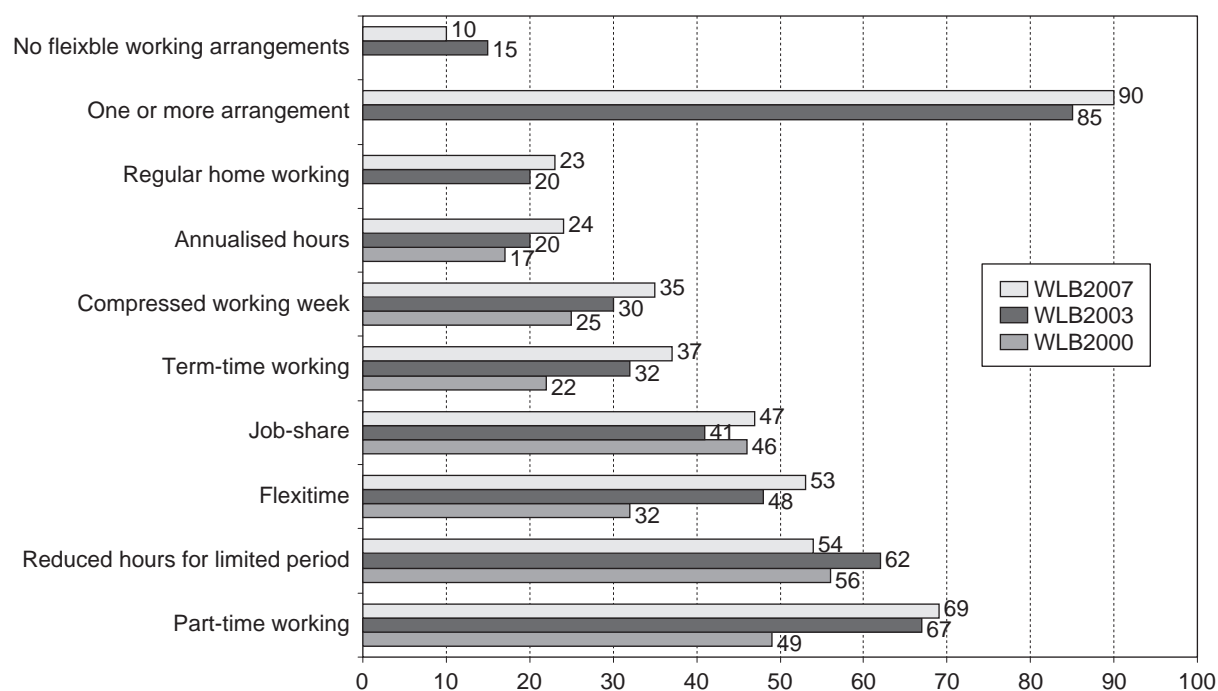
<sup>3</sup> The high incidence of long hours working is also found when the self-employed are excluded from the analysis on the basis that their hours are not directly regulated by labour law or collective agreements.

hours to their job commitment, even after taking into account their occupational level (Cully et al. 1999). This indicates the double-edged nature of autonomy: flexibility and discretion can go hand-in-hand with a sense of obligation to work long hours when required to cover variable or persistently heavy workloads. Working long hours may also become a key element in competition for promotion in flatter and more individualised organizational structures (Crompton and Brockmann 2006).

Part-time employment exists in 83% of British workplaces, according to the 2004 Workplace Employment Relations Survey (Kersley et al 2006). It is disproportionately concentrated in the low-paid feminised activities of service and manual jobs (sales and customer service, hospitality, cleaning) often with very short hours (Women and Work Commission 2006). However, some part-timers hold higher-level and better-paid jobs: one fifth of female part-timers are in professional and associated positions, although part-time working remains rare for women who enter management or male-dominated professions.

A growing proportion of establishments offer flexible working options (such as flexitime, working from home, job shares) in Britain, illustrated for example, by the results from the government's 'work-life balance' survey which was established in 2000 (see Figure 4). However, the availability and take-up of these working-time options varies (Cully et al. 1999, Kersley et al. 2006, Bell and Bryson 2005, Dex 2003). Broadly speaking, managers and professionals have the most discretion over when they start and finish – because their hours are not directly monitored or because they have formal flexitime arrangements – and they are also more likely to be able to do some of their work from home. Flexitime is common for clerical workers, particularly in the public sector and the financial sector. Conversely routine and manual workers are more likely to have their hours fixed by their employers, and shiftwork and part-time work feature more often in their schedules (see also Warren 2003). There are no occupational differences in the incidence of compressed weeks, jobshares or

Figure 4. Trends in the availability of flexible working arrangements offered in workplaces in the UK, 2000-2007



Source: Hogarth et al., 2001, Stevens et al., 2004 and IES/ICM, 2006 (Hooker et al 2007: Table 3.3).

term-time working (Kersley et al, 2006, table 6.24). Flexible working options are more common generally in the public sector, in large workplaces, where a union is recognised or where more than half of the workforce is female.

These occupational and workplace differences in working hours and access to different schedules cluster at the household level to produce pronounced class-based differences in the work schedules of dual-earner couples (Fagan 2001a, Warren 2003).

A 'satisfactory work-life balance' is a common aspiration for employees according to the British Social Attitudes Survey, although it is not ranked as the most important priority as often as having job security or interesting work (Bell and Bryson 2005). The survey also shows that substantial proportions of employees experience problems balancing work and home life, and that, in themselves, flexible working options do not substantially alleviate the pressures (Bell and Bryson 2005; p50). A good work-life balance depends on a number of workplace and domestic factors but long working hours have been shown to exert a significant and dominant negative effect and working-time autonomy offers only limited compensation (Fagan and Burchell 2002, OECD 2004).

There is a substantial mismatch between actual and preferred working hours for men and women in Britain. In 2008, 21% of employed men and 31% of employed women expressed a preference for a wage-adjusted reduction in their working hours by an average of 11 hours for both sexes according to the Labour Force Survey. Seven per cent said they would like to work longer hours at their current rate of pay. Earlier research revealed that the desire to work short hours is highest among those working very long hours while a sizeable proportion of part-timers want to work longer part-time or even full-time hours (2000a, 2001b, 2004).

### **3. An overview of the institutional framework which shapes the UK working-time regime**

State policies, economic conditions and collective agreements create an institutional context or framework which shapes companies' working-time policies and the working-time options people face, the working-time arrangements they secure and their preferred working hours (Fagan 2001a, 2001b). The main components of the institutional framework which produce the national working time regime are (i) the industrial relations system (labour law and collective bargaining); (ii) the wage structure (earnings differentials, minimum wage regulation, working-time premia); (iii) the care and 'work-family reconciliation system (such as extended leave or reduced hours plus care services for children and elders); (iv) the incentive structure created by the combination of the social security and personal taxation system; (v) the education and training system and (vi) the family system (the gender-based division of employment and domestic responsibilities, inter-generational responsibilities, norms about what constitutes 'good parenting').

The election of the Labour government in 1997 brought a shift towards a more social democratic political agenda in the UK. There have been some important developments in the following areas of working-time policy: the introduction of statutory limits on working-time, developments in collective bargaining, the quality of part-time work, work-family reconciliation, the fiscal system, and 'active ageing'. There have also been changes in the higher education system which has expanded the pool of young people seeking part-time work, which was discussed above in section 2.

#### **3.1. Statutory regulations on working-time**

In 1998 the EU Directive on Working Time was finally incorporated into UK labour law in the *Working Time Regulation Act (1998)*. The UK government had waged a sustained campaign to oppose and dilute this Directive, and finally secured a voluntary 'opt out clause' which permitted individual employees to voluntarily work hours in excess of the 48 hour

average weekly limit established by the Directive. Despite this dilution the legislation was an important milestone because before this the limited statutory regulations which had provided some protection to certain groups of workers had been dismantled over the 1980s and early 1990s (Hepple and Hakim 1997). These groups included some transport workers connected with public safety, some low-paid employees covered by the Wages Council, limits on Sunday working due to restrictions on retail opening hours, and limits on the hours worked by youth and on night work for women (See Fagan 2000b for more detail).

The *1998 Working Time Regulations Act* introduced the following provisions which the Directive had established:

- Three weeks paid leave, increased to 4 weeks in 1999 (can not be cashed in for extra earnings)
- Daily and weekly rest periods (rest period after 6 hours, 11 hours rest in each 24 hour period, one day off in seven)
- Average of 8 hours per shift on night work
- A maximum 48 hour week – although ‘voluntary opt-out’ agreements between employer and employee are permitted
- An exemption for managers and professionals whose working time is ‘not measured or predetermined’ and are thus considered to determine their own hours
- Various derogations and exemptions for transport workers, seafarers and junior doctors which were subsequently addressed in a new Directive for these sectors agreed in May 2000 (EIROnline 2000a)

The new working time regulations offered basic protection for some of the most vulnerable employees, particularly manual and part-time workers. For example, an estimated 10% of the workforce gained from the introduction of a statutory entitlement to annual leave (IDS 1996). It also led to a steady reduction in the number and proportion of employees working very long hours in the subsequent period from 1998 to 2007 (TUC 2008).

There are some extensions pending. There are proposals under consideration to increase the statutory annual leave entitlement in the Work and Families Act. The latest important development is that on December 17th 2008 the European Parliament voted to remove the ‘voluntary opt-out’, thus signaling that the UK will be required to reform the legislation accordingly. No further detail is available at the time of writing.

### **3.2. Collective agreements and the regulation of working-time**

Collective bargaining is an important but uneven source of working-time regulation in Britain. There has been a marked decline in trade union recognition and membership, encouraged by several legislative changes over the 1980s which reduced trade unions’ bargaining power (Millward et al. 2000, Cully et al. 1999). In 2007 just under half of employees (47%) worked in a workplace with a union presence and one third said their pay and working conditions were covered by a collective agreement (Mercer and Notley 2007). Union membership and coverage by collective agreements is much lower in the private sector, where 20% of employees are covered by a collective agreement compared to 72% of public sector employees. Representation is even lower in small private sector firms. This reduces the ability of unions to play their role in ensuring employers comply with the working-time law as well as negotiating agreements.

The agreements which are reached are usually negotiated at company level and incorporated within individual contracts, rather than as legally enforceable contracts between the employer and the union. There are no national, multi-industry agreements on working-time, although public sector agreements are often national or regional in scope. Working time remains the key negotiating issue after pay, especially in workplaces with large numbers of manual workers. For example, the reduction or reorganization of working hours was a

bargaining issue in 75% of workplaces with recognized unions in 1998, having fallen only slightly since 1990 (Millward et al. 2000, table 5.10).

In the last twenty years new agreements have mainly been reached on flexibility rather than working-time reductions. The most notable reductions were achieved by the engineering unions which secured a 37.5 hour week by the early 1990s (Richardson and Rubin 1994). Another important agreement is the 35 hour week in the banking sector, which is one of the private sectors with a reasonably highly level of collective organisation (EIROnline 2000b). In the public sector the 1997 'single status' agreement reduced normal weekly hours for manual employees from 39 to 37 to match the agreement for non-manual employees (this came into effect on April 1<sup>st</sup> 1999).

Overtime working – paid and unpaid – is extensive in the UK (Fagan et al. 2006). Few collective agreements set explicit limits on the amount of permitted overtime. Historically the traditional bargaining strategy of the UK union movement was to seek reductions in basic hours combined with overtime premia as a means of raising wages (Rubery et al. 1994). However, in many sectors, particularly those where unions are weak, working-time premia have been dismantled and consolidated into basic pay as part of the introduction of flexible working-time arrangements. For example, the extension of Sunday opening was accompanied by the erosion of premia pay for weekend working in the retail sector. Similarly, where annualized hours agreements have been introduced in manufacturing a major impetus has been to remove the rigidities and cost of overtime payments.

The Trade Unions Confederation has for several years been running a concerted campaign on working time geared towards more flexibility for employees and limits on long hours working ([www.tuc.org.uk](http://www.tuc.org.uk)). A fairly new resource they can draw on for this is the government's *Union Modernisation Fund*, which social partners can apply to for support for various pilots and initiatives, including working-time innovation.

### 3.3. The quality of part-time work

Part-time work in the UK<sup>4</sup> gradually gained formal equal treatment in labour law over the 1990s, following advances made in collective bargaining and sex discrimination litigation since the early 1980s (see 2000b for review). There is now equal employment protection for all those working 8 hours or more<sup>5</sup>. The EU Directive on *Part-time Workers*<sup>6</sup> came into force in July 2000 which extended the principle of equal treatment and gave part-time workers in the UK the statutory right to equal treatment with comparable full-timers for hourly pay (including overtime pay for any hours worked above normal full-time hours) and equal (pro rata) treatment for all contractual entitlements, redundancy arrangements, pension schemes and training. Casual workers are covered by the regulations.

The main limitation of this law is that equal treatment relies upon the existence of a comparable full-time worker employed by the same employer under the same type of contract and on broadly similar work. Because of the gender segregated character of the labour market it is estimated that only one in six part-timers in the UK have a full-time comparator on these criteria (EIROnline 2000c). Furthermore, the main reason for the poor quality of part-time work in the UK is not unequal treatment with a full-time comparator at their workplace but that their employment is concentrated into the least regulated and lowest-paid sectors and

<sup>4</sup> There is no legal definition of part-time work in the UK. People working less than 30 hours a week are classified as part-time in official statistics, and in practice this threshold largely corresponds with definitions of part-time work used in collective agreements and individual employment contracts.

<sup>5</sup> The *1999 Employment Relations Act* extended employment protection (against unfair dismissal, redundancy compensation, maternity rights) to all employees after one year of service if they work 8 hours or more. The rationale for keeping the 8 hour threshold is to exclude very marginal, casual forms of part-time work, such as Saturday jobs for young people.

<sup>6</sup> EU framework agreement on equal treatment for part-time work (97/81/EC).



workplaces. It is worth noting that there are no regulations setting a minimum (average) number of weekly hours for part-timers or a minimum length of a work period. This means that employers are able in principle to organize part-timers' working hours into short and fragmented work periods, without the obligation to provide paid rest periods or breaks.

The pay penalty for periods of part-time work is particularly pronounced in the United Kingdom both in terms of hourly rates for part-timers and the reduced progression in careers and earnings over the life course following a period of part-time work (Francesconi and Gosling, 2005; Manning and Petrongolo, 2005). The poor pay position of part-timers is a major underlying factor for the gender pay gap. The negative impact extends into low pension levels upon retirement, although the recent pension reforms (DWP, 2005, 2006) will eventually feed through to improve the pension situation of people with periods of part-time employment in their work histories.

As a reflection of their poor labour market position, part-timers were one of the main categories of workers to benefit from the introduction of the statutory *National Minimum Wage (1997)*<sup>7</sup>. Furthermore, the European Council's recommendation<sup>8</sup> that the UK government should take action to reduce the gender pay gap prompted the Government to establish the 'Women and Work Commission'. This Commission made a number of recommendations for action to tackle gender segregation, extend training and improve the quality of part-time work which the government has implemented, accompanied by significant budget allocation. This includes, for example, a high profile fund for initiatives to promote the creation of high quality part-time jobs in senior positions, which will involve social partners (although the budget allocated was only one tenth of what was recommended by the Commission). However, a weakness of the recommendations was the lack emphasis upon changing the supply-side conditions of women's employment participation rather than on tackling the wage-setting mechanisms, for example improving firm's compliance with equal pay legislation (Rubery and Smith, 2006, Fagan and Urwin 2007).

The other major reform in relation to part-time work is the new 'right to request part-time or flexible working hours' as part of the work-family reconciliation package of reforms, discussed next.

### 3.4. Work-family reconciliation policy

There has been a suite of major reforms in policies and infrastructure concerning work-family reconciliation. This has been the major component of policy for advancing gender equality in employment. Part of the impetus for this package of reforms came at the end of the 1990s with the launch of the EU Employment strategy – the so-called Lisbon process – which, among other things, introduced a target to raise the female employment rate set and the associated subsequent Barcelona childcare target to expand pre-school services.

The *EU Directives on the Protection of Pregnant Women (1992)* and *Parental Leave (1999)* led to a series of incremental reforms over the 1990s which extended the length of statutory maternity leave and raised the financial compensation<sup>9</sup>, introduced a short period of paid paternity leave<sup>10</sup>, and gave each parent the statutory right to three months unpaid parental

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<sup>7</sup> Two thirds of the beneficiaries of the National Minimum Wage are women, particularly those employed part-time.

<sup>8</sup> These are made in connection with the assessment of annual reports submitted by Member State as part of the Open Method of Coordination in the European Employment Strategy (the National Reform programmes; previously called the National Action Plans on Employment).

<sup>9</sup> Since April 2007 the mother may take up to one year of maternity leave. Statutory maternity pay (SMP) is now paid for nine months [the 6 weeks at 90% of salary remains unchanged but the number of weeks covered with flat-rate maternity pay rises from 20 to 33 weeks].

<sup>10</sup> Since 2003 fathers are entitled to take two weeks of statutory paid paternity leave around the time of the birth, paid at the same level as flat-rate maternity pay.

leave<sup>11</sup>. There are proposals to extend paternity leave, some of which may be paid if the mother takes a shorter period of maternity leave and returns to employment after six months.

These improved rights to leave for parents have been accompanied by the introduction of a statutory '*right to request*' reduced or flexible working hours for parents. This new legal measure built upon the approach of the government's earlier 'best practice' recommendations as part of their 2000 'Work-Life Balance' campaign, which encouraged employers to increase the opportunities for part-time work, including the ability to switch from full-time to part-time hours. The *Employment Act (2003)* introduced rights for parents with children under the age of 6 years, or disabled children under 18 years to request reduced or flexible working hours. The *Work and Families Act (2006)* extended this provision to carers of adult relatives with effect from April 6<sup>th</sup> 2007. In May 2008 the government announced that this legislation is to be extended to parents of older children up to the age of 16.

Relatively broad flexibility options are available under the legislation, allowing employed parents to request reductions in working hours, changes in scheduling and the location of work. Employers must consider the request seriously, but can refuse on the grounds of one or more specified 'business reasons'. The rights which employees have under this legislation are weaker than those provided in the Dutch legislation on which it was modelled, for there are more grounds on which an employer can legitimately reject a request and the procedural grounds for appeal are much weaker (Fagan et al. 2006).

The 'right to request' had already started to take root in some organizations prior to the legislation on this matter, but requests increased following the introduction of the statutory right (See Fagan et al. 2005 for a review of the evidence). In the period 2003-05 14% of employees requested adjustments under this new right. One in three employed mothers (36%) with a child under six years old and just over one in ten (12%) of employed fathers made a request. Some employees not covered by the legislation also made requests and overall more female employees made requests than men (19% compared to 10%) (Holt and Grainger, 2005).

Government statistics show that most requests are fully accepted. The acceptance rate is higher for women than men; so not only are men less likely to make a request if they do so they are less likely to be successful. There is also evidence from tribunals of very modest requests being rejected outright by employers (Fagan et al 2006). The most common form of request is for part-time work, followed by later starting times or earlier finishing times. The type of adjustment requested is highly gendered: women are more likely to request part-time hours, while men are more likely to request flexitime. Take-up appears to be lower at senior levels and in jobs where long working hours are involved, indicating that the 'right to request' has done little to open up part-time working or more family-oriented flexibility in higher-level managerial and professional jobs. Qualitative research records that those mothers who had reduced their hours typically paid the price of putting their career on hold or coping with a workload which had not been reduced proportionately (Fagan et al 2008).

By contrast, the take-up rates of unpaid parental leave are lower. Parental leave is taken by an estimated 11% of employed mothers who returned to employment after maternity leave and less than 8% of fathers. The majority of both fathers and mothers who took leave did so for a week or less, which suggests that parental leave in the UK is mostly used for short-term care of sick children (Hooker et al 200, Smeaton et al 2006).

On balance, it is evident that the 'right to request' has had a positive impact on reconciliation options for parents and other carers; but these advances have been curtailed by virtue of the narrow design of the law and its reliance on individualised policy measures that are directed at carers. An individual right for all employees to request flexible work would

<sup>11</sup> Parents of children under the age of five are eligible for unpaid parental leave (introduced in 1999). Each parent can take 13 weeks leave per child, to be taken before the child's fifth birthday. A maximum of 4 weeks leave per year can be taken in respect of any individual child.

play a more effective role in securing a broader range of policy objectives including wider lifecycle issues than the 'work-family' agenda; such as active ageing or lifelong learning (Fagan et al. 2006).

These working-time measures have occurred alongside a rapid expansion of childcare services initiated by the *1998 National Childcare Strategy* (HMSO 1998). The focus of the expansion has been upon providing free part-time pre-school places. Full-time pre-school childcare remains very expensive, even with subsidies introduced for low-income families; and the supply and quality of full-time out-of-school care is uneven and also amounts to a significant cost for families with modest incomes. Hence, the overall logic of the childcare strategy to date has been to reinforce the 'part-time model' of maternal employment.

The new legal 'gender duty' placed on the public sector to promote gender equality in its policies and provisions (including procurement from the private sector) provides another stimulus for the development of working-time measures geared towards enhancing work-family reconciliation and women's advancement in the workplace.

### **3.5. The Fiscal system: social security and personal taxation**

The main influence of the UK social security and tax system on working hours is found at low hours and earnings levels. In the taxation system there are no fiscal structures to deter long hours of work; rather the fiscal regime is a permissive one.

Since 1998 a series of budget reforms have changed the structure of employer and employee social security contributions to reduce a distortion which favoured the creation of short part-time jobs over ones with longer hours. Prior to these reforms there was a strong incentive for employers to design short hour part-time jobs – typically 15 hours or less per week – so that earnings were below a certain threshold (the Lower Earnings Limit). Such jobs produced significant non-wage cost savings in the form of reduced social security contributions for employers. It also meant that employees did not have contributions deducted from their wage but the disadvantage was they had reduced social protection entitlements. This reform removes some obstacles to the expansion of longer rather than short part-time hour arrangements.

However, there are still some fiscal incentives supporting the creation of jobs with short part-time hours, which tend to be of an inferior, more marginalized quality than part-time jobs with longer hours (Fagan and O'Reilly 1998). One modest one exists in the personal tax allowance which makes it possible to earn low (part-time) earnings before tax is deducted. More extensive and complex ones are created in the social protection system for the unemployed and low-paid. Since the 1980s the introduction and incremental reform of active labour market policies (the '*New Deal*') have placed job seekers under increasing requirements to be available to work part-time or full-time. At the same time, the earnings-related withdrawal of benefits as earnings rise in combination with the person taxation system creates high effective tax rates for many of the low paid employed which can create financial disincentives against their working longer part-time or full-time hours.

### **3.6. Active ageing**

There is an emerging policy concern to promote 'active ageing' and prolonging the working life of older workers in response to the pressures of demographic trends and financing the pension, health and social care systems. The 2006 budget statement signaled the intention of the Department for Work and Pensions 'to work with employers to extend flexible working opportunities to older workers'. This policy development, in combination with the recent developments in work-family measures for adults with children or elder care responsibilities signals a nascent lifecourse perspective to working-time policy in the UK. However more radical changes to the organization of the pension system will be needed if a fully integrated lifecourse approach is to become embedded in the policy framework (Anxo et al. 2007).

## **4. Current working-time developments and debates**

In light of the working-time trends and policy developments reviewed in sections two and three above there are several themes which dominate current working-time debates in the UK.

### **4.1. The long hours working culture and working-time norms**

The trade unions have played a key role in keeping long working hours visible in public debates through media and information campaigns and in lobbying for the 'voluntary opt-out' to be rescinded. For example, their recent report identified signs of resurgence in the proportion working very long hours (TUC 2008). More than half of the long hours workers are white-collar employees who do not receive any overtime pay; the remainder is in skilled trades or lower-paid manual jobs where paid overtime is often a significant proportion of the overall wage packet. This raises two points of debate.

One point of debate is that many of the white-collar employees working long hours are managers and professionals who are defined as determining their own working hours and for which, therefore, the working-time regulations have little direct bite. Hence the question is how to shift organizational cultures away from the reliance upon long hours working for full-timers and the normative expectations placed on employees to work such hours; which also creates obstacles and penalties for those considering a switch to part-time hours in these occupations (Lewis 1997, Fagan et al, forthcoming). The counter argument, most commonly advanced by employers' associations, relies on the discourse of individual free choice concerning decisions to work long hours and ignores the way that norms and power relations in the workplace mould such choices.

The other point of debate is how to secure effective working-time reductions for low paid employees while minimizing income loss. Here, unsurprisingly, the unions have advocated a greater role for social partner dialogue to advance this process (Fagan et al. 2006) combined with measures to raise basic rates for the low-paid. However, the problem remains that there is no mechanism for social partner dialogue in the majority of private sector workplaces (see 3.2 above).

### **4.2. The poor quality of part-time work and the gender pay gap**

It is generally accepted that the 'right to request' part-time or flexible work has increased the opportunities for employees with care responsibilities to secure adjustments without undertaking a new job search. However, what remains to be seen is whether this new provision, in conjunction with the other initiatives the government has commenced to encourage the creation of part-time working in a wider range of occupational positions (see 3.3 above), will help to lever a 'step change' improvement in the quality of part-time work. There are also other issues to monitor: whether the option for full reversibility (i.e. the ability to resume full-time working at a later stage) will become a reality given that there is no provision for this in the current legislation; and whether employees' ability to use this legal right successfully will diminish under the current economic recession.

### **4.3. Gender inequalities in working arrangements and the division of care responsibilities**

The package of work-family reconciliation measures which have come on stream have made it easier for mothers to coordinate employment and care responsibilities but there are still pronounced gender inequalities. There is a pronounced gender gap in working hours and earnings rooted in the way that care responsibilities channel women into part-time working in Britain. There is a long-running academic and policy debate about whether the solution should focus on raising the rate of full-time working for women with care responsibilities, or on

improving the quality of part-time work, or a combination of both strategies. There is also a growing body of research which aims to understand the conditions under which fathers adjust their working-time arrangements in order to play a more equal domestic role (see Fagan et al. forthcoming for a review). A stimulus to this part of the debate has come from the way that some fathers have made use of their new 'right to request' reduced or flexible working hours plus the high take-up rate of the new paternity leave entitlement; in contrast to the low take-up by either sex of the unpaid statutory parental leave entitlement.

#### **4.4. 'Active ageing' and working-time flexibility for older workers**

This is a newer area of debate. On one hand, the demographic pressures mean that this is likely to grow in importance. On the other hand, the immediate economic problems in the economy may deflect attention from this pressing, longer-term issue of how to secure more flexible options and a prolonged working life.

#### **4.5. 'Flexicurity'**

The term 'flexicurity' is beginning to infiltrate UK policy debates<sup>12</sup>, for example in the employment policy presented in the *2008 National Reform Programme* report to the European Commission. However, there is no explicit flexicurity policy statement informing UK employment policy debates. While there have been some pertinent reforms in relation to training, fixed-term contracts<sup>13</sup> and part-time work these are not integrated or informed by a flexicurity framework. Instead the emphasis of the UK flexibility model remains centred on numerical and financial flexibility. Other key elements of flexicurity – functional flexibility, contractual security, income security – are the poor relatives in the UK.

### **5. Concluding assessment – research and policy issues**

The UK working-time regime has for many years featured high rate of long full-time hours working and of part-time work; a pronounced gender gap in paid working hours; and where the part-time work incurs a large penalty for women's employment trajectory and earnings.

There have been quite a few changes to working-time policy since the Labour government came to power in 1997; including some new statutory measures regulating working-time, an extension of work-family reconciliation measures, the innovative 'right to request' reduced or flexible working for some employees and some voluntary initiatives designed to stimulate improvements in the quality of part-time work offered by employers. There has been an increase in the workplace availability of a range of flexible working arrangements although the most common form remains part-time working. There is also some early signs that a lifecourse perspective on working-time may be emerging in policy design.

Hence, while the broad contours of the UK working-time regime have not been radically altered by these policy measures there are developments underway which are expanding the range of working-time options available and producing some modest changes in the working-time arrangements pursued by men and women. Hence there has been a modest decline in the incidence of long hours working among the full-time, a slight lengthening of the average hours

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<sup>12</sup> The term originates in Dutch debates, and broadly refers to efforts to achieve a new arrangement of labour law and social protection under which employees are expected to be more flexible on the labour market and at the workplace (in terms of hiring, working-time, redeployment etc.) and in exchange are provided with new, enhanced forms of protection.

<sup>13</sup> The EU directive on fixed term contract workers came into force from July 2006 (in the sense that this is first date by which contracts could extend over four years). How this will be implemented in practice is not yet clear. The government and employers continue to resist proposals to introduce regulations to improve the employment conditions of temporary agency workers.

worked by part-timers, and an increase in the proportion of employees with flexible working arrangements.

However, these changes may remain modest rather than a sign that a more radical rearrangement of the UK's working-time regime is underway. This is because there is a continued political preoccupation with maintaining a 'flexible' economy (HM Government 2008) where the politically dominant model of flexibility is aiming to minimize labour market regulations, taxation and increases in public expenditure and a 'liberal' welfare state system of flat-rate universal benefits and assistance targeted at low-income families (Esping-Andersen 1990). Within this context working-time inequalities between women and men and between the well-paid and the low-paid are likely to remain (Anxo and O'Reilly 2000). Furthermore, the current economic recession may also act as a break on the take-up of new working-time options and on the recent expansion of such options offered by firms. The unemployment rate as of January 2009 had reached 6.5, which is the highest since 1999, and is projected to rise further as the recession deepens and to be disproportionately concentrated on young people. It is in this context that the current debates about curtailing long hours working, improving the quality of part-time work, promoting greater gender equality in working patterns, working-time flexibility for older workers and the current EU promotion of 'flexicurity' and a lifecourse perspective on working-time will unfold.

### Acknowledgements

I would like to thank Pierre Walthery, doctoral student and graduate research assistant at the University of Manchester, for preparing the analysis of the Labour Force Survey; and Mark Smith for providing the graph used in Figure 4.

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# Working Time Policy in Sweden

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## Introduction

In common with many industrial countries, paid working hours have decreased appreciably in Sweden over the last fifty years. One salient feature of working time policy during this period was the creation of conditions for greater flexibility in individual working time over the life course while preserving firms' productive needs and competitiveness. Such a policy could not succeed without a broad and active co-operation between the social partners. This move towards a *negotiated flexibility* as part of an economic policy which rejects social exclusion and employment insecurity has been one of the focal points of working time policy in Sweden. While working time policy has been a key component of Swedish welfare policy, governments and the social partners have consistently refused to consider an across-the board reduction of working time as an effective means of combating unemployment.

Not only is working time policy a major component of the Swedish employment system, with some of the most highly developed and flexible leave entitlements in Europe, it is also seen as a means to promote equal gender opportunities. The legal opportunities to vary (modulate) individual working time over the life cycle has without doubt contributed to the marked rise in female labour force participation. Actually, the large palette of individual and reversible working time options in Sweden backed with a complete employment guarantee gives large opportunities for households to adapt their working time to various situations and commitments over the life course without large income loss.

The objective of this paper is primarily to describe the institutional set up under which working time arrangements and transitions across the life course occur in Sweden. The first part of the paper examines Swedish working time regulation as well as the various legal arrangements regarding leaves of absence, focusing on the interrelation between statutory and contractual regulation of working time. The second part describes the major characteristics of Swedish working time policy and reviews the main issues in the Swedish debate on working time. The third part examines the major trend of working weekly time in particular by using a life course approach. Finally the last section provides some conclusive remarks.

## 1. The Statutory and Contractual Framework

### 1.1. Regulations of working time: the interplay between statutory policy and collective agreements

One of the basic fundamentals of the Swedish Model is a strong contractual tradition based on the existence of powerful social partners who enjoy considerable autonomy from the public authorities. The pre-eminence of the two sides of industry in mechanisms for regulating the labour market creates a favourable institutional framework for reaching negotiated compromises. Swedish labour law is restricted by comparison with labour legislation in other Member States, and labour market legislations is for the most part 'optional', that is to say most provisions of labour market legislation may be, wholly or partly, amended by collective

agreements. This distinct feature coupled to the high union density<sup>1</sup> gives rise to considerable leeway for the emergence of “*negotiated flexibility*” at the local level and makes it possible to better adapt the regulatory framework (statutory law) to firms’ productive constraints and workers’ preferences and need as regard working conditions. In other words, any assessment of the impact of labour market regulations in Sweden must, in addition to statutory law, consider both the relationship between law and collective agreement and the content of collective agreements at both the industry and firm level.

A good illustration of this interplay between statutory policy and contractual arrangements in Sweden regards the regulation of working time. The Swedish Working Hours Act (*Arbetstidslagen, SFS 1982:673*) appears to be particularly flexible and has, since the late 1950s, also left the social partners free to negotiate and draw up industry wide agreements on working hours. Hence, the Working Hours Act is also *optional*<sup>2</sup> and can be partly or entirely replaced through collective agreements at the industry and/or plant level. Despite a statutory 40-hour working week, regulated maximum annual overtime (200 hours a year<sup>3</sup>) and a general prohibition on night work, a considerable number of exceptions and adaptations make allowance for the diversity and specific constraints of the different production activities. It should also be noted that the law does not stipulate a statutory maximum daily working time. Besides the obvious effect of protecting individuals not covered by collective bargaining and limiting the externalities coupled with longer hours, the optional nature of the law has encouraged the social partners to negotiate flexible working time arrangements at the industry or firm level.

The contractual nature of working time arrangement gives rise to disparities in the negotiated standard (usual) working hours between bargaining areas and different categories of employees. Generally speaking, collective agreements for blue collar workers at the industry level prescribe shorter working hours for shift work and certain particular atypical and arduous types of work than in law, and regulate wage compensation (shift premium)<sup>4</sup>. For white-collar workers in the private sector, collective agreements generally follow the statutory provisions, although some industry agreements - as for example banking and insurance - have negotiated hours less than the standard 40-hours week (about 38 hours). Certain categories of civil service employees<sup>5</sup> also work shorter hours; clerical staff within the public sector has also a system of seasonally-adjusted working hours, with a contractual work week of 40 hours and 50 minutes from September to April and 37.5 hours from May to August. It must also be noted that a collective agreement at a work place also applies to those employees not member of a trade-union. If allowed by the collective agreement, individual agreements at the establishment level might also be reached regarding various aspects of working time.

While there seems to be a strong consensus against an all-round reduction of working-time, the same is not true of more decentralised types of reduction. Several collective agreements at the industry level have moved towards more flexible working time patterns.

<sup>1</sup> Around 75-80 % of the labour force is unionised. The coverage rate of collective agreement amounts to 90 %.

<sup>2</sup> While the law is optional there are nevertheless certain mandatory provisions that apply to the working hours of young people (under 18 years of age).

<sup>3</sup> This limit is also optional and can easily be ruled out by collective agreements at the industry or plant level. Compensation for overtime (financial compensation or/and time-off in lieu ) are regulated in collective agreements and hence may vary according to bargaining areas.

<sup>4</sup> Working hours for shift work have been regulated through collective agreements. In 1974 a central agreement was reached between the Swedish Central employer Organisation (SAF) and the Central organisation for blue collar LO. According to the central agreement the length of working time is 39 hours for 2-shifts workers, 38 hour for semi-continuous workers and 36 hours for continuous shift workers. It must be also noted that the central agreement can be modified at the industry or plant level and that for certain bargaining area the duration of working time for shift workers can be shorter. In the mining and quarrying industry underground workers have a 36 hours standard work week.

<sup>5</sup> Supervisory staff, police officers, fire fighters work less than a 39 hours-week.

Overall, an analysis of collective agreements in the last decade reveals that the social partners have wanted to give employees more scope in choosing between shorter working hours and pay rises. The pay award in many collective bargaining areas may be used locally to reduce individual's working hours. Since the mid 1990s, the social partners have concluded an Industrial Agreement covering about 600,000 blue and white collar workers (approximately 20% of the gainfully employed population) in various sectors (chemical, textile, wood, engineering, etc.). These agreements entirely replace the Working Hours Act and several changes on working time were introduced. Nowadays, most of the bargaining areas encompassed in the Industry Agreement apply a yearly working time norm (*annualisation*). Also an innovative arrangement called 'Life working time' allows for 0.5% of labour income per year to be saved in a working time account. The savings account can be used to take leave or reduce working time, or may be taken out in cash (except in the engineering sector). It has been estimated that this account can give rise to a working time reduction of 50 hours per year. According to the same agreement, there is also the possibility of introducing a working time bank, which seems to be quite common within this bargaining area.

Since 1997, the Swedish Agency for Government Employers (*Arbetsgivarverket*) has concluded a collective agreement together with SACO (The Swedish Confederation of Professional Associations), TCO (the Swedish Central Organisation of Salaried Employees) and SEKO (the Union of Service and Communication Employees). This collective agreement replaces also entirely the Working Hours Act. The new collective agreement which concerns about 250,000 employees in the public sector does not include any detailed regulation on arrangement of working time. The purpose of this new agreement is to create incentives for more flexible working hours at the decentralised level by favouring the conclusion of innovative local agreements. Each organisation in the public sector has nowadays not only the possibility but, in practice, the obligation to negotiate provisions regarding working hour arrangements.

Over the last decades, the profound changes in household and demographic structure have created new needs and also new challenges. The globalisation process and the intensification of competition have had a large impact on production methods and work organisation. Modifications in consumer behaviour and product diversification have meant that an increasing number of enterprises have gradually abandoned Taylorist methods of mass production. The introduction of these new methods (just in time, lean production, etc.) has been reflected by a gradual abandonment of traditional ways of adjusting employment and by a much more flexible organisation of work and working time. These changes often make the conventional weekly standard of working time obsolete and are forcing enterprises and organisations to rethink the ways in which they regulate working time. In this context some new and innovative working hour patterns have also been negotiated and implemented in Sweden at the plant/organisation level. Generally, we can say that, in the public sector, recruitment and work environment aspects have dominated the various reductions/reorganisation of working time while in the private sector the main motive for changing work patterns has been cost minimising aspects (reducing the cost of overtime by annualisation of working time) and productive efficiency aspects (lengthening of operating/opening hours).

To sum up, besides the obvious effect of protecting individuals not covered by collective bargaining and limiting the externalities coupled with longer hours, the flexible nature of the law has encouraged the social partners to negotiate innovative working time arrangements at the industry or plant level. One of the consequences of the contractual nature and, to some extent, of the consensual nature of Swedish industrial relations is therefore that working time policy is marked by a pronounced trend towards decentralising decision-making down to industry or even plant level.

## 1.2. Regulations concerning leaves of absence

The fact that Swedish working time regulation is characterised by the possibility of adapting working time patterns to prevalent production needs insures certain flexibility (*subsidiarity principle*), it does not guarantee per se good transition possibilities over the life course. As far as Sweden is concerned, it is the combination of institutional and societal aspects such as a permissive legal framework for leave of absence and the decentralisation of the decision making process concerning working time which insure smooth transitions during the life course between paid works and other social activities (training, parenting, caring, leisure, etc.).

### 1.2.1. The Swedish Parental Leave System

The Swedish parental leave programme, introduced in 1974 (replacing the Maternity leave legislation), has obviously sustained the growth of female labour participation and contributed to the changes in women's behaviour in the labour market. Since this period women have ceased to withdraw from the labour market with anything like the same frequency as during the 1960s with the result that the employment rate of mothers of children less than 7 years old is among the highest among OECD countries. The change of the name also reflects the public authorities' desire to influence the division of labour between men and women and favour equal opportunities by gender. The length of parental leave was initially 6 months but was successively extended to 16 months (480 days) in the 1990s with full job security on return<sup>6</sup>. The level of compensation is 80 per cent of gross earnings for the first 390 days. For the remaining 90 days parents receive a flat rate of 180 SEK<sup>7</sup>. Parental leave offers considerable scope for flexibility in that part of the leave can, for example, be taken over a longer period by working a shorter week with wage compensation. Generally speaking Sweden's parental leave schemes offer considerable scope for re-arranging working time. Parents may use their right to parental leave from the child's birth or adoption until its eighth birthday. It is interesting to note that the parental leave system is one of the few social rights that is not fully individualized<sup>8</sup>. In order to favour a more equal gender distribution of absence a first earmarked non transferable month for each parent was introduced in 1993 and a second in 2002. This rule constitutes, therefore, a strong incentive for fathers to use their right to parental leave for at least 60 days. The gender division of parental leave remains, however, unevenly distributed since in 2007, 79 per cent of the total amount of compensated days are taken by the mothers<sup>9</sup>. In Sweden, the law also enables parents to take paid care leave for sick children (60 days per year and per child, up to the child's twelfth birthday<sup>10</sup> compensated at the same replacement rate as sickness benefit that is 80 per cent of previous earnings). Employees are also entitled to leave of absence or reduction of working time to take care of a relative (spouse, parent, sibling or child) who is seriously ill (60 days). The loss of income is also compensated in accordance with the replacement rate for sickness benefit. According to another law (since 1998), employees have the right to take unpaid leave for pressing family reasons.

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<sup>6</sup> The parent leave system is associated with full employment guaranty and the employment contract is not suspended during the work absence.

<sup>7</sup> Parents not in employment before the birth or adoption of their child are entitled to a flat rate of 180 SEK (1 SEK=0.095 Euro, 1 Euro=10.50 SEK).

<sup>8</sup> The current Swedish policy and political debate focuses on the advantages and disadvantages to fully individualize the system of leave of absence.

<sup>9</sup> The incidence of fathers taking parental leave and the average duration of the fathers absence have, however, continuously increased during the last decades. From 1 per cent of compensated days in the mid 1970s to 21 per cent in 2007 (that is corresponding to around 50 working days of absence).

<sup>10</sup> In case of child disability, this right is extended up to 16 years old.

### 1.2.2. Training Study Leave Scheme

Statutory leave of absence is not confined just to parental leave. Since 1974, employees have been able to take career breaks to pursue training or further studies. The legislation on training leave is particularly flexible and gives individuals considerable leeway in their choice of studies. The *Individual Training Leave Act (1974)* had two aims; to encourage social and occupation mobility and to facilitate access to education for employees with the lowest levels of compulsory education. The Act is exceptionally liberal in allowing all workers with at least six months' service to follow training of their choice, with no restriction on either the type or length of training which may, therefore, be in a field completely unconnected with the worker's job. The arrangements for taking leave are also very flexible: absence may be hourly (several hours a week combined with normal work) or taken in a block. As with the other forms of statutory leave of absence, the right to training leave is backed by a full employment guarantee; the employee is reinstated to his/her job with the same working conditions and the same pay. While the Act affords employees considerable leeway, the employer is nevertheless entitled to decide when the training shall start. However, training may not be deferred for more than six months without the express agreement of the trade union representatives. The employee may also abandon his/her course before completion and be reinstated in his/her job subject to varying periods of notice depending on the length of the course (two weeks to a month). While the training leave legislation offers no compensation for loss of income, a system of individualized non means-tested public grants and loans with highly subsidized interest rates and other repayment terms sustain the exercise of this right<sup>11</sup>.

More globally, Life long learning (LLL) constitutes an integrated part of the Swedish educational and employment systems. One feature of the Swedish LLL system is the extensive opportunities it provides to complete or enhance educational attainment after leaving initial education, either through adult education or through various training courses within the framework of labour market policy. At the work place level, access to on-the-job training and the opportunity for an employee to further develop their skills constitute also important components of the Swedish LLL system. In 2005/2006, Statistics Sweden conducted a comprehensive household survey on the participation of adults in education and learning (Statistics Sweden, 2007): 73 per cent of the Swedish population aged 25-64 years participated in formal and non-formal adult education over a twelve month period (2005/2006). If formal education is excluded the participation rate amounted to almost 70 per cent.

To sum up, we may conclude that the Swedish parental and study leave systems have constituted an efficient policy instrument to increase individual working time flexibility over the life cycle and facilitated smooth transitions between household activities, training and the labour market. In Sweden, statutory leave of absence combined with the scope for individualising working time over life cycle is therefore a means of promoting smooth transitions and higher degree of equal opportunities between the sexes.

<sup>11</sup> The student financial aid programme comprises two parts: a grant system and a public subsidized loan. The Swedish grant system is universal, open to all students (20-54 years old) attending a college /university or adult primary or secondary education programme. A supplementary allowance is given also for students with children. The Swedish loan programme is also universal, with low interest rates (2.1% in 2008) and favourable conditions for reimbursement (annuity of 4% of previous earnings). The duration of the financial aid is limited to 240 weeks (12 semesters) for college and university, up to 120 weeks for adult upper secondary schools and up to 100 weeks for adults who need to complete compulsory schools. The financial aid amounts to around EUR 800 per month (grants: 35 per cent and loan 65 per cent).

## 2. Debate on working time

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

Since the 1970s, working time policy in Sweden has primarily been seen as a means to create a better balance and conciliation between paid work and other social activities rather than a remedy to imbalances in the labour market. The wide range of individual preferences as regards the reduction and flexibility of working time points in the direction of more flexible adaptations of working time over the life cycle. The needs for flexibility, reflecting various household situations and working conditions, cannot be satisfied only by standardized or statutory regulations giving little room for individual differentiation. Hence, according to Swedish social partners and public authorities, both economic efficiency and the heterogeneity of individual preferences require more flexibility, that is differentiation and variability in working time patterns.

Since the late 1980s several parliamentary commissions have been convened for studying the legal, economic and social dimensions of working time (See SOU 1989 and SOU 1995). These commission conducted detailed surveys of the present situation and individual preferences regarding the organisation and reduction of working time. The results of these surveys are interesting in several respects and clearly illustrate and reflect the general orientation of Swedish working time policy. Firstly the survey reveals that a great majority of individuals (over 80 %) are satisfied with their working hours. Only 10 % would like to work longer hours and 10 % shorter hours for less money. Compared to previous studies, it would seem that a greater proportion of workers are satisfied with their working hours today. As regards the sharing of future productivity gains between leisure and consumption; the survey findings suggest a majority in favour of reduced working time. This survey also clearly shows that while the majority would wish to work fewer hours, they would not wish to do so at the expense of pay. The survey also reveals the varied mix of individual preferences as regards the arrangement and reduction in working time. Questioned as to the level at which any future reduction of working time should be negotiated, a majority of respondents expressed a marked preference for the decision to be decentralised and left to the individual. The wide range of individual preferences for ways of redistributing reorganising/reducing working time is itself a plea for more flexible and accommodating working time arrangements. While all-round, across the board reductions of working time were unquestionably needed in the past, it would appear that in Sweden today, workers' aspirations are better served by statutory and/or collectively negotiated options for individual working-time adjustments over the life course (*negotiated flexibility*).

The debate on the reduction of working time was put back to the top of the agenda by the upsurge in unemployment in 1992 and the parliament election in September 1993. Apart from the former Communist Party (*Vänster Partiet*) and the Environmental Party (*Miljöpartiet*), the political community and trade unions<sup>12</sup> were united in their opposition to a general reduction

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<sup>12</sup> For the trade union confederation LO and the Social democratic Party, a general reduction in working time (6 hours/day) constitutes an important welfare goal, but with the current economic situation in Sweden, this reform should be put lower on the list of priorities.

of working time as a means of resolving unemployment. There in Sweden a broad consensus among stakeholders and decision makers that unemployment depends on other factors than the length of the standard workweek and that there is no clear-cut correlation between countries' level of unemployment and the length of working time. The impact of a statutory reduction of working time is, *inter alia*, highly dependent upon the conditions under which it is implemented and also upon the strategy of the players involved. In other words, the conditions under which a general statutory reduction of working time might have a long-term impact on employment and unemployment are very restrictive. Labour market imbalances have been and will be essentially addressed through employment and active labour market policy<sup>13</sup>.

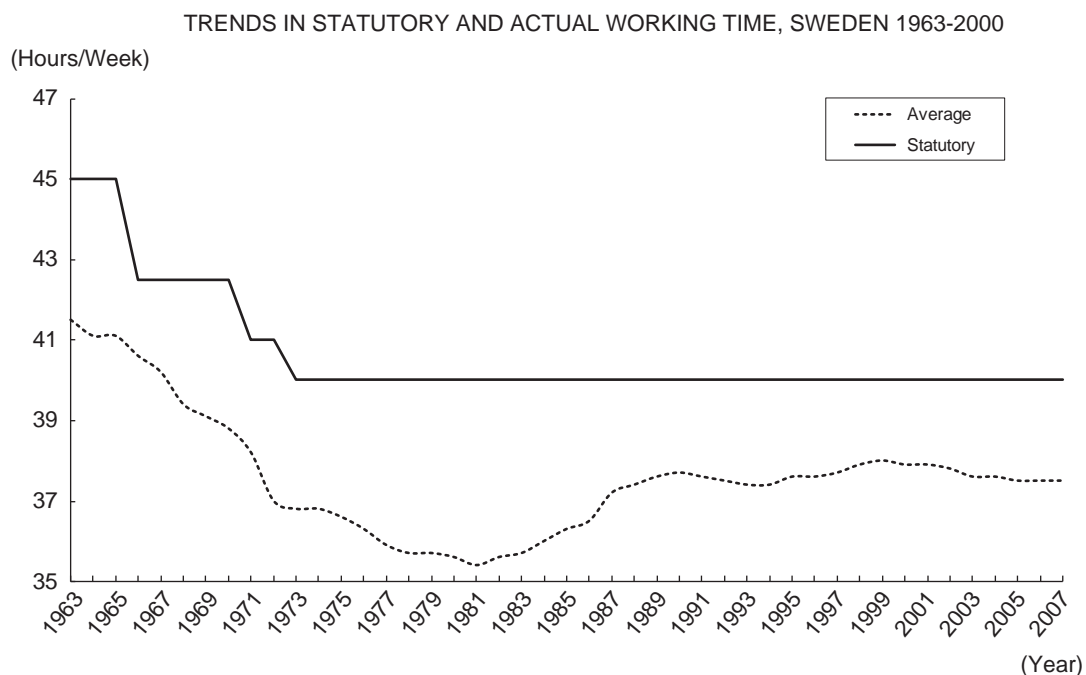
As in the past, the pace of reform on working time in Sweden will be determined by economic growth. The thrust of working time policy will continue to be impelled by the political resolve to expand the individual opportunities for arranging and adapting working time across the life course and by further decentralisation of decision making procedures down to plant level. The high unionisation rate, the nature of Sweden's industrial relations and the increasing heterogeneity of individual preferences would seem to suggest that is the right direction to take.

### 3. Trends in working time

#### 3.1. Trends in weekly working time

Over the past five decades, both statutory and average weekly working hours have decreased notably in Sweden (see Figure 1). Actual working hours have fallen from an average of about 41 hours in the early sixties to around 37 hours today. While working time fell by about 10 % over the period, an analysis of the movement reveals two conflicting

Figure 1. Trends in weekly working time



Source: Labour Force Survey (AKU).

<sup>13</sup> Since the 1930s the social partners and the various governments have been systematically opposed to a general reduction of working time as a means of resolving unemployment (work sharing strategy).

trends: a steady reduction down to 1982, followed by an appreciable increase in working time since then.

The substantial reduction of working time (about 15 %) which occurred in *the first period (1963-1982)* is mainly due to three types of factors: legislative or contractual factors, structural factors and socio-economics factors. During this period Sweden enjoyed sustained economic growth, when the trend in working hours seemed to suggest that Swedes chose to share the benefits of economic expansion by taking more leisure time. The period saw the adoption of a full range of measures designed to reduce and redistribute working time (see Table A1 in the Appendix): a series of agreements at the inter-branch level (Central) between The Trade Union Confederation LO and The Employer's Confederation SAF reduced the working week to 42½ hours in 1969. The 1973 Act which introduced the 40 hour week for all workers, the lowering of retirement age to 65 in 1975; the introduction of statutory arrangement to reduce working time between the age of 60 and 65 years (part-time early retirement scheme) and finally, longer paid holidays (fifth week in 1977).

As regards structural and socio-economic factors, the sharp increase of the female labour participation rate during the early seventies coincided with a huge increase in part-time work. Around 75 % of the employment growth between 1970 and 1980 can be attributed to part-time work. The change in working time distribution shows that approximately one third of the reduction in working time was attributable to the increase in this type of employment (see next section). At the same time, structural change in the distribution of employment amplified the trend towards shorter working time, part of which must also be put down to the shift in employment towards the service sector, especially in the public sector, where the high proportion of part-time working means on average shorter working-times. In addition to these statutory and negotiated reductions of working time the introduction during the 1970s of the above described statutory provisions on leave of absence explain the reduction of working time during this period.

The *second period (1982-2007)*, 1982 marked a clear break in the long term trend toward reduced working time. Since then no major reform on working time has been implemented in Sweden. This appreciable increase in working time can also be explained, to some extent, by a change in the distribution of working hours. Hence, from 1982 both the absolute number and the relative share of part-time workers decreased while the number of women in full-time jobs rose. These changes explain both the rise in average working hours in general and the lengthening of average working hours of women in particular (see Figure A1 in the appendix). Among socio-economic factors, the decline in real income which occurred in the late 1970s seems to have had an impact on the labour supply, as workers sought to offset the fall in incomes by working longer hours. The appreciable reduction in marginal tax rates brought about by the various tax reforms of the eighties and nineties may also have reinforced the trend towards longer average working hours. Changes in the level of financial benefits linked to certain types of absence (sick leave) are other possible factors for the increase in weekly working hours.

### **3.1.1. Part-time work**

In Sweden, part-time work is a crucial component of women's working life. Swedish labour legislation does not restrict part-time employment. Part-time work accounts for a relatively high share of female employment in Sweden (in 2007 around 36% of the female labour force worked part-time, almost 90 % of part-time workers are women (see Table A2 and Figures A2 in the appendix), but seemingly for different reasons in Sweden than in other industrial countries. The increase of part-time work during the 1970s appears neither to have been an alternative to unemployment nor connected with the imperative of flexibility and profitability of firms.

The nature of part-time work seems very different in Sweden than in other industrial



countries. While in Sweden there are substantial legal opportunities to change working time over the life cycle (reversible options), part-time work in several countries in Europe is frequently synonymous with job insecurity. In contrast to Sweden, the growth of part-time work in Europe occurred against the background of high unemployment where women have been subject to employers' short-run employment adjustment. Hence, part-time work is often concentrated in sectors with high employment rotation and short term contracts. On the other hand, in Sweden, the incidence of involuntary part-time has been relatively low and the possibility to shift from part-time to full-time work and conversely seems not to present major difficulties. Part-time work in Sweden may be considered more as an historical transition from married women inactivity towards a strategy, largely initiated by the government, to strengthen female labour market commitments. The development of part-time work among Swedish women that started in the early 1970s is symptomatic: in 1981, 47% of Swedish women worked part-time, compared to 32% in 2007. Actually, part-time in Sweden constitutes, along with the various form of legal absenteeism (as for instance parental leave<sup>14</sup>, see above), a means to regulate and combine household activities and market work and promote a more equal gender division of labour. As also shown by Table A2 and in contrast with other European countries the share of marginal part timers is also low.

### 3.2. Working time : a life course perspective

Over recent decades, Sweden, like other modern societies, has experienced major changes affecting the life course of individuals. Even if the traditional tripartite sequencing of life trajectory (education-employment-retirement) or the sequencing of life critical phases (singlehood, consensual cohabitation/marriage, parenting, empty nest, etc.) remains predominant, Sweden has experienced a *rescheduling* in the timing of traditional critical events, an increase in instability and risks (separation/divorce, unemployment) as well as a growing heterogeneity of life trajectories. In other words, the sequencing of life stages as well as life trajectories has become less predictable and more heterogeneous. There have also been significant changes in the timing of transitions at the two ends of the age distribution, with the gradual postponement of entry into the labour market due to lengthening periods of education and earlier exit, associated with early retirement and reductions in the pension age. This has shortened the period of "active working life". The various reforms aiming at reducing annual working time have also reinforced the reduction in time spent on paid work. If we take into account the large increase in life expectancy, the time devoted to market work has dramatically decreased during the last half century. This trend applies particularly to men, since in recent decades the time allocated to paid employment during the lifetime has dramatically increased for women, partly offsetting the reduction for men.

Time devoted to housework has also been reduced due to the growing availability of goods and services offered in the market and/or provided by the public sector (outsourcing). Technological progress and increased capital intensity in home-produced goods and services have also contributed to increasing productivity in the home sector and to reducing time spent on domestic activities. Households contain fewer children, and so the total time devoted to child raising has fallen (even if the time-intensity per child is higher than in earlier historical periods). Hence, globally, Sweden has during recent decades experienced a large increase in "leisure time" over the whole life course.

<sup>14</sup> As mentioned previously the parental leave system allows for income compensated temporary reduction of working time, thereby reinforcing women's bargaining power and status as a significant breadwinner even when they are temporarily not participating on a full time basis in the labour market.

### 3.2.1. Disparities in the gender patterns of working time profiles over the life course

In order to map the profile of working time of men and women at different points in the life course we have selected a range of household categories coinciding with widely experienced transitions and phases in the life course as a basis for comparative analysis, as detailed in Box 1 in the appendix. (See Anxo et al., 2006 and 2007 for further details). Although our approach is not longitudinal and based on cross-sectional register data (Linda, 2004), the approach is enough to serve as a heuristic device to identify the gender differences in the patterns of labour market integration, working time and income level across different household types. Bearing in mind the usual drawbacks associated with cross-sectional analysis, in particular the difficulties of disentangling age, cohort and period effects our approach permits us to analyse the impact of the institutional set-up on the gender pattern of involvement in paid and unpaid work over the life course. One of the most salient features and persistent trends in Sweden has been the increased feminisation of the labour force and the related shift from the single male breadwinner household towards the dual-earner household.

Sweden is characterized by high employment rates at the two ends of the age distribution, high employment continuity over the life course, and relatively low gender disparities in labour market integration (see Figure 2 upper panel).

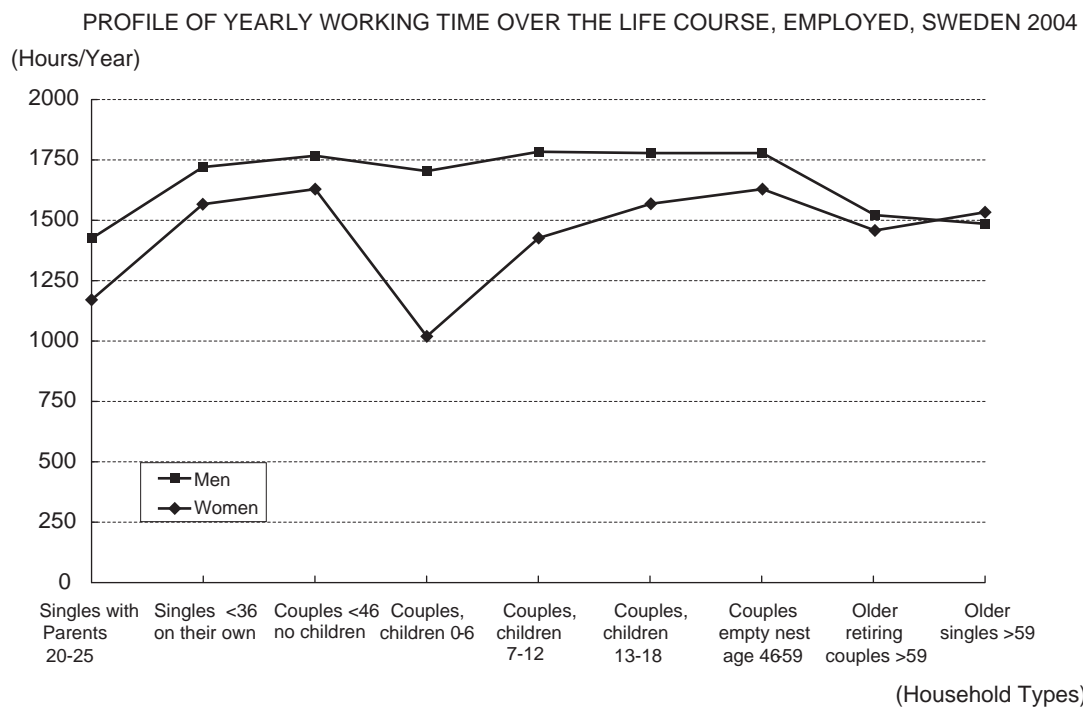
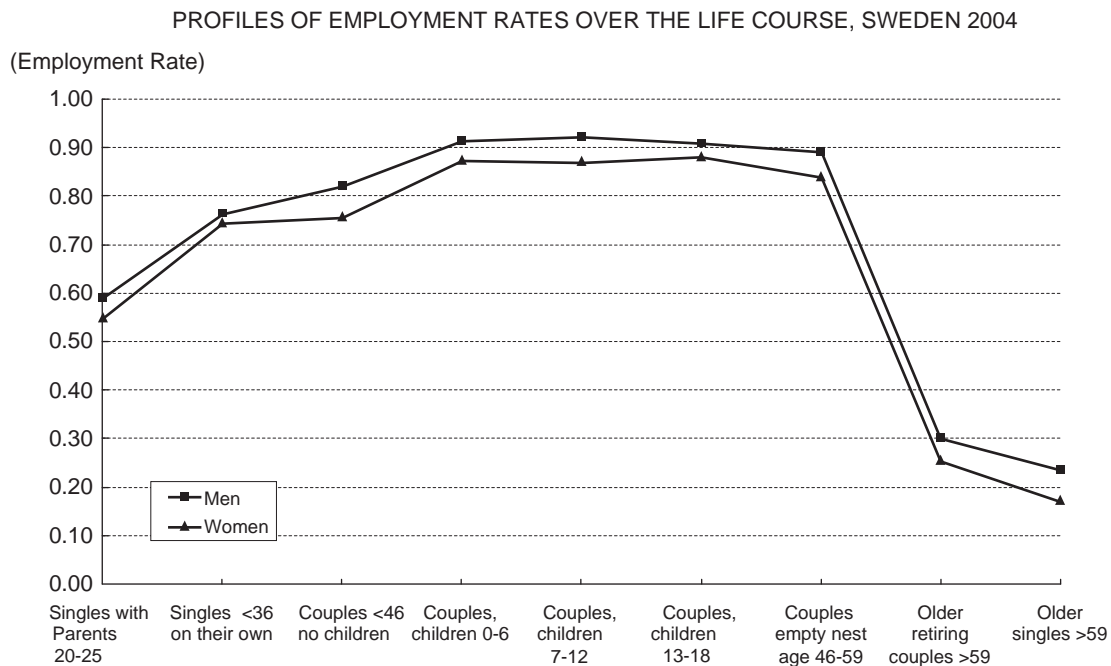
In Sweden, neither marriage/couple formation nor childbirth impacts on women's employment rates, with the latter even positively related to female labour market participation. It is also interesting to note that children have, in contrast to other EU member states, no lasting echo effects on women's labour supply. The main impact of childbirth is a temporary reduction of working hours to long part-time hours while children are young (pre-school children), see Figure 2 lower panel.

Even though, by international standard, the extent of universalism and the degree of de-commodification of the Swedish welfare state is high, the level of income compensation in the parental leave system is, as mentioned previously, not independent of the individual work history and job experience<sup>15</sup>. Since the amount of income related benefits is based on the income during the six months immediately preceding the birth of the first child, this system of income replacement constitutes a strong economic incentive for parents to be gainfully employed and work full-time prior to childbirth. This benefit system has, therefore, a great influence on working time patterns for presumptive parents. Typically, as illustrated by Figure 2 (lower panel), young childless cohabiting employed women work full time before childbearing in order to maximise their income level during parental leave. Also worth noting is the fact that their working time increases smoothly and attains a level similar to their male counterparts at the end of working life in order to maximize pension benefits after retirement<sup>16</sup>. Compared to other European countries, the considerable opportunities to adjust working time over the life course, through the above described forms of income-compensated legal rights to absenteeism (parental leave, leave for sick child or relatives, training leave, etc.), with complete employment guarantees and reversible reduction of working time, allow therefore a flexible management of work and family constraints. Globally, this strategy appears to be an

<sup>15</sup> To be entitled to the 80 per cent level of income compensation, a period of employment during the 34 weeks before the birth of the child is required.

<sup>16</sup> It should also be stressed that the Swedish pension system take into consideration the diversity in patterns of labour market integration over the life course and the uneven distribution of risks by limiting the cost of necessary work interruptions linked to parenting, care activities, or involuntary employment disruptions such as unemployment, disability or sickness. The time that workers devote to higher education, to small children or to national military service, as well as absence due to unemployment and sickness, also gives rise to pension rights. In other words, future entitlements to a pension are currently not only related to work history and earnings but are also linked to other forms of activity and periods of benefit receipt, including parental, unemployment, sickness and partial disability benefits.

Figure 2. Employment and working time patterns over the life course, Sweden



Explanation of Figure.2: The selected household categories are young, childless single adults who are still with or have left the parental home (transition out of the family and to adulthood, the two first categories in the x-axis), union formation (cohabiting couples without children, third category), parenting in two-parent households (differentiating couples according to the age of children, fourth-sixth categories), mid-life 'empty nest' couple households (middle-aged couples without cohabiting children, seventh category) and older couples or singles in the transitional period to retirement (the last to categories). (See Anxo et al., 2006, and Box 1 in the appendix for further details).

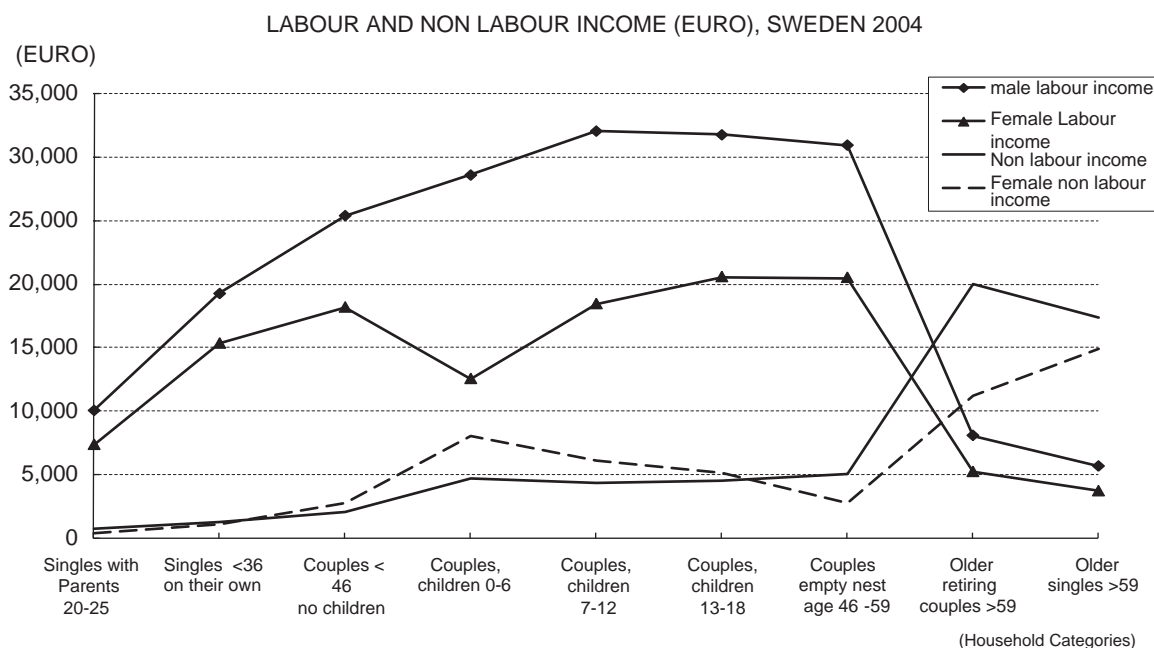
Source: *Statistic Sweden* (2006), LINDA and own calculations.

efficient tool to both secure women's labour market integration, foster employment continuity and improve gender equal opportunities.

In spite of the reduction of the gender employment gap over recent decades, it must however be stressed that gender inequalities in time-use persist. At the household level, the reduction of men's paid working time has been partially compensated by the increase in female labour supply but the bulk of unpaid housework and care activities are still predominantly performed by women, even though the male share of domestic production has increased during the last decades (see Anxo, 2002 and Anxo et al., 2007). The resilience of a traditional gender division of labour has dynamic implications in terms of career prospects, expected life cycle earnings and also welfare development over the life course. Labour supply adjustments, through made in connection with the parenting phase typically imply penalties in terms of reduced career and wage development over the subsequent working life. It is also still largely women, who make these adjustments, and in part the penalty incurred in career and wage evolution is because it is a gender 'signal' of women's deviation from the standard employment relationship. Men incur these penalties when they deviate too, presenting a further obstacle for those men who would prefer to deviate from the standard employment relationship at different stages in their life course (See Albrecht et al. 1998). As stressed previously, men's take-up rates in parental leave system or part-time arrangements remains low although progress has been made in some areas, including the gradual individualisation of the parental leave system (with the above mentioned introduction of a second non transferable fathers' month in the early 2000s). The issues of how to raise men's take-up rates of extended leave and other working-time adjustments over the life course is therefore a crucial political issue and could provide a policy instrument for reducing gender inequality in the division of labour and income development over the life course.

Turning now to the development of labour and non labour income (see Figure 3), the previous development confirms that Sweden still displays large gender disparities in earning profiles over the life course. The gender disparities in labour income can largely be explained by the gender wage gap and also by the lower labour market commitments of women over the

Figure 3. Income developments over the life course, in Euro, Sweden 2004



Source: *Statistic Sweden* (2006), LINDA and own calculations.

life course (shorter working time). Also worth noting is the fact that the reduction in wage income for women with young pre-school children is more than offset by the increase in non-wage income (parental leave benefits, etc.). The impact of children on women's labour supply lessens once children are older, but since mothers still bear a disproportionate burden of caring responsibilities compared to fathers, it still has a significant and long lasting effect on earnings level. There is reason to believe that the after tax gender income gap, due to the Swedish income tax structure and benefit system, is however much lower. We see also that for older singles, the gender gap in non wage income (essentially pension, net capital income and other allowances such as housing allowance) is dramatically reduced, partly due to the specificity of the old Swedish pension system, which was based on the best 15 years of labour income.

#### 4. Conclusion

The overall trend of the last fifty years towards reduced working time on a weekly, yearly or life time perspective, common to most advanced industrial countries has also been the case in Sweden. We have been able to observe several distinctive features of Swedish working time reduction and policy. Besides the obvious effect of protecting individuals not covered by collective bargaining and limiting the externalities coupled with longer hours, the flexible nature of the Working Hours Act has encouraged the social partners to negotiate innovative working time arrangements at the industry or plant level. One of the consequences of the contractual nature and, to some extent, of the consensual nature of Swedish industrial relations is therefore that working time policy is marked by a pronounced trend towards decentralisation to industry- or even plant-level and general trends towards differentiation and individualisation of working time patterns.

Working time policy in Sweden has primarily been seen as a means to create a better balance and conciliation between paid work and other social activities rather than a remedy to imbalances in the labour market. From a life course perspective, Sweden displays an integrated and coherent system of time and income management over the life course. Sweden constitutes a good illustration of a regime of *flexicurity* and *negotiated flexibility* where the social partners are largely involved in the shaping of working time options ensuring its social legitimacy. The large palette of individual reversible working time options in Sweden, backed by a complete employment guarantee, generous income replacement rates and extended public childcare facilities, gives extensive opportunities for households to adapt their labour supply and working time to various situations and commitments over the life course without large income loss.

In spite of the major reduction in the gender employment gap over recent decades, gender inequalities in time allocation and income development over the life course persist. Actually, the bulk of unpaid housework and care activities are still predominantly performed by women, even though the male share of household and caring tasks has increased over recent years. Efforts still have to be made in order to reduce the gender gap division of unpaid work in order to favour a more even distribution of time and income over the life course. A gradual individualisation of the parental leave system, further reduction of the prevailing gender wage gap and gender occupational segregation appear to be good policy instruments to address the remaining gender disparities and foster gender equal opportunity.

Reconciling employment with changing family commitments and other considerations such as life long learning, welfare and health aspects, etc., requires policies which support a more flexible adaptation of time and income over the life course. Hence, more reversible time options which secure individual entitlements to make labour supply adjustments over the life course appear to be a good policy instrument for conciliating employment with other responsibilities, events and risks over the life course. The Swedish experience shows also that an increased range of statutory and/or collectively negotiated options for individual working-

time adjustments over the life course have to be combined with income transfer mechanisms to prevent pronounced income reductions at particular life phases and limit their negative impact on subsequent earning development later in life (such as pension claims). The Swedish experience highlights not only the role of legal provisions and empowerment (civil rights) but also the importance of the specific conditions under which they are implemented, including employment guarantees, income compensation, maintenance of social protection, etc. In this sense they illustrate the linkages and interrelated effects of various institutions such as the educational, care, employment, and social protection systems in shaping individual life trajectories and limiting social exclusion.

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## Appendix

Table A1. Milestones in the reduction in weekly working time

Year	Statutory and contractual measures
1905	Metallurgical industry agreement: 57-hour week
1919	Statutory 48 hour week (8 hour-work day). White-collar workers not covered
1938	Statutory paid holidays: two weeks
1951	Introduction of the third week's paid holidays
1957	Statutory 45-hour week achieved in three successive reduction of one hour each (1958-59-60)
1963	Introduction of the fourth week's paid holidays, beginning in 1964/65
1966	Collective agreement between the Trade Union Confederation LO and the Swedish Employer's Confederation SAF. Working week reduced to 42.5 hours.
1970	Statutory 40-hour week. Achieved by reduction of 1.25 hour in 1971 and 1.25 in 1973
1977	Introduction of the fifth week's paid holidays
1990	Parliament passes an Act granting two additional day's paid holidays, as a first step toward a sixth vacation week.
1993	Change of parliamentary majority. Conservative dominated parliament repeals the 1990 Act.

Table A2. Gender distribution of working time, employees, 2007

Sweden	Women	Men	Total
Full-time	64.1	88.6	77
Part-time	35.9	11.4	23
1- 19 hours	6.4	3.4	4.8
20-34 hours	29.5	8	18.2

Sources: Swedish Labour Force Survey (AKU).

### Box 1. Stylised household life-course typology

#### **Young entrants - single and childless - at the start of their working lives**

- 0: Single person (20-25 years), without children leaving with their parents
- 1: Young childless singles (less than 36 years old) on their own

#### **Union formation, Childless couples**

- 2: Younger childless couples (woman aged under 40 years), without children

#### **Family formation, Couple households with children living at home**

The age of the youngest child is used to indicate the nature of parental responsibilities across the lifecourse, from the intense nature of childcare for pre-school children through to the different needs and demands of children as they grow and become more independent

- 3: Couple with youngest children (youngest child is under 7 years)
- 4: Couple with young children (youngest child is aged 7-12 years)
- 5: Couple with teenage children (youngest child is aged 13-17 years)

#### **Older couples or singles without children living at home**

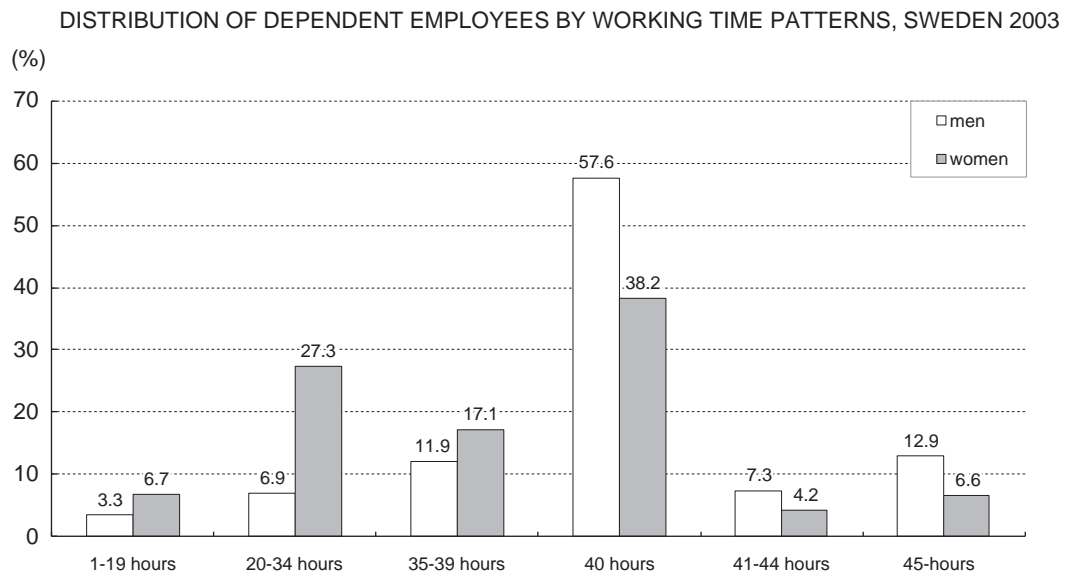
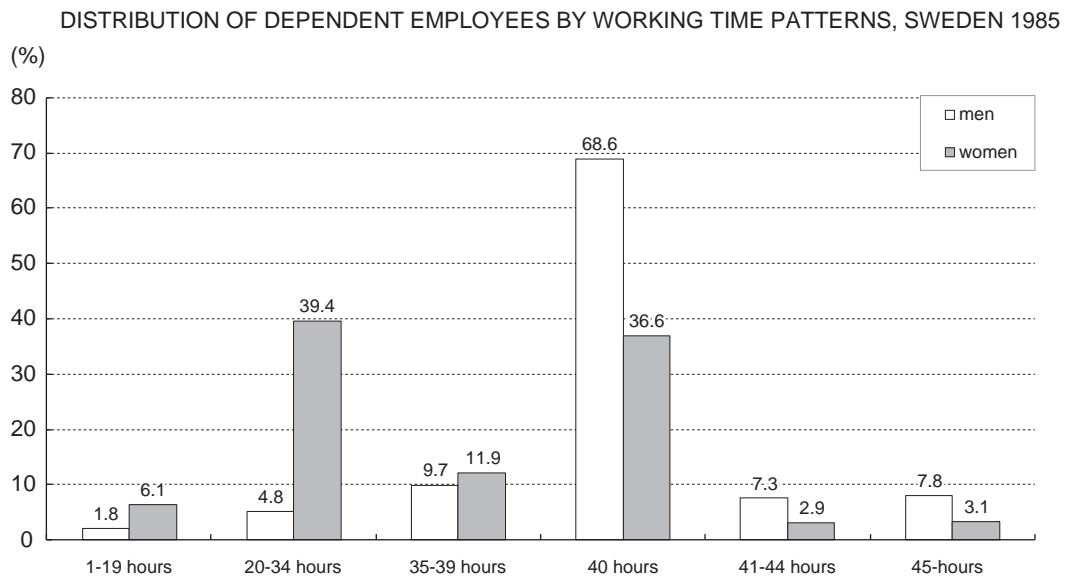
- 6: Midlife 'empty nest' couples without resident children, (woman aged 40-59 years)
- 7: Older 'retiring' couples without resident children (both spouses aged 60 years or older)
- 8: Older singles without resident children aged 60 years or older

Figure A1. Trend in weekly working time by gender, 1963-2007



Source: Labour Force Survey (AKU).

Figure A2. Distribution of working time, by gender, 1985 and 2003



Source: Labour Force Survey (AKU).



# Long Work Hours for Some, Short Work Hours for Others: Working Time in the United States

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## 1. Introduction

The United States economy has been in recession since December 2007. Workers are facing a rapidly deteriorating labor market. The unemployment rate has sharply increased from 4.7% in November 2007 to 7.2% in December 2008, a 14 year high. Since the start of the recession, close to 3 million jobs have been lost. Two-thirds of these job losses have occurred in the past four months (September-December 2008). The average workweek for production and nonsupervisory workers on private nonfarm payrolls equaled 33.3 hours, in December 2008, the lowest recorded in this series which began in 1964 (U.S. Department of Labor, Bureau of Labor Statistics, 2009).

With the job losses that have already occurred and the predictions of more to follow, the working time issue of the day is job retention and job creation. However, the single-minded focus on jobs, quite understandable in the current economic context, should not deflect attention away from other significant working time matters.

First, many full-time workers work long and, perhaps, excessive work hours. Second, the working hours of other employees, particularly in nonstandard and contingent employment, are short (or less than desired) and precarious. Third, the growth of contingent and non-standard employment raises concerns of gender inequality and the possible inability of some families to work enough hours, given pay levels, to achieve an adequate standard of living. Fourth, long work hours raise issues of work-family balance.

This paper is divided into five main sections. The first explains how working time is regulated in the United States with special reference to the minimal legal regulations in this area. The second investigates the length of working time. The third focuses on trends in contingent and non-standard employment. The fourth discusses gender inequality in working time. The fifth looks at work-life balance including the impact on families of long work schedules.

## 2. The institutional framework

There are minimal federal governmental regulations of working time for those 16 years of age and older. The existing laws do not specify the number of hours to be worked daily, weekly or annually, the hours in the day when work can occur, the number of days per week to be worked, the specific days on which work can occur or the amount of vacation time that must be provided.

The major piece of federal legislation regulating working time is the Fair Labor Standards Act of 1938 (FLSA). As of 1940, its overtime provision stated that covered employees, mainly non-supervisory personnel in the private sector, be paid a minimum of one and a half times the regular hourly rate for all hours worked above 40 hours per week. In

1985, as a result of a U.S. Supreme Court ruling (*Garcia vs. San Antonio Metropolitan Transit Authority*), coverage under the FLSA was extended to state and local government employees. The FLSA still excludes many employees. They are mainly some professional, executive and administrative personnel, those earning over set limits, and those working in small retail and service sector establishments. Currently, approximately 27% of full-time workers are exempt from the provisions of the FLSA (Gornick, Heron and Eisenbrey, 2007).

State laws complement the FLSA. In situations where federal and state laws both apply, the law that is most favorable to the worker takes precedence. And states often take the lead in implementing worker friendly policies well in advance of the federal government.

The United States has relatively weak federal laws for illness and child rearing. The Pregnancy Discrimination Amendment (1978) to Title VII of the Civil Rights Act of 1964 made it illegal for employers to discriminate against workers on the basis of pregnancy, childbirth or related medical condition. Employers are required to treat pregnancy leave the same as leave for any other disability.

The Family and Medical Leave Act of 1993 (FMLA) requires employers (of firms with more than 50 employees) to provide up to 12 weeks of unpaid leave and continuation of health insurance during the leave as well as reinstatement in the same or equivalent job. Given this employer standard, somewhat less than 50% of workers are covered by the FMLA (Hartmann, Hegewisch and Lovell, 2007). Workers eligible for such leave include those who have one year of job tenure at 60% time or greater. The leave can be taken for an individual's own medical condition, or to take care of a newly born or adopted child, a severely ill child or spouse, or a parent needing assistance.

Government policymakers have typically not viewed working time policy as a tool for influencing employment levels. For example, government policymakers have rarely viewed the shortening of the standard working week to be an effective tool for lowering unemployment. Within the past decade or so, there has been minimal debate in the political arena over working time. The most controversial issue has been payments for overtime. In 1997, the "Family-Friendly Workplace Act", supported by employers and opposed by labor, was introduced in the U.S. Congress to amend the FLSA. It would have eliminated the requirement of premium pay for work over 40 hours in a week. Instead, workers would have only received premium pay for hours worked in excess of 80 within a two-week period. Furthermore, workers would have been able to take compensatory time off instead of overtime pay. This legislation was not approved by the U.S. Congress. The classification of workers exempt from the overtime provisions of the FLSA is often at issue. The Bush (George W.) administration broadened the categories of workers exempt from the overtime provisions of the FLSA.

Since governmental regulations minimally influence working time patterns, the industrial relations system is the primary arena wherein working hours are determined. In non-union settings, the terms and conditions of employment are determined largely by management decision. The only constraint on management's free hand is the need to create a pay and hours package enabling it to attract the requisite workforce. In unionized settings, pay and working time are regulated through collective bargaining arrangements. However, the share of the workforce unionized has declined steadily since the mid-1950s when more than one-third of employees were unionized. In 2007, the overall unionization rate equaled 12.1% and the unionization rate in the private sector was 7.5% (U.S. Census Bureau, 2009). The share of employees covered by collective bargaining contracts is only slightly higher than the share of employees unionized.

Thus, for the most part, the non-union setting is the primary venue for determining the terms and conditions of employment, including working time. In the simple competitive labor market model where the labor market clears and there is no involuntary unemployment, the distribution of working time arrangements reflects the preferences of workers and employers.

Compensating differentials would be paid workers where the working time arrangements were not consistent with worker preferences. However, labor markets do not function as represented by the simple competitive model. Rather than being competitive, they are segmented. They do not clear and involuntary unemployment exists. There are working hours constraints and the distribution of working time arrangements reflect more employer preference than worker preference.

### 3. Recent trends in working time

#### 3.1. Labor force participation

Working time encompasses many elements including the likelihood of being in the labor force and, if employed, the amount of hours of work. The labor force participation rate steadily increased from 1980-2000. It rose from 63.8% in 1980 to 67.1% in 1997-2000, the highest it had been in the post World War II period. However, it then declined to 66.0% in 2007.

Table 1. Civilian labor force participation rates, 1980-2007

Gender and Age	Participation Rate (percent)			
	1980	1990	2000	2007
TOTAL	63.8	66.5	67.1	66.0
Male	77.4	76.4	74.8	73.2
16 to 19 years	60.5	55.7	52.8	41.4
20 to 24 years	85.9	84.4	82.6	78.7
25 to 34 years	95.2	94.1	93.4	92.2
35 to 44 years	95.5	94.3	92.7	92.3
45 to 54 years	91.2	90.7	88.6	88.2
55 to 64 years	72.1	67.8	67.3	69.6
65 years and over	19.0	16.3	17.7	20.5
Female	51.5	57.5	59.9	59.3
16 to 19 years	52.9	51.6	51.2	41.5
20 to 24 years	68.9	71.3	73.1	70.1
25 to 34 years	65.5	73.5	76.1	74.5
35 to 44 years	65.5	76.4	77.2	75.5
45 to 54 years	59.9	71.2	76.8	76.0
55 to 64 years	41.3	45.2	51.9	58.3
65 years and over	8.1	8.6	9.4	12.6

Source: U.S. Census Bureau (2009), p. 369.

Trends in labor force participation vary by gender with men being less likely to participate in the labor force and women being more likely to be in the labor force. The male labor force participation rate fell from 77.4% in 1980 to 73.2% in 2007. The participation rate of women rose from 51.5% to 59.3% in the same time period. However, the female participation rate did not rise steadily over the time period. The female labor force participation rate in 2007 was slightly below its level in 2000 (59.9%). While it is too soon to reach a firm conclusion, the recent decline in the labor force participation rate of women raises the possibility that the ever growing likelihood of women participating in the labor force, the trend since the 1950s, may be coming to an end (U.S. Census Bureau, 2009, p. 369).

The reversal of the trend of increased labor force participation of women does not seem to be due only to women with children being more likely to stay at home. The participation rate of women without children has fallen along with the participation rate of women with

children (Battan, 2008; U.S. Census Bureau, 2009).

Of particular interest is the pattern of labor force participation of single women with children. Their labor force participation rate sharply jumped from 57.5% in 1995 to 73.9% in 2000. It has since declined to 71.4% in 2007 (U.S. Census Bureau, 2009, p. 376). The sharp jump in participation in the labor force coincided with the passage of the Personal Responsibility and Work Opportunity Reconciliation Act in 1996. This legislation reformed the welfare system by imposing strong work requirements on welfare recipients and setting lifetime time limits for receiving welfare benefits.

Not only was there a reversal of the trend of female labor force participation, there was also a reversal of the pattern of labor force participation of older workers. These workers are increasing their participation in the labor force and their hours of work. While the likelihood of men aged 55 years of age and above participating in the labor force declined from 1980 to 2000, it rose thereafter. The labor force participation rate of men aged 55-64 increased from 67.3% in 2000 to 69.6% in 2007 and for men aged 65 and over it increased from 17.7% in 2000 to 20.5% in 2007. With the exception of teenagers, women of all age categories were more likely to be in the labor force in 2000 than in 1980. However, since 2000, only women aged 55-64 and those aged 65 and over were more likely to be in the labor force. For women aged 55-64, the labor force participation rate rose from 51.9% to 58.3% and for women aged 65 and over it increased from 9.4% to 12.6% (U.S. Census Bureau, 2009, p. 369).

In addition to being more likely to be in the labor force, older workers are increasingly likely to be working full-time and full-year. While full-time employment declined among older workers from 1970-93, this trend reversed itself thereafter. Several factors are likely responsible for the rise in the working time of older workers. First, federal legislation eliminated mandatory retirement for virtually all workers as of 1986. Second, the 1983 Social Security Amendments raised the eligibility age for full Social Security retirement benefits from 65 to 67, to be gradually phased in between the years 2002 and 2027. In addition, the early retirement reduction in Social Security benefits claimed at age 62 was raised and the Social Security benefits for those working beyond the normal retirement age for collecting full benefits has increased. Third, the shift from defined benefit to defined contribution pension plans provided an incentive for workers to delay retirement. The longer they waited to begin withdrawing assets from defined contribution retirement plans the greater the likelihood that their retirement assets would grow. (This, of course, depends on the fluctuations in value of their retirement plan assets.) Fourth, workers have found it difficult to accumulate sufficient financial resources to maintain their desired standard of living in retirement thereby providing them with an incentive to postpone their retirement from the labor force (Gendell, 2008). Fifth, older men may be working longer since their spouses are also remaining in the workforce longer (Schirle, 2008).

### **3.2. Length of working time**

Workers in the United States work long hours. According to the OECD, the annual average working hours of dependent employees in the United States was virtually the same in 2006—1809—as it was in 1979—1838. On the other hand, the annual working time of dependent employees fell sharply in Japan from 2126 hours in 1979 to 1784 hours in 2006 (OECD, 2007). Annual average working hours in the United States exceeds the annual average working hours in such European countries as France, Sweden, Germany and the United Kingdom.

Data on average annual working time of dependent employees include full-time and part-time workers. Full-time workers in the United States work long work weeks and there has been no trend toward shortening weekly working hours of full-time workers. The years 1979, 1989, 2000 and 2007 represent business cycle peaks. The average full-time working week was 42.7 hours in 1979 (Rosenberg, 1993). It rose to 43.7 hours in 1989 and remained above

43 hours in 2000 (43.4 hours). The average full-time working week declined to 42.7 hours in 2007, the same that it was in 1979.<sup>1</sup> Data on the length of the average work week as a whole shows a similar stability. In 1980, the average workweek in nonagricultural industries equaled 38.1 hours. The average work week increased to 39.2 hours in 1990 and 39.6 hours in 2000. It declined slightly to 39.1 hours in 2007.<sup>2</sup> (U.S. Census Bureau, 2009, p. 377).

Overtime hours mirror the trend in the full-time working week. While overtime is paid in all industries where workers qualify for it, the data on overtime hours is only for manufacturing industries. Average overtime is calculated by dividing the total number of overtime hours in a given industry by the number of production workers in that industry, including those that work no overtime at all. Overtime hours increased in the 1980s from their level at the end of the 1970s. Average weekly overtime hours of production workers in manufacturing were 3.3 in 1979 and 3.8 in 1989. Paid overtime hours surged in the 1990s. They reached their highest level—4.8 hours in 1997—since the U.S. Bureau of Labor Statistics began publishing the survey in 1956. Rather than hire new workers, employers relied more heavily on overtime during the economic expansion of the 1990s (Hetrick, 2000). And some workers even went on strike to force their employers to hire additional workers and reduce forced overtime.<sup>3</sup> Overtime hours equaled 4.6 hours in 2000 (U.S. Department of Labor, 2001, p. 123). Overtime was not as prevalent in the most recent economic expansion. In 2007, there were slightly more than 4 hours of paid overtime per week.

Long working weeks exist outside of manufacturing as well. The proportion of all employed workers working 49 hours a week or more rose in the 1980s and 1990s. In 1979, 16.5% of all workers were doing so (*Employment and Earnings*, January 1980, p. 183). In

Table 2. Average weekly hours of full time workers by occupation by gender, 2007

Occupation	Average Weekly Hours of Full Time Workers		
	Total	Men	Women
Management, Business and Financial	45.3	47.0	42.9
Professional	42.6	44.3	41.0
Service	41.7	43.0	40.6
Sales	43.7	45.4	41.3
Office and Administrative Support	40.6	42.2	39.9
Construction and Extraction	41.5	41.5	41.4
Installation, Maintenance and Repair	43.2	43.2	41.4
Production	42.5	43.2	40.8
Transportation and Material Moving	44.0	44.5	40.6

Source: *Employment and Earnings*, January 2008, p. 238.

<sup>1</sup> The data on the average full-time working week are derived from the household survey (Current Population Survey) which measures hours actually worked by individuals on all of their jobs in a week. Persons on full-time schedules include those working 35 hours or more during the survey week, and those who worked from one to 34 hours for non-economic reasons, and usually work full-time. The remaining people who worked one to 34 hours are considered to be on part-time schedules.

<sup>2</sup> Data from the establishment survey paint a somewhat different picture. These data count nonsupervisory workers on a firm's payroll and measure hours paid rather than actual hours worked. If a worker holds jobs at two different firms, the worker will be counted twice with the result being that the employee's weekly work hours will be divided between the two firms based on the number of hours worked at each. The establishment survey shows a decline in the length of the average private sector workweek from 35.6 hours in 1979 to 34.5 hours in 1989 to 34.3 hours in 2000 to 33.8 hours in 2007. Kirkland (2000) attributes the decline in the average private sector workweek, as measured by the establishment survey, to disproportionate employment growth and low and declining average weekly hours in retail trade and services.

<sup>3</sup> In September, 1994, workers at General Motors Buick City plant in Flint, Michigan, tired of working six days per week and up to 12 hours per day went on strike. The company had not hired any long-term hourly workers since 1986. The strike ended with the company agreeing to hire new long-term employees and to stop using nonunion temporary workers.

1989, the share of employees working such long work weeks rose to 19.4% (*Employment and Earnings*, January 1990, p. 198). By 2000, 20.6% of the workforce were working 49 hours a week or more. This figure dropped to 17.5% in 2007 (U.S. Census Bureau, 2009, p. 378).

Executives, managers, sales workers and workers in transportation and material moving occupations are most likely to work long hours. In each occupation, men working full-time average longer working hours than women working full time.

Not only do many workers in the United States work long work weeks, they work long work years. The United States is the only advanced industrialized society that does not legally guarantee workers paid holidays and paid vacation. While many employers do offer paid vacation and paid holidays, these benefits are distributed unequally and the amount of paid vacation and paid holidays is far less than in many European societies and Japan (Ray and Schmitt, 2007). In 2007, 77% of private sector workers were in jobs where employers offered paid vacations and/or paid holidays. Full-time workers are more likely to have paid holidays (88%) than are part-time workers (39%). The same holds for paid vacations with 90% of full-time workers having access to paid vacations and only 38% of part-time workers. Higher paid workers are more likely to have paid holidays (88%) than are lower-paid workers (67%). The same holds for paid vacations. Unionized workers are somewhat more likely to have paid vacations and paid holidays than are nonunion workers. On average, private-sector workers in the United States have 9 days of paid vacation per year and 6 days of paid holidays per year.

While many workers work long workweeks and workyears, others work short workweeks and workyears. There was a growing dispersion in working time from 1970 to 2000 with the 40 hour workweek, while still the modal workweek, becoming less typical. An increasing share of workers were found at both the lower and higher ends of the working time spectrum (Jacobs and Gerson, 2004; Rones, Ilg and Gardner, 1997; Rones, Gardner and Ilg, 2001). Since 2000, there appears to be a reversal in this trend with the 40 hour workweek growing somewhat in importance. In 2007, 43.0% of workers in non-agricultural industries worked a 40 hour workweek. Those working 1 to 34 hours accounted for 23.1% of the workforce while 27.3% of the workforce worked 41 hours or more.

Table 3. Access to paid holidays and paid vacations, private sector workers, United States, 2007

	Percent Share of Workers Whose Employer Provides		Average Number of Days All Workers with Benefits		All Workers	
	Paid Vacation	Paid Holiday	Paid Vacation	Paid Holiday	Paid Vacation	Paid Holiday
All	77	77	12	8	9	6
Full-time	90	88	13	8	12	7
Part-time	38	39	9	7	3	3
Hourly Wage						
Less than \$15	69	67	10	7	7	5
\$15 per hour or higher	88	88	14	9	13	8

Note: The figures for all workers adjusts the average number of days of paid vacation and paid holidays by the likelihood that a worker works for an employer who provides such benefits.

Sources: U.S. Department of Labor, Bureau of Labor Statistics, "Employee Benefits in Private Industry in the United States, March 2007", Summary 07-05, August 2007, pp. 28-29. The information on days of paid vacation is for 2006 and is found in Ray and Schmitt, 2007, p. 4.

Those working short hours are more likely to be found in contingent and non-standard employment.

Table 4. Persons at work by hours worked, nonagricultural industries, 2007

Hours of Work	Percent Distribution
TOTAL	100.0
1 to 34 hours	23.1
1 to 4 hours	1.0
5 to 14 hours	3.6
15 to 29 hours	11.5
30 to 34 hours	7.0
35 hours and over	76.9
35 to 39 hours	6.7
40 hours	43.0
41 hours and over	27.3
41 to 48 hours	9.7
49 to 59 hours	10.3
60 hours and over	7.2

Source: U.S. Census Bureau (2009), p. 378.

#### 4. Contingent and non-standard employment arrangements

There are no official definitions of contingent and non-standard employment just as there is no official definition of what constitutes standard employment. Employees do not have a legal right to be able to retain their jobs once hired. Generally, a private employer, unless limited by statute, contract or collective bargaining agreement, is free to hire and fire any employee at will.

In the absence of a clear legal definition, a standard employment arrangement is the commonly perceived notion of a full-time wage and salary job. For many, that norm also includes a long-term relationship between workers and employers. While half of all new jobs end in the first year, (Farber, 2005), long-term employment relationships do exist though they are undergoing some change. In 2006, 30.0% of workers 25 years of age and older had job tenure of more than 10 years, just slightly below the comparable figure of 31.9% in 1983. However, the share of men with such lengthy job tenure declined from 37.7% to 31.1% while the share of women rose from 24.9% to 28.8%. In fact, older men who would have been more likely to be protected by internal labor markets in the 1960s and 1970s and earlier experienced sharp declines in median job tenure. From 1983 to 2006, median job tenure fell for men ages 45-54, from 12.8 years to 8.1 years and for men ages 55-64 from 15.3 years to 9.5 years (U.S. Department of Labor, Bureau of Labor Statistics, 2000, 2006).

Long job tenure aside, workers felt increasingly insecure in the 1990s. Workers were being exposed more, though not necessarily fully exposed, to the vicissitudes of the market. Rates of involuntary job loss were higher in the 1990s than in the 1980s, and earnings declines following involuntary job loss were more severe during most of the 1990s than they had been in the 1980s (Schmidt, 2000). Rates of job loss continued to increase during the 2001-03 period despite the onset of the economic expansion in late 2001 (Farber, 2005).

The prevalence of contingent and non-standard employment relationships and the growing propensity of firms to outsource work helped to foster worker insecurity. While contingent and non-standard employment relationships exist, there is no agreed upon definition of contingent and non-standard work. Not surprisingly, given the varying definitions, the estimates of the share of the workforce employed in contingent positions ranges from a low of 1.8% of total employed (U.S. Department of Labor, Bureau of Labor Statistics, 2005) to a high of more than 40% of the labor force (Belman and Golden, 2000).<sup>4</sup>

<sup>4</sup> See Rosenberg and Lapidus (1999) for a discussion of various definitions of contingent and non-standard work.

While the concept of contingent or non-standard work is somewhat ambiguous, the phenomenon exists and is intimately related to the employers' search for flexibility. In the 1980s, facing increased competition and pressure on profits, employers sought increased "flexibility" to lower labor costs, improve labor productivity and have workers bear more of the costs of economic uncertainty. Many, though not all companies, profitable and unprofitable alike, took the "low road" to improving profitability. They were aided by an enabling environment of anti-labor government policy, weak and soon to be weaker unions and a general excess supply of labor. Company working time policy was one of the strategies used to lower labor costs. Companies pushed for longer and more flexible hours from their full-time workers.<sup>5</sup> While there are no consistent longitudinal data sources making it difficult to measure trends in contingent and non-standard work over time, it does appear that growth in contingent and non-standard work occurred during the 1980s (Rosenberg and Lapidus, 1999). A Bureau of National Affairs survey of more than 400 firms reported marked increases, in the period 1980 to 1985 in the number of enterprises making use of agency temporaries, short-term hires, on-call workers, administrative/business support contracts and production subcontracting (Abraham, 1990).<sup>6</sup> Temporary jobs were growing more rapidly than overall employment. Employment growth in the temporary help supply industry was directly related to the decreasing ability of unions to block the increasing usage of temporary workers (Golden and Appelbaum, 1992). While the proportion of employed persons working part-time grew slowly in the 1980s, the increase was accounted for totally by those working part-time involuntarily (Mishel, Bernstein and Schmitt, 2001, p. 251). While part-time jobs are not necessarily bad, expanding part-time employment was concentrated in "bad" secondary labor market type part-time jobs (Tilly, 1992).

From 1995 through 2005, the share of contingent workers in the workforce has remained relatively constant. The U.S. Government Accountability Office (2006) considers the following categories of workers to be contingent workers: (1)agency temporary workers; (2) contract company workers; (3)day laborers; (4)direct-hire temporary workers; (5)independent contractors; (6)on-call workers; (7)self-employed workers; and (8)standard part-time workers, those who regularly work less than 35 hours a week for a particular employer and are wage and salary workers. They constituted 32.2% of the workforce in 1995 and 30.6 percent of the workforce in 2005.

Contingent jobs are very heterogeneous and contingent workers are a diverse group. The typical independent contractor was a white male, middle-aged or older with a college degree. Women were underrepresented among independent contractors. Only one-third of independent contractors were women. Independent contractors were most likely to be working in professional, managerial, sales and construction occupations. Women were overrepresented among standard part-time workers, with approximately two-thirds of standard part-time workers being women. Temporary help agency workers were disproportionately young and female. More than half (53%) were women compared with 48% of workers in standard employment relationships. Workers provided by temporary help supply firms were heavily concentrated in three broad occupational categories—production transportation and material moving occupations, office and administrative support occupations, and managerial and professional occupations (U.S. Government Accountability Office, 2006, U.S. Department of Labor, Bureau of Labor Statistics, 2005).

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<sup>5</sup> See Rosenberg (1994) and Rosenberg (2003) for a discussion of the 1980s political-economic context and labor-management disputes over working time issues.

<sup>6</sup> Abraham and Taylor (1996) and Clinton (1997) provide additional evidence on the increased propensity of firms to contract out some operations rather than directly hiring labor. While not all employees of firms providing services to firms work under contingent arrangements, the likelihood of contingent work is much higher among workers with alternative employment arrangements than workers with traditional arrangements (U.S. Department of Labor, Bureau of Labor Statistics, 1997).



Individuals in contingent employment relationships are less likely to receive health insurance or pension coverage from their employer than those in traditional employment relationships. Overall, 13% of contingent workers received health insurance through their employer in 2005, compared to 72 percent of full-time workers in standard employment relationships. The share of contingent workers who received employer provided health insurance varied by the type of contingent work, ranging from a low of 9% for agency temps to a high of 50% for contract company workers.

Contingent workers were also less likely to receive employer provided pension benefits. In 2005, 64% of standard full-time workers were included in their employers' pension plans in contrast to 17% of contingent workers. As with employer provided health insurance, the likelihood of contingent workers being included in their employers' pension plans varied by the type of contingent work. It ranged from 4% for agency temps to 37% for contract company workers (U.S. Government Accountability Office, 2006).

The relative lack of access to employer-provided health insurance and pension benefits points to a broader issue. Contingent workers are less likely to be covered by important workforce protection laws. These laws include the Family and Medical Leave Act of 1993 and the Fair Labor Standards Act among others. Employers may misclassify workers as independent contractors rather than employees. Workforce protection laws typically cover employees, not independent contractors. Some laws require workers to have worked for a particular employer for a period of time before being covered by the legislation. Some contingent workers do not work for a particular employer long enough to be covered.

The growth of contingent and non-standard jobs may have lead to a shrinkage of more long-term secure positions, thereby increasing worker insecurity.<sup>7</sup> However, the evidence is mixed as to whether contingent "peripheral" workers serve to buffer the remaining more permanent "core" workers from economic fluctuations thereby helping to maintain their job security. Wenger and Kalleberg (2006) study the U.S. personnel supply agencies (which provide temporary workers to client firms) from 1972 to 2000. They find that temporary workers are more likely to be hired in expansions and let go in recessions, thereby buffering full-time workers from the economic downturn. On the other hand, Capelli and Neumark (2004) find that contingent work and involuntary turnover of the more permanent workforce are positively related contradicting the core-periphery hypothesis. Thus, the hiring of contingent labor and the reduction of more permanent workers are part of a strategy to seek flexibility across all dimensions of the employment relationship.

The long-term consequences for workers of working in a contingent employment relationship have not been extensively researched. The share of workers employed one year or more in their current job assignment increased for most nonstandard work categories from 1995-2005. For example, the share of temporary agency workers on the job for at least one year rose from 24.4% in 1995 to 33.7% in 2005. For contract company employees, this share increased from 50.9% to 65.2% (Mishel, Bernstein and Allegretto, 2007, p. 241). As people become more stable in non-standard work, particularly those with pay and benefits below their counterparts in more standard arrangements, there is a risk of the workforce becoming more segmented along core-periphery lines.<sup>8</sup>

Factors driving the use of contingent and non-standard arrangements can be found on both the demand and supply sides of the labor market. On the supply side, employees may desire flexibility to meet personal and family needs or to remain independent and not beholden to any particular employer. For supply side factors to be the dominant force behind the creation of contingent positions, workers would need to prefer such jobs. However, in

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<sup>7</sup> This paragraph and the one to follow are taken from Rosenberg (2007).

<sup>8</sup> Ferber and Waldfogel (2000) find that part-time employment has negative effects on wages and benefits in the long run and in the current period for both women and men.

February 2005, the majority of contingent workers in the United States (55.3%) would have preferred noncontingent employment.<sup>9</sup> Only slightly more than one-third (35.5%) desired their arrangement. The remainder did not have a clear preference one way or the other. Preferences vary depending on the type of non-standard employment arrangement. Independent contractors have a stronger preference for their situation than workers in other non-standard arrangements, with 82.3 percent favoring this arrangement over a traditional job. Agency temporaries are much less satisfied with their work arrangement. Somewhat more than 56% would have preferred a traditional job. Only 32.1% were satisfied with this arrangement. Only 46.1% of on-call workers were satisfied with this employment arrangement. Nearly 45% of on-call workers wanted a job where they worked regularly scheduled hours. (U.S. Department of Labor, Bureau of Labor Statistics, 2005).

Dissatisfaction with contingent employment may reflect low earnings due to low hourly wages or low number of hours worked. Contingent workers are twice as likely as standard full-time workers to be from low-income families. In 2005, 8% of standard full-time workers were in families with family incomes below \$20,000 while 16% of contingent workers were in low-income families. The incidence of low family income varies by type of non-standard employment relationship. Agency temps were most likely to come from low-income families (28%). More than 20% of on-call workers/day laborers (21%) and slightly less than 20% of standard part-time workers (19%) were from low-income families. Independent contractors were much less likely (11%) to live in low-income families. Independent contractors are predominantly male. Standard part-time workers and agency temps are predominantly female. This points to the likelihood of gender inequality in working time.

Table 5. Workers with annual family incomes below \$20,000 (February 2005)

Category of Worker	Percentage of Workers with Family Incomes Below \$20,000
Self-Employed Workers	8
Contract Company Workers	11
Independent Contractors	11
Direct-hire Temps	18
Standard Part-Time Workers	19
On-Call Workers/Day Laborers	21
Agency Temps	28
Subtotal: Contingent Workers	16
Standard Full-Time Workers	8
Total Workforce	11

Source: U.S. Government Accountability Office (2006), p. 14.

## 5. Gender inequality in working time

Gender inequality in working time has certainly diminished over the past thirty years. While men are still more likely to be in the labor force than women, the gender gap in labor force participation rates has narrowed substantially since 1980. In 1980, the labor force participation rate of men exceeded that of women by approximately 26 percentage points. By 2007, this gap had narrowed to approximately 14 percentage points (Table 1). As women have become more likely to participate in the labor market, they have become more likely to work full-time, full-year (Jacobs and Gerson, 2004, p. 25). For example, annual hours worked by women rose substantially from 1976 to 1993. The annual hours worked by women in 1993

<sup>9</sup> In this instance, the definition of contingent worker is a very restrictive one used by the U.S. Department of Labor.

were 1,526, an 18% increase over its level of 1293 in 1976. In contrast, the annual hours worked by men rose at a much slower rate. On average men worked 1,905 hours in 1993, a 6% increase over the level in 1976—1805 (Rones, Ilg and Gardner, 1997, p.11). The gender gap in earnings appears to be narrowing as well. In 2007, the median weekly wage of women working full-time year-round equaled 80% of the median weekly wage of men working full-time, year-round.

Nevertheless, a gender gap in working time still remains. Women are less likely to be full-time workers than are men. In 2007, 68.3% of part-time workers were women (*Employment and Earnings*, January 2008, p. 253). Women work fewer hours than do men. Women who usually work full time worked, on average, 41.0 hours per week in 2007. Male full-time workers averaged 44.1 hours per week, a difference of 3.1 hours. In each broad occupational grouping, male full-time workers worked longer weekly hours than did women full-time workers (Table 2). Including full and part-time workers, the average work week of women was 36.1 hours, 5.6 hours shorter than the average work week of men which equaled 41.7 hours (*Employment and Earnings*, January 2008, p. 238). And women are still less likely to participate in the labor force than are men.

The data presented to demonstrate the extent of the gender gap in working time are measures taken at a point in time. Longitudinal data can more clearly demonstrate the extent of gender inequality in working time since the issue is less one of inequality at a moment in time and more of inequality over a working life. Rose and Hartmann (2004) utilize the Panel Study on Income Dynamics, a longitudinal data set, and follow men and women workers aged 26 to 59 over a 15 year time period (1983-1998). Compared with men, women are more likely to be out of the labor force for entire years. Fewer than half of all women work every year. Approximately, 6 out of 7 men report earnings every year. Almost 3 in 10 women are out of the workforce for 4 or more years. The same is true for less than 5% of the men. When women work, they are more likely to work part-time and less likely to work full-year. Those women and men who report the most years without earnings report the fewest hours of work in years with work. There is a strong earnings penalty for being out of the labor force for even one year. The annual earnings loss grows as the number of years out of the labor force increases. Fewer hours of work combined with lower hour earnings results in a very large gender gap. Over the entire 15 year period, the average woman earned 38% of what the average man earned. This results in a 62% gender gap, far greater than what is found by merely comparing median weekly wages in a given year of men and women working full-time, full-year.

The gender gap is still a serious problem in the United States. It can be attributed to the gendered division of labor in the family resulting in women being the primary care givers and gender segregation in the labor market resulting in lower pay for women. Given the lack of family friendly social policies and family friendly workplaces, the increasing propensity of women to participate in the labor market, albeit still to a lesser degree than men, and the long working hours of men, may leave many families feeling under increased stress and finding it increasingly difficult to maintain an appropriate work-family balance.

## **6. Work-family balance**

The family with a married couple, children under the age of 18 and one breadwinner, typically a man, while not disappearing entirely has become rarer in the United States. The labor force participation rate of married women with children under the age of 17 has increased sharply since 1980 when it was 54.1% to 2007 when it was 69.3%. The same holds for single women with children whose labor force participation rate went from 52.0% in 1980 to 71.4% in 2007. Widowed, divorced and separated women with children were also more likely to be in the labor force. Their labor force participation rate rose from 69.4% in 1980 to

80.0% in 2007 (U.S. Census Bureau, 2009, p. 376). Dual earner couples with children, especially when both are full-time workers, and single parents, who are predominantly women, are likely to feel a time squeeze as they try to reconcile the hours and demands of their paid work and the needs of family life. For example, in 2000, the typical dual earner household where the husband and wife both worked and there were children under the age of 18 averaged 80.2 hours of paid work per week. For the family itself, this is equivalent to two full-time jobs per week. The husband averaged 45.2 hours and the wife averaged 34.9 hours of paid work per week. For dual earner families without children, average weekly working hours were even higher—83.5 hours—with the difference being accounted for by increased weekly working hours of the wife (Jacobs and Gerson, 2004, p. 44).

Given that the United States has not seriously debated policies designed to reduce working time or improve the compensation on part-time jobs thereby making such jobs more attractive, working parents are left to themselves to determine how to manage the time squeeze and maintain a work-family balance. And many are finding it increasingly difficult to do so. One approach pushed by work-family advocates is for firms to offer workers more flexible work schedules so that workers have more freedom in determining which hours they will work. Firms were more likely to introduce flexible work schedules in the 1990s. The share of the full-time workforce with flexible schedules rose from 15.1% in 1991 to 27.6% in 1997, more than double the rate seen in 1985 (Appelbaum and Golden, 2003, p. 82). However, since that time there has not been any increase in flexible schedules. In 2004, 27.5% of full-time workers had flexible schedules (U.S. Census Bureau, 2009, p. 380).

However, flexible work hours do not speak to the issue of long work hours. And workers may sometimes need to make tradeoffs to gain flexible hours which may negate somewhat the potential for flexible hours to ameliorate the time squeeze faced by working families. Some workers are working longer hours of work in order to gain flexible schedules. The likelihood of flexible schedules increases dramatically as workers work more than 40 hours per week. Other workers are working part-time with the reduced compensation that comes along with such positions in order to gain flexible schedules. The likelihood of flexible work hours is much higher for those working 20 hours or less than it is for people working a 40 hour work week.

Table 6. Percentage of workers with flexible schedules by average usual weekly work hours, May 1997

Hours	Percent with Flexible Schedule
1-20	62.2
21-34	45.0
35-39	33.2
40	22.7
41-49	33.3
50 or more	52.2

Source: U.S. Government Accountability Office (2006), p. 14.

Flexibility in work scheduling is not aimed at meeting the needs of mothers with young children. Women with children in the household do not have more access to flexible schedules than women without children. Overall, women are somewhat less likely than men to have access to flexible schedules. Flexible scheduling is highly concentrated by occupation and is more likely to be found in certain managerial, professional and sales occupations.

Lying behind the difficulties facing many families in balancing the demands of work and family life are long work hours. These long work hours are demanded by employers and seem to be preferred (or accepted or required) by many workers for both reasons of financial need

and income preferences. Where there is a mismatch between hours worked and hours preferred, it is often the case that workers prefer more hours. In 2001, 27% of worker preferred more hours than they were working while 7% preferred fewer hours. Women working full-time were somewhat more likely than men working full-time to want shorter hours. However, women facing hours constraints were twice as likely to want more hours than less hours. While the desire for fewer hours rose as the work week lengthened from 40 hours to 60 hours or more, even among workers working 60 or more hours, there was a strong desire for more hours. Somewhat more than 20% of these workers wanted more hours while only 13% of them wanted fewer hours. While the economy was in recession in 2001, that does not seem to be the reason for the desire for more work hours. The preference of workers for either more or fewer hours of work has been virtually unchanged since 1985.

Table 7. Hours preferences by number of hours worked, 2001

Actual Hours Worked Weekly	Hours Preferences (Percent)		
	Same Hours	Fewer Hours	More Hours
Total	67.0	7.4	25.6
1 to 14	62.1	5.1	32.9
15 to 29	60.3	6.0	33.7
30 to 34	58.9	8.1	33.1
35 to 39	64.0	7.7	28.3
40	69.8	5.6	24.5
41 to 48	66.6	8.1	25.3
49 to 59	69.7	9.6	20.6
60 and more	66.1	13.3	20.7

Source: Golden and Gebreselassie (2007), p. 24.

## 7. Conclusion

Relative to many European governments, the United States government plays a minimal role in regulating working time. As a result, the industrial relations system is the primary arena wherein working hours are determined. Given the decline in union density and union strength over the past 30 years, the distribution of working time arrangements reflects more employer preferences than worker preferences.

Working hours are long in the United States. Annual average working hours in the United States exceed annual average working hours in Europe and Japan. Workers in the United States average long working weeks. As there is no legal requirement to provide paid vacations, vacations are short and many workers are not provided paid vacations.

There is a polarization of working hours. While many full-time workers work long hours, the weekly working hours of other workers, particularly those in nonstandard and contingent employment arrangements, are short and precarious. There is a significant gender gap in working time reflected in fewer weekly hours of work for women than men and a lower probability of women working continuously throughout their working life than men.

Working hours constraints exist. Workers facing such constraints are much more likely to want more working hours than fewer. Not surprisingly, those working less than a standard full-time 40 hour work week are much more likely to want longer hours than fewer hours. Even those facing working hours constraints who are working long hours already—more than 40 hours per week—are more likely to want additional working hours than to see their working time reduced. Financial need, income preferences and a generalized sense of job insecurity likely explain the desire for additional hours of work.

The growth of dual earner families, together with long work hours, points to a potential

for conflict between the demands of work and family life. Families are forced to find their own solutions to this problem given the lack of serious debate in the policy arena over family friendly government policy.

Government policy is needed for the situation to change. Such policy would include a shortening of the standard working week, a legal right to a substantial number of paid days off per year, pay and benefit parity for part-time workers and a legal right to request flexible hours subject to employer agreement. It remains to be seen whether any of these issues will make it to the policy agenda in the next few years.

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# Long Working Time and Flexibility of Working Time Management and Workplace in Japan

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## 1. Background

- Working time (hereafter called WT) in Japan is the longest in advanced countries.
- WT has not been shortened over a past decade.
- Overtime, unpaid overtime, and few paid annual leaves are main factors.
- Legal working hours per week is 40 hours.
- Overtime is determined by a collective agreement.
- Legal upper limit of the length of overtime is 360 hours per year, but this is just like a non-binding guideline. Even when an overtime of more than 360 hours per year is agreed upon by a collective agreement, it is not illegal.
- One labor standard inspector is taking charge of about 1,500 enterprises.
- Among male workers in their late 20s to early 40s, the percentage of those who work over 60 hours a week exceeds 20%. (Ministry of Internal Affairs and Communications, *Employment Status Survey, 2007*).
- The number of claims for “Karoshi” or death by overwork from long working hours is increasing in recent years. It was 931 in 2007. This figure only shows the cases where the claims were filed, so it would be a considerable number if claims that were not filed were included.
- Mental disease like depression is also increasing.

## 2. Flexibility of WT management and workplace

### 2.1. Flexibility of WT management

- Managerial, specialist, and sales positions are partly exempt from legal WT management.

### 2.2. Flexibility of workplace

- Workers work in places other than their main workplace, for example, working overtime at home.

This survey shows a relation between working time and flexibility of WT management and workplace.

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### 3. Survey Outline

- JILPT conducted the survey in August and September of 2008.  
Subject: 8,000 male and female workers nationwide 20 to 59 years of age, who are fulltime permanent employees (“Seishain”).
- Number of responses: 6,430.

### 4. Fact findings

#### 4.1. Monthly Average Amount of Actual Total WT (ATWT), Overtime (OT) and Unpaid Overtime (UOT)

Table 1. Monthly average amount of actual total working time (ATWT), overtime (OT) and unpaid overtime (UOT)

		N=6,054 (ATWT, OT)		N=4,895 (UOT)
		ATWT	OT	UOT
Total		206	28	16
Gender	Male	213	33	17
	Female	189	17	14
Age	20s	210	31	15
	30s	211	31	16
	40s	205	29	17
	50s	200	23	16

Table 2. Monthly average amount of actual total working time (ATWT), overtime (OT) and unpaid overtime (UOT)

		N=6,054 (ATWT, OT)		N=4,895 (UOT)
		ATWT	OT	UOT
Total		206	28	16
Industry	Construction	221	25	15
	Manufacturing	203	26	17
	Utilities	199	23	15
	ICT	199	21	18
	Transportation	225	24	17
	Wholesale, retail	212	27	17
	Bank, insurance	196	29	19
	Research	207	26	13
	Hotel, restaurant	230	32	14
	Education	219	44	17
	Medical, welfare	193	32	14
	Service	209	28	17
	Public service	189	40	15
	Other service	211	28	15
Miscellaneous	199	27	13	
Company size (employees)	1-29	210	22	14
	30-99	212	30	17
	100-299	208	29	16
	300-999	206	31	16
	1,000-2,999	204	31	15
	3,000-	199	30	18

Table 3. Monthly average amount of actual total working time (ATWT), overtime (OT) and unpaid overtime (UOT)

		N=6,054 (ATWT, OT)		N=4,895 (UOT)
		ATWT	OT	UOT
Total		206	28	16
Occupation	General affairs, HRM	193	22	16
	Clerical, secretarial	187	16	15
	Sales	216	35	16
	Customer service	216	27	15
	Analysis, patent	197	27	16
	R&D	206	36	15
	Medical, educational	205	27	17
	Workplace supervisor	218	34	16
	Manufacturing operation	201	22	18
	Driver	241	39	19
	Security, sanitation	211	22	28
	Managerial position	Rank & file employee	204	25
Senior staff, unit head		206	32	19
Section manager		214	37	16
Department Manager		216	37	15

Table 4. Monthly average amount of actual total working time (ATWT), overtime (OT) and unpaid overtime (UOT)

		N=6,054 (ATWT, OT)		N=4,895 (UOT)
		ATWT	OT	UOT
Total		206	28	16
WT system	Normal (strict)	204	26	16
	Flexitime (medium)	203	33	16
	De facto system (loose)	236	50	20
	Nothing special (loose)	237	44	15
Number of work place	1	198	23	16
	2	211	30	18
	3	220	39	17
	4 and more	224	45	15
Type of work place (as 2 <sup>nd</sup> or N <sup>th</sup> work place)	Affiliates, branch offices	215	29	16
	Home	223	29	15
	Customers' site	218	27	17
	Trains, cars	220	29	13
	Hotels	220	27	15
Type of work at home	Cafe	216	28	14
	Company regulation	203	34	21
	Supervisor's decision	216	41	12
	My own decision	224	44	17

#### 4.2. Factors affecting the change in ATWT (multivariable analysis, OLS)

- Explained variable: ATWT(ln).
- Explaining variables: gender, age, annual income, industry, company size, work-leisure choice, occupation, managerial position, WT system, number of workplace, type of workplace (as 2<sup>nd</sup> or N<sup>th</sup> workplace).

Table 5. Factors affecting the change in ATWT (OLS)

		Number of obs = 5,717		F =25.26 (Prob >F =0.00)		
		R-squared = 0.18		Adj R-squared = 0.17		
		Coef.	Std. Err.	t	P>t	Beta
Male (B.M. = Female)		0.08	0.01	10.91	0.00	0.17
Age		0.00	0.00	-11.89	0.00	-0.17
Income (ln)		0.02	0.01	3.46	0.00	0.06
Industry (B.M. = Manufacturing)	Construction	0.04	0.01	3.35	0.00	0.05
	Utilities	-0.02	0.02	-1.25	0.21	-0.02
	ICT	-0.05	0.01	-4.08	0.00	-0.06
	Transportation	0.00	0.02	0.16	0.87	0.00
	Wholesale, retail	0.02	0.01	2.11	0.04	0.03
	Bank, insurance	-0.01	0.01	-1.08	0.28	-0.02
	Research	-0.01	0.01	-0.68	0.50	-0.01
	Hotel, restaurant	0.09	0.02	5.18	0.00	0.07
	Education	0.03	0.02	1.87	0.06	0.03
	Medical, welfare	-0.04	0.01	-2.81	0.01	-0.05
	Service	0.01	0.01	1.09	0.28	0.02
	Public service	-0.06	0.01	-4.51	0.00	-0.07
	Other service	0.01	0.02	0.53	0.60	0.01
	Miscellaneous	-0.03	0.02	-1.57	0.12	-0.02
Company size (employees, B.M. = 3,000-)	1-29	0.07	0.01	7.12	0.00	0.12
	30-99	0.06	0.01	6.95	0.00	0.11
	100-299	0.05	0.01	5.11	0.00	0.08
	300-999	0.04	0.01	4.27	0.00	0.06
	1,000-2,999	0.03	0.01	2.75	0.01	0.04
Work-leisure choice (B.M. = Equally important)	Work-oriented	0.01	0.02	0.68	0.50	0.01
	More or less work-oriented	-0.01	0.01	-0.86	0.39	-0.01
	More or less leisure-oriented	0.00	0.01	0.70	0.48	0.01
	Leisure-oriented	-0.01	0.01	-0.96	0.34	-0.01
Occupation (B.M. = Clerical, secretarial)	General affairs, HRM	-0.01	0.01	-0.73	0.47	-0.01
	Sales	0.04	0.01	3.37	0.00	0.07
	Customer service	0.06	0.02	3.75	0.00	0.06
	Analysis, patent	-0.02	0.02	-1.09	0.27	-0.01
	R&D	0.01	0.01	1.11	0.27	0.02
	Medical, educational	0.06	0.02	4.14	0.00	0.09
	Workplace supervisor	0.06	0.01	4.16	0.00	0.07
	Manufacturing operation	0.01	0.01	0.49	0.62	0.01
	Driver	0.17	0.02	8.88	0.00	0.15
Security, sanitation	0.06	0.03	1.96	0.05	0.03	
Managerial position (B.M. = Rank & file)	Senior staff, unit head	0.01	0.01	0.99	0.32	0.01
	Section manager	0.03	0.01	3.13	0.00	0.04
	Department Manager	0.02	0.01	1.30	0.19	0.02
WT system (B.M. = Normal)	Flexitime (medium)	0.00	0.01	-0.21	0.83	0.00
	Defacto system (loose)	0.09	0.01	6.35	0.00	0.08
	Nothing special (loose)	0.09	0.02	5.65	0.00	0.07
Number of work place (B.M. = Single)	2	0.03	0.01	3.88	0.00	0.05
	3	0.06	0.01	6.88	0.00	0.09
	4 and more	0.06	0.01	6.19	0.00	0.08
Constant		5.14	0.04	126.32	0.00	

- Occupation: sales, customer service, medical & educational, workplace supervisor, driver, security & sanitation.
- Managerial position: section manager
- WT system: de facto system, nothing special
- Number of workplace: 2,3,4 places

Table 6. Factors affecting the change in ATWT (OLS)

		Number of obs = 2,499	F =8.57 (Prob >F =0.00)			
		R-squared = 0.15	Adj R-squared = 0.14			
		Coef.	Std. Err.	t	P>t	Beta
Male (B.M. = Female)		0.07	0.01	5.10	0.00	0.12
Age		0.00	0.00	-7.53	0.00	-0.17
Income (ln)		0.03	0.01	3.06	0.00	0.08
Industry (B.M. = Manufacturing)	Construction	0.06	0.02	3.44	0.00	0.08
	Utilities	-0.02	0.03	-0.80	0.42	-0.02
	ICT	-0.05	0.02	-3.01	0.00	-0.06
	Transportation	-0.03	0.03	-1.13	0.26	-0.03
	Wholesale, retail	0.01	0.02	0.44	0.66	0.01
	Bank, insurance	-0.02	0.02	-0.84	0.40	-0.02
	Research	-0.02	0.02	-0.80	0.43	-0.02
	Hotel, restaurant	0.05	0.03	1.60	0.11	0.03
	Education	0.03	0.03	1.01	0.31	0.03
	Medical, welfare	-0.07	0.03	-2.68	0.01	-0.07
	Service	0.02	0.02	1.02	0.31	0.02
	Public service	-0.02	0.02	-1.01	0.31	-0.02
	Other service	0.03	0.03	0.95	0.34	0.02
	Miscellaneous	0.00	0.03	0.08	0.94	0.00
Company size (employees, B.M. = 3,000-)	1-29	0.07	0.02	4.55	0.00	0.12
	30-99	0.07	0.01	4.85	0.00	0.12
	100-299	0.06	0.02	3.97	0.00	0.09
	300-999	0.04	0.01	2.95	0.00	0.07
	1,000-2,999	0.04	0.02	2.54	0.01	0.05
Work-leisure choice (B.M. = Equally important)	Work-oriented	-0.02	0.03	-0.53	0.60	-0.01
	More or less work-oriented	-0.02	0.01	-2.14	0.03	-0.04
	More or less leisure-oriented	0.01	0.01	0.55	0.58	0.01
	Leisure-oriented	-0.02	0.02	-1.17	0.24	-0.02
Occupation (B.M. = Clerical, secretarial)	General affairs, HRM	0.01	0.02	0.58	0.56	0.02
	Sales	0.05	0.02	2.31	0.02	0.09
	Customer service	0.09	0.03	2.93	0.00	0.07
	Analysis, patent	-0.03	0.03	-0.87	0.39	-0.02
	R&D	0.02	0.02	0.94	0.35	0.04
	Medical, educational	0.08	0.03	2.99	0.00	0.11
	Workplace supervisor	0.08	0.02	3.42	0.00	0.10
	Manufacturing operation	0.01	0.03	0.54	0.59	0.02
	Driver	0.23	0.04	6.36	0.00	0.19
Security, sanitation	0.15	0.05	2.82	0.01	0.06	
Managerial position (B.M. = Rank & file)	Senior staff, unit head	0.01	0.01	1.22	0.22	0.03
	Section manager	0.01	0.01	1.01	0.31	0.02
	Department Manager	0.02	0.02	1.02	0.31	0.02
WT system (B.M. = Normal)	Flexitime (medium)	-0.01	0.01	-1.08	0.28	-0.02
	De facto system (loose)	0.09	0.02	5.32	0.00	0.10
	Nothing special (loose)	0.07	0.02	3.68	0.00	0.07
Type of work place (as 2nd or N <sup>th</sup> work place)	Affiliates, branch offices	0.00	0.01	0.18	0.86	0.00
	Home	0.04	0.01	3.95	0.00	0.08
	Customers' site	0.01	0.01	1.47	0.14	0.03
	Trains, cars	0.00	0.01	-0.06	0.95	0.00
	Hotels	0.01	0.01	0.41	0.68	0.01
	Cafe	-0.03	0.02	-1.36	0.17	-0.03
Constant		5.12	0.07	75.89	0.00	

- Occupation: sales, customer service, medical & educational, workplace supervisor, driver, security & sanitation.
- Managerial position: none.
- WT system: de facto system, nothing special.
- Type of workplace: home.

The survey found that flexibility of WT management and workplace is a factor leading to long working time as above.

#### 4.3. Factors affecting the flexibility in WT management and in workplace (multivariable analysis, Probit)

- Explained variable: WT flexibility, workplace flexibility.
- Explaining variables: gender, age, annual income, education, spouse, dependent children, ATWT, industry, company size, work-leisure choice, occupation, managerial position.

Table 7. Factors affecting the flexibility in WT management (Flexible = 1, Probit)

		Number of obs = 5,718	L.R chi2 = 1,031 (Prob >chi2 = 0.00)			
		Pseudo R-squared = 0.27	Log likelihood = -1,404			
		Coef.	Std. Err.	z	P>z	dF/dx
Male (B.M. = Female)		0.08	0.09	0.93	0.35	0.01
Age		0.00	0.00	-1.36	0.17	0.00
Income (ln)		0.24	0.07	3.32	0.00	0.03
Education (B.M. = 12 years or less)	14 years	-0.07	0.08	-0.92	0.36	-0.01
	16 years or more	0.01	0.06	0.18	0.86	0.00
Spouse (B.M. = None)		-0.02	0.06	-0.41	0.69	0.00
Dependent children (under 15 years old, B.M. = None)		0.01	0.06	0.20	0.84	0.00
ATWT (ln)		0.97	0.12	7.86	0.00	0.11
Industry (B.M. = Manufacturing)	Construction	-0.25	0.13	-1.96	0.05	-0.02
	Utilities	-0.41	0.23	-1.78	0.07	-0.03
	ICT	0.27	0.11	2.59	0.01	0.04
	Transportation	-0.03	0.16	-0.20	0.84	0.00
	Wholesale, retail	-0.01	0.10	-0.12	0.91	0.00
	Bank, insurance	0.02	0.12	0.14	0.89	0.00
	Research	-0.08	0.14	-0.53	0.59	-0.01
	Hotel, restaurant	0.01	0.18	0.07	0.95	0.00
	Education	-0.23	0.20	-1.16	0.25	-0.02
	Medical, welfare	-0.15	0.17	-0.90	0.37	-0.02
	Service	-0.04	0.11	-0.38	0.71	-0.01
	Public service	-1.01	0.20	-5.15	0.00	-0.06
	Other service	0.06	0.18	0.34	0.73	0.01
Miscellaneous	0.00	0.17	0.01	0.99	0.00	
Company size (employees, B.M. = 3,000-)	1-29	-0.06	0.09	-0.62	0.54	-0.01
	30-99	-0.20	0.09	-2.14	0.03	-0.02
	100-299	-0.37	0.10	-3.81	0.00	-0.03
	300-999	-0.30	0.09	-3.45	0.00	-0.03
	1,000-2,999	-0.28	0.10	-2.88	0.00	-0.03
Work-leisure choice (B.M. = Equally important)	Work-oriented	0.00	0.18	0.01	0.99	0.00
	More or less work-oriented	0.04	0.07	0.68	0.50	0.01
	More or less leisure-oriented	-0.04	0.07	-0.60	0.55	-0.01
	Leisure-oriented	-0.05	0.11	-0.46	0.64	-0.01
Occupation (B.M. = Clerical, secretarial)	General affairs, HRM	0.30	0.15	2.01	0.04	0.04
	Sales	0.62	0.14	4.55	0.00	0.09
	Customer service	0.34	0.19	1.73	0.08	0.05
	Analysis, patent	0.75	0.19	3.88	0.00	0.14
	R&D	0.54	0.14	3.75	0.00	0.08
	Medical, educational	0.40	0.20	1.96	0.05	0.06
	Workplace supervisor	0.42	0.16	2.63	0.01	0.06
	Manufacturing operation	-0.06	0.18	-0.32	0.75	-0.01
Driver	0.59	0.21	2.77	0.01	0.10	
Managerial position (B.M. = Rank & file)	Senior staff, unit head	0.05	0.08	0.70	0.49	0.01
	Section manager	1.15	0.08	13.75	0.00	0.24
	Department Manager	1.36	0.11	12.20	0.00	0.34
Constant		-8.38	0.78	-10.76	0.00	

- Income(+).
- ATWT(+).
- Industry: ICT(+), public service(-).
- Company size: 30-99(-), 100-299(-), 300-999(-), 1,000-2,999(-).
- Occupation: sales(+), analysis & patent(+), R&D(+), workplace supervisor(+), driver(+).
- Managerial position: section manager(+), department manager(+)

Table 8. Factors affecting the flexibility in workplace (Flexible = 1, Probit)

		Coef.	Std. Err.	z	P>z	dF/dx
Male (B.M. = Female)		0.06	0.05	1.25	0.21	0.02
Age		-0.01	0.00	-2.94	0.00	0.00
Income (ln)		0.12	0.05	2.61	0.01	0.05
Education (B.M. = 12 years or less)	14years	-0.02	0.05	-0.45	0.65	-0.01
	16 years or more	0.07	0.04	1.69	0.09	0.03
Spouse (B.M. = None)		0.01	0.04	0.33	0.74	0.01
Dependent children (under 15 years old, B.M. = None)		0.10	0.04	2.70	0.01	0.04
ATWT (ln)		0.75	0.09	8.41	0.00	0.29
Industry (B.M. = Manufacturing)	Construction	0.28	0.08	3.40	0.00	0.11
	Utilities	0.17	0.12	1.35	0.18	0.07
	ICT	0.04	0.08	0.53	0.60	0.02
	Transportation	-0.22	0.11	-2.09	0.04	-0.09
	Wholesale, retail	-0.17	0.07	-2.27	0.02	-0.07
	Bank, insurance	-0.32	0.09	-3.77	0.00	-0.12
	Research	0.25	0.10	2.57	0.01	0.10
	Hotel, restaurant	-0.16	0.12	-1.27	0.21	-0.06
	Education	0.53	0.12	4.49	0.00	0.21
	Medical, welfare	-0.29	0.10	-2.89	0.00	-0.11
	Service	-0.08	0.08	-0.97	0.33	-0.03
	Public service	-0.18	0.08	-2.14	0.03	-0.07
	Other service	-0.12	0.13	-0.89	0.37	-0.05
Miscellaneous	-0.06	0.11	-0.50	0.62	-0.02	
Company size (employees, B.M. = 3,000-)	1-29	-0.13	0.06	-2.09	0.04	-0.05
	30-99	-0.19	0.06	-3.13	0.00	-0.07
	100-299	-0.21	0.06	-3.34	0.00	-0.08
	300-999	-0.16	0.06	-2.67	0.01	-0.06
	1,000-2,999	-0.10	0.06	-1.51	0.13	-0.04
Work-leisure choice (B.M. = Equally important)	Work oriented	-0.08	0.12	-0.66	0.51	-0.03
	Somewhat work oriented	-0.09	0.04	-1.99	0.05	-0.04
	Somewhat leisure oriented	0.03	0.05	0.69	0.49	0.01
	Leisure oriented	-0.02	0.07	-0.26	0.80	-0.01
Occupation (B.M. = Clerical, secretarial)	General affairs, HRM	0.08	0.08	0.94	0.35	0.03
	Sales	0.92	0.07	12.36	0.00	0.12
	Customer service	0.30	0.11	2.83	0.01	0.12
	Analysis, patent	0.84	0.13	6.49	0.00	0.32
	R&D	0.68	0.08	8.49	0.00	0.27
	Medical, educational	0.54	0.11	5.09	0.00	0.21
	Workplace supervisor	0.45	0.09	4.81	0.00	0.18
	Manufacturing operation	-0.03	0.09	-0.38	0.70	-0.01
	Driver	0.37	0.13	2.91	0.00	0.15
Security, sanitation	0.65	0.20	3.26	0.00	0.25	
Managerial position (B.M. = Rank & file)	Senior staff, unit head	0.18	0.05	3.89	0.00	0.07
	Section manager	0.41	0.07	6.04	0.00	0.16
	Department Manager	0.68	0.10	6.64	0.00	0.26
Constant		-5.19	0.53	-9.72	0.00	

- Age(-).
- Income(+).
- ATWT(+).
- Dependent children(+).
- Industry: construction(+), transportation(-), wholesale & retail(-), bank & insurance(-), research(+), education(+), medical & welfare(-), public service(-).
- Company size: 1-29(-), 30-99(-), 100-299(-), 300-999(-).
- Occupation: sales(+), customer service(+), analysis & patent(+), R&D(+), medical & educational(+), workplace supervisor(+), driver(+), security & sanitation(+).
- Managerial position: senior staff & unit head(+), section manager(+), department manager(+).

As seen above, the characteristics of those working under the flexible WT management and in flexible workplace are: workers with high income, long working hours, and white-color employees such as in sales and specialist jobs, and more employees in managerial position than rank & file employees.

Table 9. Difference of work consciousness and degree of satisfaction in relation to the flexibility of WT management

(%)						
Work-leisure choice						
	Leisure-oriented	More or less leisure-oriented	Equally important	More or less work-oriented	Work-oriented	Total
Less flexible	7	23	43	24	2	100
Flexible	6	21	42	28	4	100
Total	7	23	43	24	2	100
Degree of satisfaction (Income)						
	Satisfied	More or less satisfied	Neither satisfied nor dissatisfied	More or less dissatisfied	Dissatisfied	Total
Less flexible	5	28	20	24	22	100
Flexible	10	32	20	17	21	100
Total	6	29	20	24	22	100
Degree of satisfaction (Contents of Job)						
	Satisfied	More or less satisfied	Neither satisfied nor dissatisfied	More or less dissatisfied	Dissatisfied	Total
Less flexible	8	43	28	14	6	100
Flexible	12	44	23	14	6	100
Total	9	44	27	14	6	100
Degree of satisfaction (Length of time spent with family members)						
	Satisfied	More or less satisfied	Neither satisfied nor dissatisfied	More or less dissatisfied	Dissatisfied	Total
Less flexible	7	42	28	17	6	100
Flexible	7	37	24	22	11	100
Total	7	41	27	18	7	100
Degree of satisfaction (Length of time spent with friends)						
	Satisfied	More or less satisfied	Neither satisfied nor dissatisfied	More or less dissatisfied	Dissatisfied	Total
Less flexible	4	31	36	22	7	100
Flexible	4	23	35	26	12	100
Total	4	30	36	23	8	100
Degree of satisfaction (Length of time spent for hobbies, etc.)						
	Satisfied	More or less satisfied	Neither satisfied nor dissatisfied	More or less dissatisfied	Dissatisfied	Total
Less flexible	4	31	27	27	11	100
Flexible	3	24	24	32	17	100
Total	4	30	27	27	12	100
Frequency of thinking of one's job (during commuting)						
	Always	Often	Sometimes	Less	Total	
Less flexible	16	33	32	19	100	
Flexible	26	38	22	14	100	
Total	17	33	31	19	100	
Frequency of thinking of one's job (at home)						
	Always	Often	Sometimes	Less	Total	
Less flexible	8	29	43	20	100	
Flexible	15	38	34	13	100	
Total	8	30	42	20	100	
Frequency of thinking of one's job (when going out other than for work)						
	Always	Often	Sometimes	Less	Total	
Less flexible	5	16	35	43	100	
Flexible	12	23	35	30	100	
Total	6	17	35	42	100	



#### 4.4. Differences of work consciousness and degree of satisfaction in relation to the flexibility of WT management

According to Table 9, workers with flexibility of WT management are:

- likely to give priority to their jobs,
- likely to be satisfied with their income and job contents,
- likely to be dissatisfied with the length of time to spend with their friends and families, and time to spend for their hobbies, and
- likely to think of their work very frequently, on their way to/from work, at home, and even while they are out other than for work.

Looking at their visions for the future from Table 10, workers with flexibility of WT management have more motivation for career success in his/her company and desire for independence, and they also have more commitment to their own jobs.

Table 10. Visions for future work in relation to WT management flexibility

	(%)					
	Wish to gain experience in various companies in order to join the top management in the future	Wish a moderate promotion to a managerial position	Wish to continue working for the same company until retirement age, regardless of promotion	Wish to make a contribution in this company by utilizing my experience and expertise	Do not stick to this company if my experience can be utilized	Wish to try my ability to run my own business
Less flexible	5	8	18	15	20	3
Flexible	12	7	11	20	22	5
Total	5	8	17	15	20	3
	Wish to change companies as soon as I can find a more favorable situation	Have no particular requests or problems to consider	Wish to quit my job if the conditions are met	Wish to quit the job as soon as possible	Others	Total
Less flexible	10	12	8	1	1	100
Flexible	7	8	5	1	1	100
Total	10	11	8	1	1	100

#### 5. Tentative conclusion

The middle- and long-term governmental policies and corporate management is going in the direction of more flexibility of WT management and workplace. However, it is not really acknowledged as a problem that the flexibility itself makes working time longer.

If workers themselves can decide the length of their working time according to the needs of their work and life, flexibility is not bad. Flexibility in itself means that working time can be either longer or shorter than normal working hours. In Japan, however, it acts just as a way to make working time longer.

The difficulty in giving consideration to the future direction is that not all Japanese workers are necessarily dissatisfied with their working time. Workers with flexibility of WT management are also not satisfied with their time to spare, but at the same time they very frequently think of their work and also have positive attitudes toward their jobs.

It may be said that Japanese workers, who do not know how people spend their vacation or spare time in Europe, are likely to be content with their present situation. However, when we come to think of the many victims who suffer from death by overwork or depression

resulting from long working hours and various other demerits, shorter working hours is indispensable. This may be achieved by appealing the benefit of taking leaves or vacation to those who work hard and value long working hours, as well as developing legal systems and human resource management.

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