

ACHIEVING A SHORTER WORKING WEEK ACROSS EUROPE

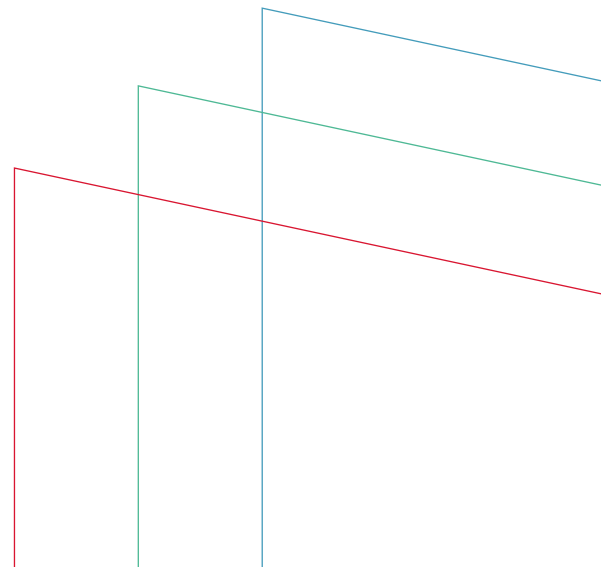
Newsletter of the European Network
for the Fair Sharing of Working Time

ISSUE 5 • MAY 2020

New Economics Foundation
www.neweconomics.org
info@neweconomics.org
+44 (0)20 7820 6300

NEF is a charitable think tank. We are wholly independent of political parties and committed to being transparent about how we are funded.

Registered charity number 1055254
© 2020 The New Economics Foundation



WELCOME

The shorter working week has always been at the heart of the labour movement. The eight-hour movement extended beyond borders and ensured that today we enjoy things like the weekend and the eight-hour day. After decades in the political wilderness, the shorter working week is fast becoming one of the major political issues across Europe.

The Covid-19 crisis impacted our societies and economies unlike anything that has preceded it. It has exposed the vast inequalities which exist in our societies, and most clearly in the world of work. However, it has also meant that suddenly, working time and flexible working have taken on a new significance, and many of the changes to work which have happened are likely to be made permanent. At any rate, the pandemic and its aftermath have made it all the more urgent to move towards a shorter working week, and to ensure that we emerge from the crisis with a better world than the one we had going into it.

The European Network for the Fair Sharing of Working Time represents an attempt to coordinate the efforts of trade unions, political parties and civil society actors across Europe. This is the second newsletter of the series. Our newsletter will come out every few months and capture the latest, most exciting developments in working-time reduction from across Europe.

The newsletter is produced by the New Economics Foundation (UK), and is coordinated by ATTAC (Germany – Group ArbeitFAIRTeilen) and Réseau Roosevelt (France). It is supported by Rosa-Luxemburg-Stiftung, Brussels Office and funded by the German Federal Foreign Office.

If you want to receive the newsletter automatically please [sign up here](#).

IN THIS ISSUE

Iceland

- Trade Unions win national reductions in working hours

Germany

- Verdi trade union considers working time campaigns
- Kurzarbeit – subsidised shortened hours in response to Covid-19 crisis

Austria

- Private health and social care unions win 37-hour week

Denmark

- Increased parental leave and choice between wages or time off

Netherlands

- Disability care workers win protection of work-life balance

Norway

- Reversal of working time gains in Tine cheese factory
- Hairdressing chain implements six-hour day
- Trade unions to prioritise the six-hour day at conference
- Political parties support shorter hours
- Local council makes plans to trial six-hour day

France

- Covid-19 support

United Kingdom

- Job Retention Scheme
- Think-tank releases report on working time
- Scottish Covid-19 commission considers four-day week
- Expedition company trials a four-day week

Spain

- Autonomy think-tank releases report for Valencian government advocating for shorter hours

International

- Japanese securities firm to offer option of three-day workweek

EUROPEAN UPDATES

ICELAND

Trade Unions win national reductions in working hours

BSRB, the federation of public sector and municipal workers and their individual members, have signed new contracts with both the state and municipalities. Also, significantly, Efling, one of the largest unions in Iceland, covering public and private sector workers, signed new contracts with the state and municipalities.

These new contracts have stipulations on working hours, significantly shortening them. The contracts also have stipulations on working hours for shift-workers, enabling them to shorten hours, and making sure that hours worked during the night count more in working-hour calculations.

BSRB

The process of negotiating new contracts in Iceland is a tiered one: BSRB negotiated on working-hours for all of its members on a national level, while pay and other benefits were negotiated with employers directly by each member union. As of 25th March 2020, 19 of 23 member unions of BSRB have signed contracts.

Working hours as specified in contracts had not changed significantly in 50 years, and there is a general feeling that Iceland's comparatively high working hours are outdated and in need of reduction. BSRB made a general case for shorter hours, with the aim to improve work-life balance, increase the quality of life for workers, and improve workplace culture. Additionally, the union made a strong case that there are major health benefits associated with working time reduction, especially for shift workers where the nature of the work carries a number of health risks.

Regular workers

For standard contracts, working time has been reduced by as many as four hours, and the working week has reduced from 40 to 36 hours a week – with no drop in pay. BSRB view this reduction in working time as the most significant improvement in the new contracts agreed with employers.

The way in which the agreed working-time reductions happen varies from workplace to workplace. There is no single model of working time which is applied across the economy, and differences between jobs and workplaces are taken into account. Each

workplace can customise the implementation of shortened hours to fit the rhythm and organisation of work that suits them. This customisation can apply to individual departments, teams, or persons, as needed.

Each workplace and the workers within it decide the exact way in which the shortening of the working week is implemented. Each workplace (or department) can distribute the reduced time over the week as they see fit – for example they can reduce each day by an equal amount, or they can apply the full weeks' worth of reduced time to a single day.

Implementation in each workplace will follow a simple protocol:

- A committee will lead discussions and creation of a plan on how the shortening of hours is implemented. The committee looks at implementation in similar workplaces and uses that as a guide, if possible.
- The committee is to be fully or partially composed of workers that they choose.
- Workers and managers will get training and education on how shortening of hours can be implemented successfully and how work can be organised better.
- All workers will vote on the plan, simple majority dictates the results.

Changes in working-hours for daytime workers take effect on the January 1st, 2021, the latest. The shortening can be implemented sooner in individual workplaces, if so decided by the workplaces. Should committees be unable to deliver results by January 1st 2021, there will be an automatic shortening of the working-week by 65 minutes per week.

Shift workers

Like regular workers, shift workers are also reducing their working week from 40 to 36 hours. However, in cases where it is deemed possible, the working week can be shortened to 32 hours. The shortening in hours is without cut in pay.

The new contracts also increase the valuation of work done during the night, in evenings, or on weekends. This increased valuation means that a shift worker who works 80% of usual hours, is considered to be working at 100% when compared to regular employees who work in the daytime.

These changes do bring on additional costs, and these are taken on by both employers and workers. For workers, coffee breaks are not paid for any more; however, workers are still guaranteed breaks for food and rest during shifts. In some workplaces, more staff will need to be hired for the changes to succeed.

The implementation will be monitored in terms of impact on sick days, stress, quality of work, and how many take up shortened hours. Pay will be monitored as well. The monitoring of the working time reduction will also look at the effects on different groups, with the intention of ensuring that the changes have a positive impact.

Changes in working-hours for shift-workers must take effect by the 1st of May 2021. The reductions in working time can be implemented earlier in individual workplaces, if they decide to do so. Implementation of the shortening follows the same protocol as with regular work (mentioned above).

GERMANY

Verdi trade union considers working time campaigns

The Verdi trade union is Germany's second largest trade union with around two million workers. Prior to the Covid-19 crisis, Verdi was making plans to carry out two major campaigns for reduced working time.

- 1) For its services workers, Verdi was to demand the option of more time-off instead of an increased wage. The discussions amongst its membership over the proposal is very controversial – especially because lower earners feel they need higher wages.
- 2) To campaign across Germany for a 37-hour week as standard in all 16 of the German Federal States.

Kurzarbeit – subsidised shortened hours in response to Covid-19 crisis

Like other countries around the world, Germany imposed strict social distancing measures in order to stop the spread of the virus. In order to support workers through the crisis, the German Government has turned to a policy it has used before: Kurzarbeit, roughly translated as 'short-time work'.

Under the scheme, companies are able to send workers home, or drastically reduce their hours without having to make them redundant. Workers still receive a significant chunk of their wages, with the state stepping in to cover much of the shortfall. The government will pay 60% a worker's salary, or 67% if they have children. Employers can top-up their wages, and trade unions have negotiated for a minimal drop in salary. The Verdi trade union has demanded that employers top-up the wages of their workers to 90%.

Kurzarbeit was widely used after the 2008 Global Financial Crisis. It helped to minimise

unemployment, and was one of the [key reasons](#) Germany was able to recover so quickly following the crisis.

AUSTRIA

Private health and social care unions win 37-hour week

In Austria, the vda and GPA-djp trade unions represent 125,000 workers in the private health and social care sector. In April of this year, they successfully [negotiated](#) improved pay and reduced hours for their members. Pay will increase by 2.7% and will be backdated to the 1st of February. Pay will also rise equal to inflation plus an additional 0.6% from the 1st of January 2021.

The agreement also includes a general reduction in working time to a 37-hour week by 1st January 2022. The unions had entered the negotiations advocating for a 35-hour working week, which still remains one of the central ambitions of the unions.

DENMARK

Increased parental leave and choice between wages or time off

In Denmark, the Confederation of Danish Industry (DI) and the Central Organisation of Industrial Employees in Denmark (CO-industri) reached a deal for a new collective [agreement](#) that covers the whole industry.

The new agreement has increased parental with full pay from 13 to 16 weeks. Eight of the 16 weeks will be reserved for the father, and five of the weeks will be reserved for the mother. The final three weeks will be shared between the parents as they wish.

In addition to the agreement over parental leave, workers can now pay part of their salary into an “optional pay account”. The money paid into this account can then be converted into increased leisure time, or higher pension contributions.

NETHERLANDS

Disability care workers win protection of work-life balance

The FNV trade union represents 1.1 million workers and is the largest trade union in the Netherlands. It covers a wide range of sectors, including those who provide care for disabled people.

The FNV have agreed a collective agreement for workers who care for disabled people. Although the carers have a 36-hour week, many struggle with stress relating to burnout. About 1.3 million Dutch people experience burnout complaints as a result of work stress, making burnout the single greatest occupational disease in the country. One major cause of burnout is thought to be the expectancy of 24/7 availability – which is a problem especially acute in the care sector are expected to always be ‘on-demand’.

Within the [collective agreement](#) the FNV have won the right for workers not to be contactable during their time off. The FNV trade union sees this as an essential measure to tackle increasing stress and burnout in the sector. The ‘right to inaccessibility’ includes means that an employer cannot contact a worker unless it is scheduled and agreed upon in advance, thereby protecting free time of the worker.

NORWAY

Reversal of working time gains in Tine cheese factory

Since 2006, 140 workers in a Norwegian cheese factory had been working a six-hour day. The factory is a part of Tine, a Norwegian dairy product cooperative consisting of around 15,000 farmers and 5,600 employees. The factory has been a showcase and an inspiration for shorter working hours for 14 years.

The employer has decided to cut costs, and has decided to do so by increasing the working hours of employees from six hours a day, to seven-and-a-half hours a day. This was a very unpopular move, and the workers even offered to drop a raise in wages this year instead of making the change to increased hours. However, Tine refused their request.

The workers at Tine are part of Norway’s largest trade union, Fagforbundet. Both the workers and the head of the trade union are very disappointed with Tine’s decision. There is speculation that Tine’s decision might be the result of pressure from the current right wing government in Norway.

Hairdressing chain implements six-hour day

Cutters is a Norwegian hairdressing chain with 70 salons around the country. It has decided to implement a [six-hour day](#) for all hairdressers. The decision was made last year primarily as a result of the physical stress associated with hairdressing. Hairdressers perform a lot of repetitive movements, which can lead to neck, shoulder and back pain over time.

'I serve better in less time. I've never served so well.'

– Heidi Dragseth, hairdresser at Cutters

The hairdressers receive a base salary, on top of which they are paid commissions. Despite the reduction in hours, Heidi Dragseth – a hairdresser at Cutters with 25 years' experience – believes she is working more efficiently and is earning even more than before. Heidi has also said, "I haven't hurt anymore" since the move towards shorter hours and the reduced strain on her body.

Trade unions to prioritise the six-hour day at conference

The Trondheim conference is a yearly conference with representation from many labour unions. The 2020 conference is expected to recommend the prioritisation of the six-hour day and the 30-hour week with no reduction in pay. They plan to push for reductions in the working day by 30 minutes in the annual wage negotiations in 2022, 2024 and 2026.

Political parties support shorter hours

There is growing political support for the shorter working week in Norway, with four political parties in Stortinget (the parliament) now supporting proposals for shorter hours.

These parties include the Labour Party, the Green Party, the Socialist Left Party, and the Red Party. The Socialist Left Party and the Red Party are both supporting the shorter working week from the point of view of helping families with small children, who struggle to balance working life with the additional caring responsibilities. They have not yet put forward a proposal in the Parliament, where they do not have a majority.

These four parties did very well in the municipal elections in 2019, and are now in majorities in several municipalities in Norway.

Local council makes plans to trial 6-hour day

In Norway's 2019 [municipal elections](#), the Green Party - together with other left wing parties - have gained a majority in Oslo as well as in several local councils within Oslo and will govern for four years.

In one local council, 26 year old Green Party representative Teodor Bruu became their youngest ever municipal leader.

Teodor has vocally supported the six-hour day, especially for the health and social care sectors. He views the six-hour day as a way of improving work-life balance and reducing the high sickness absence in the district. He is keen to start discussions with the social partners in the district about experiments with the six-hour day.

FRANCE

Covid-19 support

For directly employed workers: a partial unemployment system

The French government has enacted a system of partial unemployment (“*chômage partiel*” in French). The system is similar to the *Kurzarbeit* used in Germany during the 2008 crisis, and again during the current Covid-19 crisis.

Following the Covid-19 crisis the French government has taken measures to avoid redundancies and protect both companies and workers. As in other countries, all non-essential business have been closed. Where this has happened, the companies can ask the prefecture (regional government administration) to authorise partial unemployment during the crisis and subsequent lockdown.

The partial unemployment mechanism has existed since 2013. Up until the current crisis, it was not well known, and had never been used at scale. The legal mechanism allows the employer to place their workers in partial activity whenever a company is forced to reduce or suspend its activity for one of the following reasons: economical crisis; problems of supply in raw materials and/or energy; natural disaster; the transformation, reorganization and modernization of the company; or any other circumstance deemed to be exceptional.

According to the law, the reduction or suspension of activity must be temporary and collective and must apply to all parts of the company. Every worker in the company is eligible for compensation during a period of partial activity, including part-time workers, or those who work from home.

A company must file for *chômage partiel* under Article R5122-1 of France’s Labour Code. Workers who have been made partially unemployed must still be paid by their employer. When workers are placed in partial unemployment, their contract is suspended but not broken. Rather than receive a salary, workers receive an indemnity sum. The employer then receives an allowance from the French state of up to 1,000 hours per year per employee regardless of their position.

The indemnity sum paid to the worker must be equivalent to at least 84% of the workers’ net wage. However, the indemnity payment is capped at 4.5 times the minimum wage - meaning that the maximum an employee on *chômage partiel* can get is €4,607.82 a month. Any collective agreement a workplace may have with a trade union may increase the level of wage compensation above 84%. No worker can earn below a minimum of

€8.03 per hour.

As of [30th April 2020](#), around 11 million workers in France are currently temporarily or partially unemployed during the lockdown. 337,000 companies - many in the tourism and leisure sectors - have halted work entirely.

For self-employed workers and small businesses

The French government has also offered support to very small businesses and independent workers who do not qualify for the partial unemployment scheme. The Government put in place a [Solidarity Fund](#) of €2 billion to protect those small businesses and independent workers during the crisis.

Businesses are eligible if their turnover is under €1 billion a year, and self-employed professionals are eligible if their taxable profit for the last financial year is less than €40k. They both receive €1500 in rapid assistance. In addition, these small businesses will be eligible for an additional flat-rate aid of €2000 if they employ at least one employee, are unable to pay their debts within 30 days and have been refused a cash loan by their bank.

UNITED KINGDOM

Job Retention Scheme

In response to the work-stoppage as a result of Covid-19, the UK government implemented a [Job Retention Scheme](#) similar to that seen in other European countries including Germany and France. It is the first time something of this nature has ever been used in the UK.

The Job Retention Scheme allows employers to furlough staff – whereby the wages of the employee are mostly paid by the government, they remain contracted to the organisation, but they no longer work. The employees can claim cash grants up to 80% of wages, capped at a maximum of £2,500 a month for each worker. Employers can choose to top-up wages above 80%.

A major issue with the scheme however is that it only applies to workers classed as 'employees', meaning that self-employed workers and dependent contractors are not covered. The scheme was initially inflexible too, and wouldn't allow people to be furloughed on a part-time basis. The scheme also didn't have a 'floor' to the wage guaranteed by the government, meaning that many thousands of workers whose wages dropped by 20% were pushed onto a poverty wage.

An employee can only be completely furloughed – meaning they cannot do any work

for the organisation whilst they are in the scheme. However, the government is putting forward plans for a 'part-time furlough' where employees can slowly return to work on a part-time basis, with the government still part-supporting the wages of the employee.

At the time of writing the scheme was covering 7.5million jobs, and has been extended until October. [Two-thirds](#) of UK businesses have already used the Job Retention Scheme and one-third of companies have put at least 75% of their workforce on furlough.

Think-tank releases report on working time

The Resolution Foundation is a London-based think-tank which aims to improve the standard of living of low and middle income families. In January they released a [report](#) looking at why working hours have stopped falling in London and the UK.

The report outlines what the UK's working hours look like today, explaining why working hours fell historically, and why that decline appears to have stalled over the past ten years. It concludes that future reductions in working time may require improvements in productivity and pay growth, and are likely to be helped in some sectors by stronger trade unions.

Scottish Covid-19 commission considers four-day week

A Post-Covid-19 Futures Commission was set up in Scotland in April 2020 with the intention of coming up with ideas to support Scotland as it emerges from the pandemic. Professor Dame Anne Glover, President of the Royal Society of Edinburgh and former chief scientific adviser for Scotland, has been appointed the chair of the [commission](#) – giving it a high degree of profile. The commission is comprised of 17 experts across a variety of fields.

The commission will discuss the potential use of a four-day working week as a way of increasing available work in Scotland, reducing unemployment, and move towards a better world emerging from the crisis than the one we had going into it.

Expedition company trials a four-day week

STC Expeditions is a travel company based in Exeter in the South-West of the UK. The company is a specialist educational travel and school expedition company, arranging ethical and adventurous school trips to destinations across Africa, Asia and Latin America.

In 2019 the company invested £10,000 in a new database with the intention of streamlining the business and improving efficiency. The improved efficiency brought

about as a result of the new database meant that the company could share the gains in productivity with their employees by implementing shorter hours. In January of 2020 it [announced](#) that it was conducting a 12-week trial of a shorter working week with no reduction in pay. A rota system ensures the office remains open as usual from Monday to Friday.

The change to working schedule of the employees is as follows:

- Two days a month completely free;
- One of the extra days off a month must be spent volunteering for a charity of their choosing;
- One day a month to be spent on a 'Big Ideas Day', where staff have the work on a new idea or project related to the company's work and give a five-minute presentation about the ideas they come up with.

The management also decided to evaluate the trial, using questionnaires and discussion points to evaluate whether the four-day week should be adopted permanently.

SPAIN

Autonomy think-tank releases report for Valencian government advocating for shorter hours

Autonomy is a think-tank based in the UK and has a history of doing research into shorter working hours. The Comunitat Valenciana (the regional government of Valencia) commissioned Autonomy to write a [report](#) on the future of work in the region.

The report is both an analysis and a strategy document which provides the regional government with a series of proposals as to the direction the economy should be going in. Amongst the proposals, the report contains a range of practical work-time reduction policies which bolster and support the transition of the Valencian economy to reduced working hours within 10 years. It suggests the regional government lead the way with trials in the public sector, and supported by a 'work transition team', who would provide the regulatory oversight to ensure the trials adapt to the different business and staff needs working within the sector as a whole.

Additionally, the report suggests a range of subsidies to incentivise private businesses to move towards shorter hours. The aim of the state-subsidies is to enable a transition towards a shorter working week over three years. The proposal is that the government would subsidise the per hour cost of reducing working time but maintain wage and staff

levels at the firm. The subsidies would cover 100% of the difference in the wage cost per hour during the first year, 50% during the second year and 25% during the third year.#

It is not yet clear if the Valencian regional government will adopt the proposals outlined in the report. However, the government commissioned the report and worked closely with Autonomy throughout – so some (or all) of the proposals will certainly be considered seriously.

INTERNATIONAL

Japanese securities firm to offer option of three-day workweek

SMBC Nikko Securities Inc. is planning to introduce a system of work which gives some employees the option of working either a three day week, or a four day week – with a reduction in pay.

The new system will not be available for everyone however. Only those aged 40 or over, (excluding those in managerial roles) will be eligible for the three-day week, and their pay will be reduced by 40%. The four-day workweek system will be available to employees aged 30 or over, and their salary will be reduced by 20%.

The measure is intended to support workers who need to take care of their parents or other family members, including young children.

'I hope the system will prevent such employees from leaving the company, and I want them to utilize their valuable care experiences in serving elderly customers.'

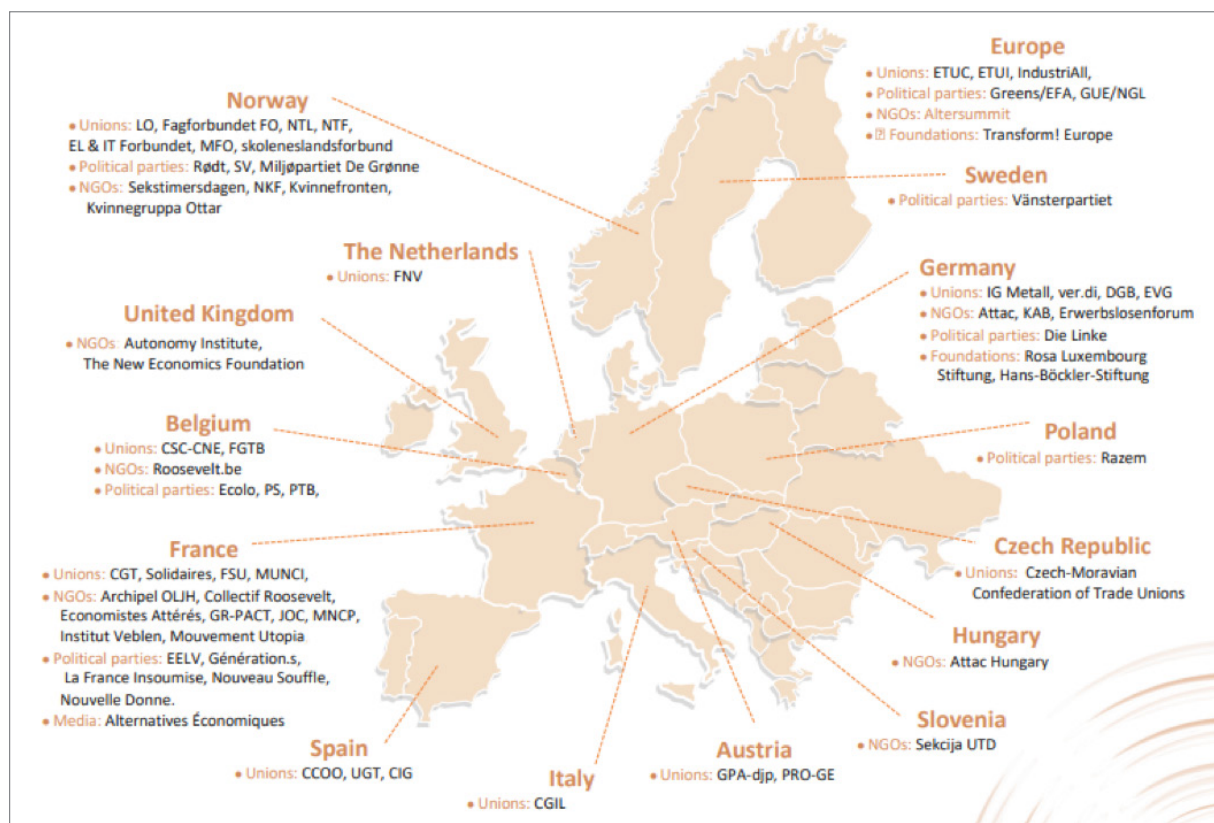
– Yoshihiko Shimizu, President of SMBC Nikko Securities

ABOUT THE NETWORK

The shorter working week has always been at the heart of the labour movement. The 8-Hour Movement extended beyond borders and ensured that today we enjoy things like the weekend and the eight-hour day. After decades in the political wilderness, the shorter working week is fast becoming one of the major political issues across Europe. This network represents an attempt to coordinate the efforts of the trade unions, political parties, and civil society actors across Europe.

- The main objective of the network is to create a permanent and open forum between structured initiatives for the sharing of working time.
- This informal network is opened to representative of organisations, experts and activists.
- The activity of the network entirely relies on the voluntary contributions of the participating organisations.

Members of the network



If you would like your organisation to become a member of the network please contact:

Margareta Steinrücke,

- Organisation: Attac AG ArbeitFairTeilen
- Based in: Bremen, Germany
- Email: msteinruecke@web.de
- Phone: +49 1 51 22 87 73 90

Or

Adrien Tusseau

- Organisation: Réseau Roosevelt
- Based in: Paris, France
- Email: adrien@collectif-roosevelt.fr
- Phone: +33 6 33 51 48 12

If you have information on shorter hours you would like to be included in the next newsletter, please contact:

Aidan Harper

- Organisation: New Economics Foundation
- Based in: London, UK
- Email: aidan.harper@neweconomics.org
- Phone: +4478206388

If you want to receive the newsletter automatically please sign up [here](#).