
Hedva Sarfati
New Paths in Working Time Policy

This book is a timely analysis of the issues involved in formulating new approaches towards the reduction and organization of working time throughout the life cycle. It highlights the changes in emphasis over the past two decades in this policy-related debate and the reasons for such changes among European trade unions, governments and firms.

The book first introduces the new approach towards working time over the whole life cycle. It stresses the importance of the freedom of choice by individuals of how to spend time at work or in other pursuits—social, parental, educational or leisure, including retirement. It recalls that the concept of working time reduction (WTR) dates back to the post-war growth and full-employment economy. In the 1960s, Jean Fourastié, in France, developed the concept of WTR made possible by technological progress and the resulting productivity growth which he thought could halve the weekly and annual hours of work—totalling 40,000 hours over a 35 to 40-year career span—allowing free time outside work for other activities, including skill
upgrading and sabbaticals. The concept was further developed in the 1970s by Gösta Rehn, from Sweden, who sought to promote diversification and variability in the regulation and allocation of time, combining the greatest possible individual freedom of choice with a social choice of how society perceives the respective shares of paid work, leisure and study. Lifelong learning and guaranteed levels of income underpinned this concept.

In the 1980s, against the backdrop of recession and persistently high unemployment, WTR came to be seen as a means to redistribute available work. Such policies resulted in a shortening of working lives for youth and older people over the past two decades. At the same time, growing international competition pushed companies to seek more flexibility in organizing working time to match fluctuations in demand. These two sources of pressures left little freedom of choice for individuals. The same applied to part-time work. But the context of increased competition and of high unemployment also brought to the fore the need to improve on-going training and skill-upgrading in a long-term perspective and to adapt labour legislation and social protection schemes. For the new concept of WTR to succeed, the authors underline the need to guarantee reversibility of choices (e.g., between part-time and full-time employment), to ensure adequate income and retirement entitlements for those who work shorter hours, particularly on low pay, and for those who withdraw from the labour force for parental care or training.

The authors argue that such changes permit greater flexibility to individuals and to firms, and must therefore be negotiated among all the players—the social partners at various levels, governments, local authorities and the wage earners concerned. Such negotiations also have to move beyond national borders to the European level in order to harmonize the rules concerning the right to organize, individually and collectively, one’s working time over a life span, as was the case for the joint parental leave agreement which became a EU Directive, enforced in member states. (Other such joint agreements have been adopted by the social partners and converted to EU Directives on part-time work in 1997 and on fixed-term contracts in 1999.)

The volume also provides broader insights into the development of part-time work as a modality for implementing the lifetime concept of working time. It looks at existing systems in European countries related to equal treatment in employment, minimum wage protection, the integration of part-time work into social protection entitlement, and the diversification of the range of jobs available on a part-basis. So far, part-time work has been predominantly taken up by women, mostly in low-skilled jobs. Two specific case studies are also included, one on the Netherlands, where part-time has been largely developed with improved social protection rights, and the other on Spain, where the social protection system does not offer the necessary coverage to avoid the exclusion of part-timers from some benefits.

Another facet of lifetime policy instruments is paid leave and diversified labour market entry models. The discussion of these issues includes case studies of Belgium, Denmark and Finland, three countries which introduced such measures to cope with very high unemployment. The leave schemes had a varying effect on employment. In the three countries it was mainly middle-aged women (30–50 years old), mostly working in the public sector, who took advantage of the schemes. In Denmark and Finland, the experience was deemed positive by employees who took leave, their replacements and their employers. In these two countries, a substantial proportion of the replacements (36% and 58% respectively) continued to work in
the same organization after the end of the leave period.

The volume also discusses the European Union experience with early and phased retirement. After decades of encouraging early withdrawal from the labour market as a measure to cope with high unemployment, governments are now trying to reverse the trend because of the increasing dependency ratios and the resulting burden on social protection. However, the authors note that participation rates of older workers (55 and above) are still low and decreasing, that employers prefer to get rid of these workers because of the cost involved in seniority-related pay, and that employees themselves prefer to retire earlier and have little consideration for gradual departure through little-valued part-time employment. The decrease in pension entitlement with gradual retirement, the short supply of part-time jobs, the generous exit options available and the lack of social consensus for change all explain the disappointing results of these schemes.

The book is mainly based on papers for a conference organized by the European Trade Union Institute on the different facets of the European discussion of working time policy, which brought together trade unionists and academics from all over Europe. It is a useful contribution to the debate and to the reconsideration of the trade unions’ position on this topical issue and its policy implications.

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