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Working Time in Europe

Working Time Flexibility: International Comparison

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Working Time in Europe

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1.1 Working hours in Europe

Country	Agreed yearly working hours	Yearly working hours - fulltime	Yearly working hours – full- and part-time
France	1568	1753	1630
Germany	1659	1776	1521
Netherlands	1708	1767	1359
Sweden	1632	1730	1548
UK	1655	1930	1656

Source: EIRO Dublin

2. Working Time policies in UK, SWE, FR, D

Working hours in Europe shorter than in Japan but

High Diversity in political goals, regulation, duration and distribution of working hours

Three Models

1. Working time reductions as employment policy (France up to 2003, Germany up to 1995)
2. Reconciliation of work and private life (Sweden)
3. Self-regulation by the market as employment policy (UK)

Germany and France now moving from the first to the third model –prolongation of weekly working hours and of retirement age

3.1 Regulation: European Directives

Working time directive (1993 last revision 2008):

- maximum of 48 hours per week
 - exceptions up to 65 hrs
 - opting out if employee agrees
- 4 weeks vacation per year
- Minimum rest period of 11 hrs per day
- Break after 6 hrs work
- Minimum 24 hrs rest period per week

Directives on part-time work (1997), temporary work (1999) and agency work (2008)

- No discrimination
- Equal pay (exception by collective agreements for agency work)
- part-timers: pro rata treatment for all contractual entitlements

3.2 Regulation: Collective bargaining coverage, employers' organisations and union density

	1-10	11-20	21-30	31-40	41-50	51-60	61-70	71-80	81-90	91-100
France	U							E		Cov
Netherlands			U					E	Cov	
Sweden						E		U		Cov
Germany			U				Cov			
UK			U	Cov, E						
USA	E,	U, Cov								

Cov = Bargaining coverage non-standardised;
 E = Employer organisation rate (private sector);
 U = Union density rate

Source: EU 2004: 31, Traxler 2007; Freeman 2007

3.3 Dominant level of regulation of duration of working hours

France:

- **State, increasingly plant level**

Germany:

- **industry level, increasingly plant level**

Sweden:

- **multilevel: negotiated laws, industry and plant level**

UK:

- **plant or individual level**

4.1 Individual working time Options

Sweden:

- Parental leave (480 days with 80% pay of first 390 days than flat rate per day)
- Training leave (unpaid, no restriction on type and length of training)
- Working time banks (0,5% of yearly income, flexible use)

Germany:

- right to work part-time
- Since 2007 parental leave (14 months, 67% of previous income) and unpaid education leave (until child 3 years old)

France:

- Training leave (1 year)

UK:

- Since 2003 right to work part-time or request flexible

4.2 Individual options

Part-Time work has a different meaning:

Sweden

- self selected
- normal phase in working life
- low long term costs

Germany, UK

- Voluntary but no choice
- permanent for women in prime age
- Trap, high long term costs

France

- Involuntary
- Trap, high long term costs

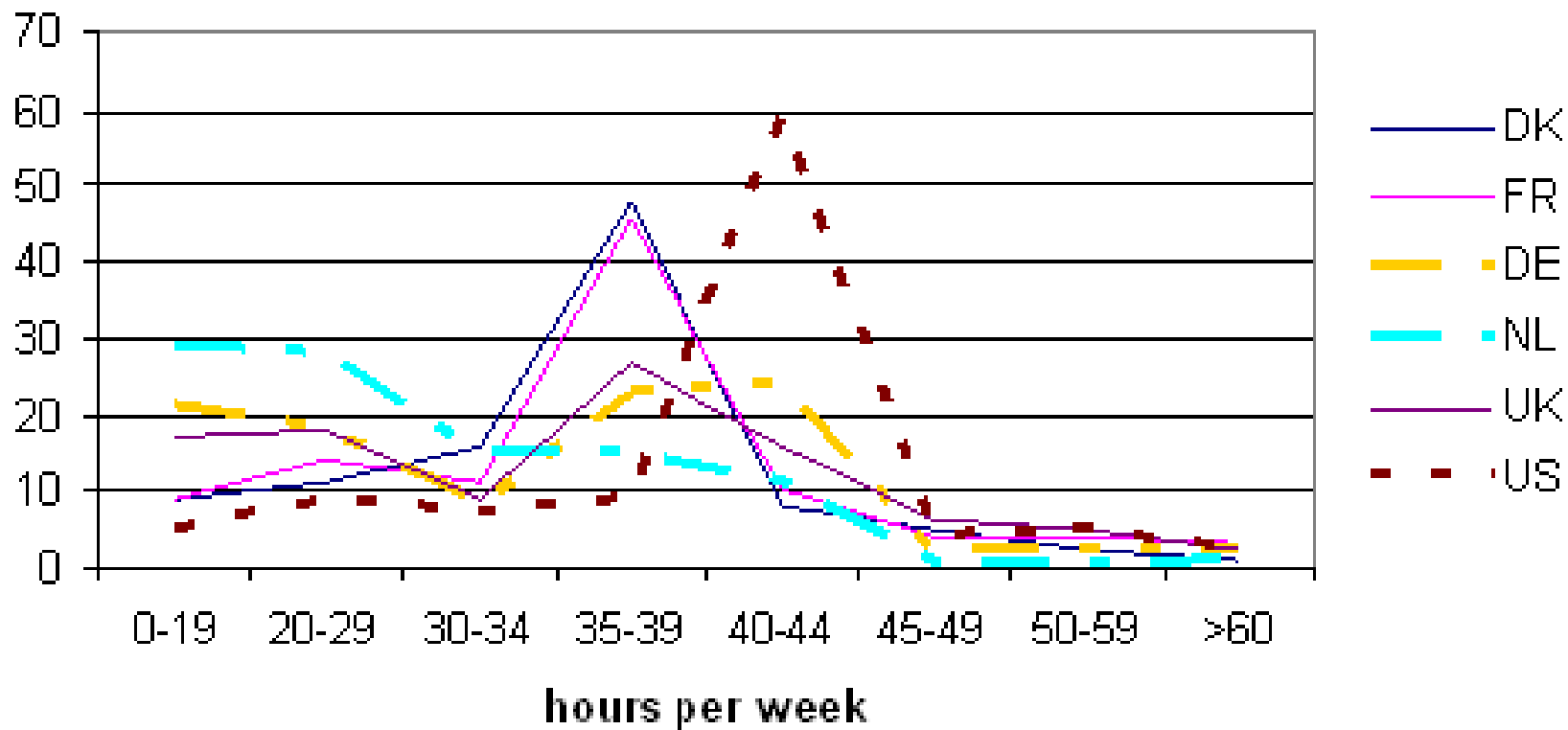
5. Incentives for women to work

Country	Child care/ school hours-	Gender pay gap	Indivi- dual Options	Tax, Social security system
France	+	-	-	0
Germany	-	-	0	-
Sweden	+	+	+	+
UK	0	-	0	0

Incentives

+ high
0 medium
- low

5.3 Number of hours worked per week (female employees)



Source: OECD Family database, 2007, chart LMF 7.

6.1 Life long working hours: retirement

France and Germany:

- Early retirement policy
- Now changing because of demographic development – faster in Germany

Sweden and UK

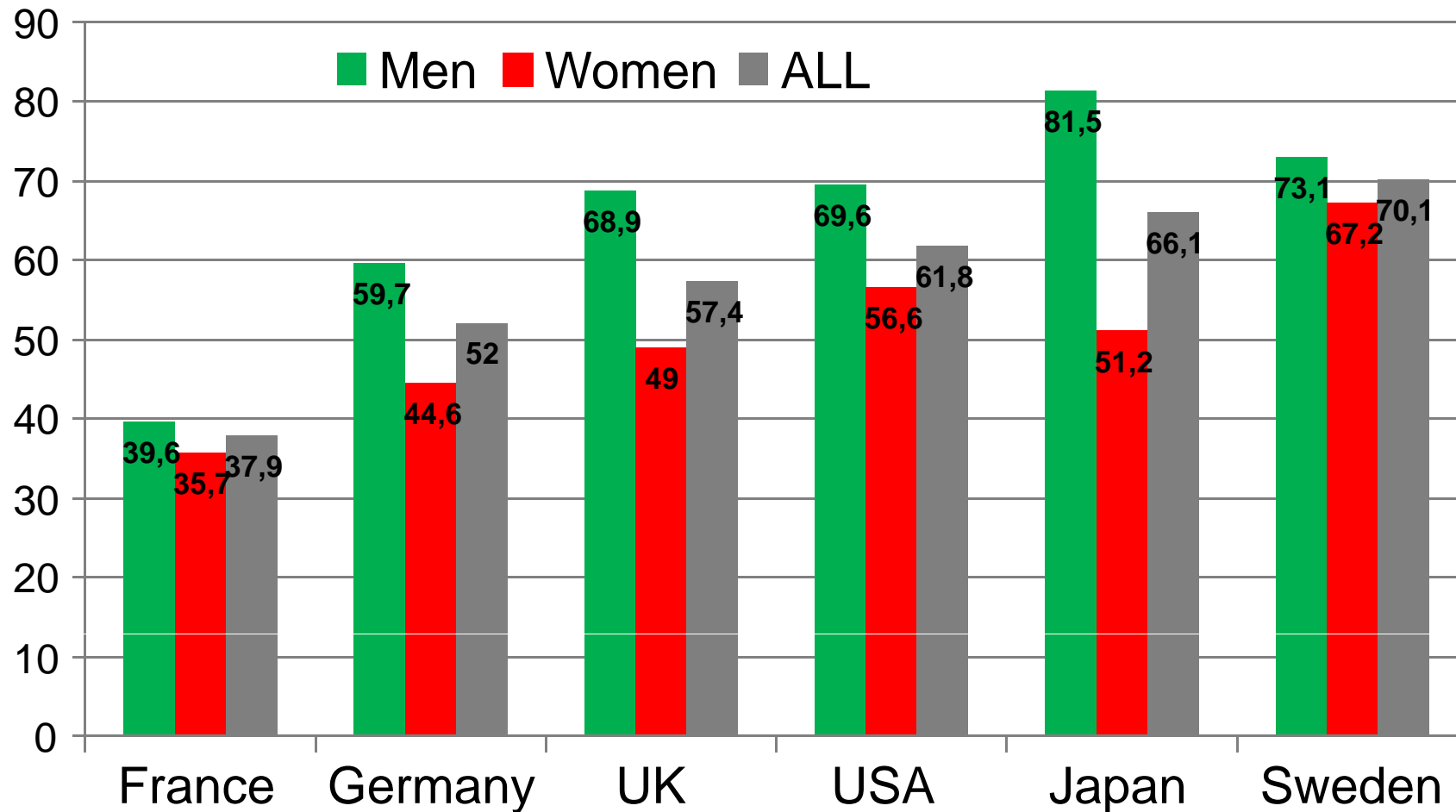
- No general policy of early retirement, but some targeted programmes

But: employment rate of older depends not only on retirement age but also on earlier employment history (especially for women)

6.2 Life Long Working Hours

Employment rates of 55-64 old men and women

2007



Source: OECD Employment Outlook, 2008

7 Work-sharing after the financial crisis in Germany

Easier access to short-time work (decided 1/2009)

- **Employment office pays 67% of net wages**
- **Up to 18 months (before 12 months)**
- **also pays 50% of contributions to social security (before only employer)**
- **pays all contributions if workers are trained and finances training**

Collective agreement provide temporary reductions of weekly WT by about 20% without compensation

Already examples of work-sharing to avoid dismissals (VW in the 90's with the 28,8 hrs week saved 30 000 jobs)

Moratorium

- **IG Metall proposes moratorium no dismissals in 2009**
- **Government puts pressures on big companies not to dismiss – 30 Dax companies agreed to try**

8. Conclusions

1. Working time patterns and policies very different across Europe

- Short standard hours and short working life in FR, DE
- Long working life and many options in the life course in SWE
- Polarization: Overtime culture for men, part-time for women in UK

2. Different meaning of part-time

- Individual option in Sweden, no choice in FR, DE, UK

3. Flexibility of working hours

- High where working hours are short: Trade-off between long and flexible working hours
- Imposed where unions weak, negotiated where unions strong