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COMMUNICATION FROM THE COMMISSION TO THE COUNCIL  
ON WORK-SHARING

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THE MANDATE

1. The question of a reduction in working time and a better distribution of work has already held the attention of the Community authorities for some time. On the basis of conclusions drawn by the Chairman of the Tripartite Conference on 27 June 1977, Governments and both sides of industry jointly examined the objectives and effects of a redistribution of work on two occasions in 1978. (\*)

Since then the pressure for a reduction in working time has increased in several Member States. For its part, the Commission has actively tried to establish the basis for a Community approach. The discussion of this is one of the main points on the agenda of the next Council of Employment and Social Affairs Ministers. At the same time, the European Council of the 12-13 March asked the Commission to present a Communication on the social and economic implications of a coordinated re-organisation of working time.

The present Communication is an interim document which is intended to prepare the discussion of the next Council of Ministers of Employment and Social Affairs, and of the next Council of Ministers of Economic and Financial Affairs. On the basis of these discussions, the Commission will prepare a document for the European Council.

2. The present Communication comprises three parts :
- the first reports on the present position and the trends which have been noted;
  - the second sets out the role of a Community intervention;
  - the third presents some interim conclusions on the economic implications.

Two working documents of the Commission are annexed. The first sets out guide-lines concerning future work, and the second gives an overall view on the actions envisaged and their implementation at national level.

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(\*) Standing Committee on Employment of 21 March 1978, and Tripartite Conference of 9 November 1978.

## I. PRESENT POSITION

3. Reduction in hours worked - in its various forms - is a major component of social progress. In its different ways (reduction in hours per day, extension of paid leave, re-arrangement of working life), it is both an expression of workers' aspirations and part of the result of improvements in productivity arising from technical and economic progress.

In the present situation, with widespread under-utilization of human resources and continuously increasing productivity, reduction in working hours can also be considered for its possible contribution to employment.

Since the subject has already been discussed in the last year by the Standing Committee on Employment and the Tripartite Conference, the Commission will confine itself firstly to reviewing the principal economic questions involved and secondly to presenting the trends which are emerging in the Member Countries.

### A. The outlook for economic growth and employment

4. The outlook for growth and employment in the Community over the next few years is conditioned to a large extent by the rapid expansion of the population of working age, the rising participation rate among women and the obstacles to restoring adequate and lasting growth. The potential supply of labour in the Community will increase by between 500 000 and 800 000 workers a year until 1985. The net figures correspond to the arrival of about a million young workers in the labour market between 1980 and 1985. The population trend should slow down in the second half of the 80s, and it should subsequently be reversed. However, these general figures cover different national trends.

5. With economic growth of about 3 % to 3.5 % a year over the next five years, population trends would mean that the present 5.5 % unemployment rate would rise until the middle of the 80s. A growth rate of between 4.5 % and 5 % a year is required if the employment situation is to improve to any extent over the next few years.

6. It is perfectly possible to achieve higher growth rates and a rapid improvement in the employment situation. The present type of slow growth is due neither to the saturation of potential demand nor to any fundamental exhaustion of technical progress : it is due to a number of macro-economic, structural and social or political obstacles.

7. A vast concerted effort is required to deal with these problems. But such an effort is not easy to make. Social protection, although indispensable, should not be allowed to increase structural rigidity; the restoration of adequate growth should not be based on inflation, waste of resources, environmental deterioration and so on - which would only exacerbate future problems. In the circumstances a realistic attitude involves recognising that whatever efforts are made to restore a considerably higher level of activity, the results of these efforts alone are unlikely to include full employment.

Specific accompanying measures of social and employment policy are required, particularly measures to reduce hours of work.

8. The above points correspond to the basic elements of the general medium-term strategy put forward by the Commission at the last Tripartite Conference :

- lasting, more rapid and non-inflationary growth;
- a more rapidly adaptable economy;
- accompanying measures of social and employment policy.

#### B. Trends in Member States and at Community level

9. A number of actions have already been considered or implemented at national level. Following the brief given by the Standing Committee on Employment, the Commission drew up a report on this subject - with the collaboration of Member Countries - (see Annex II).

The principal conclusions of this report are as follows.

#### Measures adopted in Member States

10. On the legal plane, there have not been any great changes in legislation on duration of work. The only exception is Belgium, which recently adopted measures reducing the legal duration of work to 40 hours.

In this field, there has been more progress on collective agreements. In several Member States, the social partners have agreed either to reduce weekly working hours to 38 or even 36 hours, or to extend annual leave to six weeks. Concern about employment levels seems to have played a significant role in the conclusion of some of these agreements.

11. Steps have been taken in several countries to reduce overtime working, but most of them have not yet shown results.

Reduction in the length of working life is one of the principal measures adopted so far. Several countries have lowered the age of legal retirement for the older unemployed, for certain branches of activity or for certain categories of labour.

Some countries are announcing steps to encourage part-time work, but these have not yet been fully implemented. Furthermore, the introduction of an additional shift, or shorter working hours for shift workers is being actively discussed. New procedures are proposed in particular for the steel industry or other sectors in difficulty.

#### Trends in Member Countries : Social Partners and Governments

12. Generally speaking, trade union action has been concerned with the gradual establishment of a 35-hour week. The vigour of such action, moreover, varies considerably between countries and sectors. It is frequently accompanied by a demand to limit overtime. Furthermore, several national organizations have come out in favour of lowering the retirement age.

13. Employers' organizations are more in favour of measures on part-time and, occasionally, on temporary work. Their attitude to a reduction in duration of work varies considerably from one country to another. There is certainly a common desire to prevent cost increases and the loss of competitive edge. This has led certain national organizations to show the greatest reticence; but others have proposed a moderate and gradual reduction in the annual duration of work and are not opposed to a reasonable limitation on overtime.

14. Most Governments are aware of the proposals concerning the reduction in systematic overtime and differentiated action on retirement. They attach importance to joint negotiations on the duration of work. Some of them have been open in regard to general action to promote work-sharing. The importance of competitiveness and fears of distortion at the economic and social level tend to underline the need for concrete concerted action at Community level.

15. The striking fact which emerges from this analysis is the wide range of results that can be expected from a reduction in the duration of work itself, once current negotiations have been concluded. This is so both for the scale and nature of the measures envisaged. It seems to go beyond the necessary taking into account of different national preferences; it raises problems of coherence, both as regards overall economic convergence and its social consequences and at the level of sectoral developments. Thus it raises the question of effective coordination at Community level.

#### Trends at Community level

16. Trends at national level have their counterpart at Community level.

The European Trade Union Confederation stated that a significant reduction in the duration of work should have an important place in an overall strategy, and demanded that this reduction be of the order of 10 % in the next four years.

The Union of Industries of the European Community expressed doubt as to how effective these measures would be in improving the employment situation and emphasized that hasty conclusions should not be drawn before the effects of different measures on firms production costs had been examined with care.

During Community level discussions, Governments favoured defining guidelines, while drawing attention to the need to maintain the internal and external competitiveness of the Community; they also observed that the measures proposed would not necessarily have a mechanical effect on employment and that they should be recognised as being accompanying measures.

During these discussions, it was the constant concern of Governments to allow the Social Partners to play their full role in the preparation and implementation of any work-sharing measures.

## II. THE ROLE OF COMMUNITY ACTION

17. If a work-sharing policy is to make a significant contribution to Community plans for lasting improvement in the employment situation, it must take account of a number of prior conditions.

From this standpoint, work-sharing policy must :

- be integrated with harmonization in the improvement of living and working conditions and prevent the growth of disparities between countries, sectors and occupations;
- ensure that the increased costs resulting from this reduction of working time are compatible overall with the available margins resulting from productivity gains, and that the division of these costs between the parties concerned operates in such a way as to avoid an increase in public expenditure overtime; on this last point, it will be observed that an immediate increase in these costs could be recovered subsequently by reducing the cost of unemployment over a period of time or through greater employability of the unemployed;
- ensure that its costs do not jeopardize the revival of firms' profitability by introducing distortions of competition within the Community and weakening the competitiveness of Community industry throughout the world;
- take account of possible reversibility so as to allow for possible later changes in the labour market situation;
- be achieved by constant, spontaneous dialogue, co-operation and negotiation between all the parties concerned.

The Commission defined these conditions at the meetings of the Standing Employment Committee and the Tripartite Conference which dealt with this subject, and they were approved by all the Governments and the Social Partners as essential to continued Community action.



18. The Commission therefore regards as important and necessary Community action to guide the pressure and trends towards reduction in working time, which exist in all Member States, into goals which contribute to the convergence of economic policies. To this end, it is desirable that such goals, while taking account of national and sectoral characteristics, should be as homogeneous as possible and mutually compatible.

19. It is general practice in all Community countries to leave the provisions laying down duration of work to autonomous negotiation between the two sides of industry. Such a practice does not, however, inhibit initiatives at Community level.

Further the Commission wishes to emphasize in this respect that it considers it essential that direct contacts between the Social Partners develop to a greater extent than in the past at Community level, and that it is prepared to do all it can in this direction.

To the extent that negotiations take place between the Social Partners at this level, the question is raised as to whether certain responsibilities could not usefully be taken on at Community level. This development should naturally respect the full autonomy of the partners.

The Commission considers all the same that it is necessary to consider the role of the Community institutions and of the Member States who cannot simply confine themselves to waiting, but must each carry out fully their proper responsibilities in this field, including at Community level.

20. With this in mind, the Commission wonders whether the role of the Community institutions should not be to provide an initial impetus to the steps to be taken on work-sharing. At the same time, could not a minimum number of rules on Community procedure be defined firstly in order to encourage and assist both sides of industry in setting up their dialogue and in implementing their eventual agreements and, secondly to provide the appropriate legal instruments setting out the positions that Community institutions could adopt as a result of their dialogue with the Social Partners?

21. To this end, the Commission would like to see the interested parties considering the following two possibilities :

- European outline agreements : these could stem either from direct action by the partners or from the initiative of the Community institutions requesting them to develop dialogue and direct negotiations in the appropriate areas. In either case, the Community institutions could provide the necessary technical assistance and also be prepared to take steps to help in reaching the necessary compromises, whilst respecting the autonomy of the partners;
- the adoption of outline directives : such directives would be adopted by the Council on the proposal of the Commission in accordance with the usual procedures. They would establish the position of the Community institutions resulting from dialogue with the Social Partners : further the directive would be limited to fixing the common aim so as to ensure cohesiveness, and would leave it to national rules or collective agreements to lay down the detailed arrangements.

22. The Commission questions whether those forms of intervention, which are particularly aimed at ensuring that negotiations between the Social Partners at Community level run smoothly, and which correspond to the (virtually general) practice in the Member States, could not permit the gradual setting-up of a European system of industrial relations which is desirable in the context of a greater convergence in economic performance.

23. During the meeting of the Standing Committee on Employment last March, as well as in the various contacts at different levels between Community institutions and the Social Partners, all the parties present accepted the thesis of the Commission following which, whatever the means adopted, "it is necessary to ensure the fair distribution among the parties concerned of the costs resulting from the implementation of work-sharing measures".

24. Without wishing to adopt a position today on the whole of the problem, the Commission considers nevertheless that with the prospect of slow growth now facing the Community, the need to restore profitability of firms and to maintain world-wide competitiveness of the Community industry, an effective work-sharing policy requires the allocation of part of the product of growth to the reduction of hours worked rather than to wage increases. Workers will be more disposed to accept such a policy if it is situated in a context of social progress and the democratisation of working life.

Community action to be taken

25. There is certainly a wide range of possible actions that can be taken on work-sharing. As a result of discussions between the various Community authorities, in particular of the European Council meeting on 12 and 13 March 1978, and on the basis of its contacts with the Social Partners, the Commission considers that Community intervention would be justified in the following areas :

- annual volume of work
- overtime
- shift work
- flexible retirement and early retirement
- right to training
- part-time work
- temporary work

26. Actions in any of these fields must take into account impact on employment, intrinsic merit from the point of view of working conditions and relative cost. Particularly as regards their impact on employment, reference should be made to the observations above concerning the difficulty of establishing a universal hierarchy. Further qualitative effects apart, there are considerable differences in the ways in which each measure can affect employment. Regarding this single, partial aspect of direct effects on employment, there is a graded transition through the different types of measures :

- early retirement by removing people from the labour market liberates posts that can - at any rate in part - be filled by other people;
- other measures designed to reduce the working hours of individuals with probable immediate effect on recruitment (limitation of overtime, changes in shift-work);
- finally for others, the effect on employment is subject to further decisions being taken by firms (reduction in annual volume of work through changes in annual leave or daily duration of work).

Measures on part-time work and temporary work are different. Designed to increase labour flexibility by amending legal protection conditions, they apparently have a beneficial effect in terms of employment, while involving the risk of discrimination and social regression. Discussion of them supposes a trade-off between these two elements.

27. Training measures require separate treatment. First, those measures presented in this Communication are there for a specific purpose. In the Commission's opinion vocational training and continuous education should be treated as priority activities so that men and women should have better control of their destinies in the period of rapid and difficult changes now being felt in the Community. But the development of these activities can also considerably affect the balance of employment. This is why the Commission considers it advisable, without losing sight of the main aim, to include them in its work-sharing actions.

Nor should it be forgotten that all the work-sharing measures envisaged involve re-adjustment by firms and by labour : they involve a strengthening of the general training efforts which should be kept in mind. Moreover, it is necessary to re-inforce other labour market policies in order to meet the qualitative mis-match between the supply and demand for labour which exists in geographical terms, in training and in working conditions. (\*)

28. The measures should not be considered independently. Some of them affect or complement each other; others are inter-linked. These close links can be illustrated by two examples. The employment effect of a reduction in annual working time is liable to be greatly weakened if there is not at the same time a limitation on overtime worked. Furthermore, the transition from work to retirement can take place gradually by progressive reduction in hours worked by older employees, a combination which is relevant both to retirement age and part-time work. Even if possible Community actions are presented separately, such interrelations should not be overlooked.

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(\*) See Communication from the Commission to the Standing Committee on Employment on mismatch in the labour market.

29. The development of national measures in different areas requires a Community framework in order to preserve coherence, both from the point of view of overall economic developments and competitiveness, and from the point of view of avoiding overloading. The objective of such a framework would be to fix the basic orientations on which the negotiations should take place at national level in such a way as to ensure a balance between the different measures taken at national level. The Community framework could be established either by direct negotiations between Social Partners or by joint conclusions from Tripartite meetings.

30. In this light, the Commission asks the following questions about initiatives of a framework sort which could be envisaged at Community level :

- The ANNUAL DURATION OF WORK - could it be the subject of outline agreements between the Social Partners ?
- Restrictions on SYSTEMATIC OVERTIME - could it be the subject of a directive proposed by the Commission ?

Regarding the other questions, the Commission considers that the following initiatives are useful :

- SHIFT-WORK will be dealt with by the Commission within its proposal to the Council on steel policy. This will be drafted in close cooperation with the Member States.
- FLEXIBLE RETIREMENT will be the subject of a Communication from the Commission to the various Community bodies concerned.
- The DEVELOPMENT OF TRAINING AND ALTERNANCE TRAINING will be the subject of a Commission proposal in a form to be determined at a later date.
- The EXTENSION OF VOLUNTARY PART-TIME WORK and the problem of TEMPORARY WORK should be discussed at Community level on the basis of studies and suggestions to be presented by the Commission.

31. The Commission is not at this stage submitting detailed proposals on each of these measures to the Council, but is presenting, in an Annex to this Communication, its first thoughts on each measure.

### III. THE ECONOMIC EFFECTS OF MEASURES TO REDUCE HOURS OF WORK

32. The actual number of hours worked on average by each worker is now regularly falling in all the Member States by about 0.5 % to 1 % a year, although the trend started earlier in some States than in others, and the practical arrangements vary.

In the past, the reduction in hours of work was a steady and gradual process carried out against a background of healthy growth, large productivity gains and a fairly tight labour supply. It was part of the general improvement in working conditions, and usually reflected the wage-earners' choice between free time and the increased real wages made possible by productivity gains.

33. Employment policy measures to reduce hours of work in present circumstances would be of an entirely different nature both in type and in scope (the ESC suggests a 10 % reduction over the next four years). Instead of resulting from economic development, the reduction in hours of work would be a deliberate step towards improving employment. It is therefore difficult, and perhaps irrelevant, to refer to past experience in assessing the probable effects of such a new policy for sharing out available hours of work.

34. It is not an easy task to analyse these multiple, complex and often contradictory effects, and they have not yet been studied very fully. The analysis must be based on definitions of the specific ways of reducing hours of work, and of the time-horizon considered. Moreover, the general effects of shorter working hours on the trend of employment depend on the economic situation, on the institutional and organizational flexibility of firms and branches, on the regional sectoral and vocational distribution of workers and on their mobility, on the solidarity of the two sides of industry and so on. Although it is impossible to predict exactly the effects of a given measure to reduce hours of work, it is nevertheless possible to describe the general conditions required for the results of the measure to be as favourable as possible.

35. First of all, all other things being equal, such measures result in lower production, since the capacity utilization rate drops, and in higher depreciation charges. This effect on production, however, is not proportional; for labour productivity increases. Some empirical studies show that a 1 % reduction in hours of work is largely offset by improved hourly productivity of labour. With an unchanged production level, therefore only half the labour time given up by the employed population can be passed on to newly-recruited workers. The relation is probably not linear, and does not apply in all cases. Moreover, the effect will vary from branch to branch and from firm to firm.

36. This is the principal reason why numerical calculations redistributing the number of hours of labour required for a specific production among a larger number of workers (i.e. allowing fewer hours of work per person) cannot be valid. The volume of labour is not a fixed quantity that can be divided into as many parts as we choose.

37. The number of new jobs made available by a given reduction in hours of work cannot be calculated according to some general rule. It will usually have to be assessed separately for each branch, or even for each firm. However, a set of basic factors can be identified.

38. A reduction in actual hours worked can lead to the creation of new jobs only if the necessary staff to fill the new jobs is available. Otherwise the reduction will lead to a loss of production, often in important branches of jobs. The need for overtime is partly explained by the existence of pockets of labour shortage in a general situation of under-employment. The remedy is increased labour mobility, supported by active employment policy measures (aids to mobility and training).

39. In some cases, shorter hours of work may be welcomed simply because the reduction will speed up a deliberate process of cutting down on the labour force. This is true in some industrial branches suffering from chronic over-capacity, and in some service activities affected, for example, by the development of data-processing (banks, insurance companies). What is more, such a reduction may well be an incentive to invest in improving productivity and thus, in the short term, to saving on labour rather than creating new jobs. However, it may also help to prevent redundancy in declining industries.

40. The constraints to which firms are subject to a varying extent should also be borne in mind. Some arrangements for reducing hours of work, particularly if they are applied to small firms of work-shops, may well lead to an increase in undeclared work, which is already a considerable problem in some areas. In general, it is difficult to shorten the working week in small firms. It is easier in firms that are not very specialized, and that have sufficiently wide profit margins.

41. However, a reduction in working hours can result in a proportional increase in staff, allowing for productivity gains, in branches where the production process is continuous. Such a reduction enables available equipment to be used more rationally, for example, the effectiveness of the reduction will depend to a large extent on how the hours lost are made up. Any extension of shift-work may be difficult because it comes up against resistance in the name of working conditions.

42. Whether or not the reduction in hours of work is a successful employment policy instrument will depend to a large extent on how the shortfall in wages is made up.

If it is made up by the firm or the State, the amount by which the compensation exceeds productivity gains will fuel inflation, and, as recent Dutch studies have shown, may even damage production and employment. The consequence for firms is increased unit costs of production; an increase in costs associated with re-organization and an increase in financial burdens due to the requirement for extra investment if the lost production is made up or if new jobs must be created may be added to the increase in the wage bill.



43. If the wages lost by workers because of a reduction in hours are made up at least partially by the authorities, or if the State is required to bear increased social costs because of certain measures to reduce hours of work (e.g. the extension of the base for social security contributions), the result may be new and considerably increased national budgetary expenditure on transfer payments.

This may be inconsistent with the aim of restricting the size of the budget relative to GNP; it may require changes in the structure of public expenditure, particularly expenditure on transfer payments, at the expense of other social protection measures. It should be borne in mind, however, that savings could be made on unemployment benefits and sickness benefits.

44. The effects of measures to reduce hours of work may be favourable when the wages lost are made up only in proportion to productivity gains, or, in other words, when the real per capita wage increase is lower than it would have been if available hours of work had not been spread out more thinly.

45. The margin for manoeuvre is very narrow; it would be unrealistic to refuse all compensations for lost wages, but wage-bills must not be increased. Here again, the exact distribution can be decided only within a particular branch or firm. It cannot be imposed as a precise quantitative size, or by the application of some general formula for sharing out the burden. However, for social reasons and in particular out of solidarity, it should be agreed at least that compensation for wages lost must be inversely related to the level of remuneration.

46. Measures to redistribute available hours of work will not solve everything; at best, they are only a contribution to the effort to solve long and short-term employment problems. The dangers and the unwelcome secondary effects of excessively energetic measures should be borne permanently in mind. However, the effects of employment will be magnified to the extent that :

- hours of work are reduced as part of a Community growth and employment strategy;
- the reductions allow for the requirements of closer convergence between the economic developments in the various Member States, i.e. do not affect any country's competitive capacity;
- wage losses are offset only partially, and the reduction in hours is considered as an integral part of ordinary wage negotiations between the two sides of industry;
- the reductions are flexibly adapted to each branch, professional group, age group, sex - and even to each firm -, avoiding uniform solutions that would increase the rigidity of the production process;
- the specific arrangements for the reductions are consistent with social aims such as improving unpleasant working conditions, protecting low incomes from the burden of the measures, adapting time-tables and rythms of work to the specific needs of the various job-seekers.

47. The measures for redistributing work that have been applied, and those that are being considered in the Member States, should be studied at Community level, both because they are important and because the Community must do its best to ensure that the relative competitiveness of the Member States is not distorted, and that convergence is not endangered by a variety of ill-coordinated measures. Considering all the wide differences between the Member Countries, closer convergence does not require that identical arrangements should be adopted everywhere for redistributing work. It does, however, require that the matter should be considered in common, so that developments in the different countries will be as similar as possible, eventually within a Community framework.

48. The cost for firms and for society of any action to redistribute work is obviously the basis for deciding on its economic and social implications. However, other aspects, much more difficult to express quantitatively, must also be taken into account. For example, if working conditions are improved and if job-seekers at a disadvantage find it easier to obtain work because of a reduction in hours of work, such a reduction can contribute to a healthier social consensus and to stronger solidarity. These points are far from negligible in the Community's present economic difficulties.

ANNEX 1

WORK-SHARING

GUIDELINES FOR FUTURE WORK

(working paper)

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## GUIDELINES FOR FUTURE WORK

In this paper will be found the guidelines within which the Commission intends to develop its work on the themes defined in § 30, so as to decide on the appropriate initiatives to be taken at Community level.

### Annual duration of work

The concept of the annual duration or annual volume of work per worker is a decisive reference point in the Community action for a concerted reduction in hours worked. Its development can be affected by various specific actions (extension of paid leave or reduction of actual hours worked a day), to which laws or agreements refer with greater frequency. From the standpoint of worksharing, and also from that of the charges involved, it is important to adopt the annual duration of work as a reference point. Down the years the basic pattern has been a gradual reduction in the actual annual duration of work (which currently ranges from 1,600 to 2,000 hours, depending on the country). The disparity between actual duration and agreed duration is explained by overtime.

The reduction in the annual duration of work - 10% in the next four years - is the principal request of the European Trade Union Confederation. It is at the root of a number of actions carried out in this direction at sectoral or inter-occupational levels - in respect of weekly working hours or paid leave, or a combination of the two.

Such measures should be aimed at improving working conditions, while preventing dismissals or encouraging recruitment. At the same time, however, they must have an equal impact in the Community countries and prevent current trends from raising the cost to an intolerable level, resulting in harmful disparities.

The Commission finds that the problem is now posed at Community level and that the Community is from this viewpoint engaged in a process which, in the next few years, will result in measures in the various fields relative to the annual volume of work. It therefore considers that it would be advisable for Community action to develop in this field, through the medium of outline agreements at Community level between social partners.

#### Restrictions on regular overtime

The use of overtime fulfills the need for flexibility in undertakings which must be able to respond rapidly to variations in demand. The Commission, however, feels that it is important to restrict regular recourse to overtime.

The Commission also considers that a restriction of this nature is a prerequisite for any other measure aimed at reducing the duration of work. In addition to a variation in production, productivity or the number of workers, recourse to overtime is one method by which an undertaking can react to any reduction in the duration of work, fixed either by law or by collective agreement.

Thus, a restriction on this course of action itself constitutes a part of the measures on worksharing and should have a complementary effect. It should make it possible to prevent the potential effects on employment of a concerted reduction in the annual duration of work being reduced to nothing through the use of overtime. A reduction of this type is also likely to reduce the hours actually worked by each person, which can result in the need to recruit additional labour.

It has been noted that even during the recession, a number of undertakings, both public and private, had considerable recourse to overtime. This is partly explained by the fact that overtime is attractive to an undertaking: on the one hand, social charges increase proportionately less than the basic wages; on the other hand, despite the payment of overtime premiums, the cost of the latter is lower than the cost of recruitment, training and possibly the reorganisation of work following the recruitment of additional labour.

For their part, the workers are encouraged to accept this by the financial benefits that they receive for overtime. The importance of overtime to certain categories of low-wage earners in some countries is, moreover, a problem that must be kept in mind when defining future action.

The proportion of overtime worked in the total volume of hours represents an average of 3-5% in Member Countries. According to estimates based on the Community Labour Force Survey, about a quarter of the labour force could have worked overtime in 1977; this would be about half the number compared with 1973, but it appears to be on the increase with the start of the current revival (see attached Table).

These general data do not show the high concentration of overtime worked in certain sectors (which varies from country to country), and occupational categories. For persons who worked overtime the proportion of overtime in the total volume of hours worked frequently exceeds 10%, often reaching 15 or 20%.

On this basis, and taking account of the conclusions of the European Council meeting held on 12 and 13 March 1979, Community action could take the form of a Community instrument aimed at restricting the use of overtime, in accordance with the following principles:

- the practice of overtime would be maintained, but it would be limited;
- a maximum number of hours of overtime would be authorised per head and per year, depending on the hours of work; the number of authorised hours of overtime should be proportionately less, the longer the regular hours worked;
- overtime worked in excess of the authorised maximum would be compensated in the form of leave which would have to be taken within a specified time;
- the measures of limitation should be aimed at all sectors and activities, although exceptions should be made for specific cases;
- the Community directive should refer to national legislation or collective agreements which would put into practise the principles adopted at Community level in different ways.

Attention should also be drawn to the problem which has already been mentioned of the relationship between overtime and the ceiling for social security contributions. The advisability of remedying the resulting distortions merits examination.

### Shiftwork

A considerable number of workers appears to be employed on shiftwork. According to the labour force sample survey carried out in 1975, the percentage of employees doing shiftwork varies between 15 and 20% of the total employees in the Member States. The number of Community workers affected by shiftwork is estimated at 20 million. The percentage of workers on shiftwork is particularly high in sectors such as mining, iron and steel, textiles and paper.

Furthermore, shiftwork has gradually increased in recent years, particularly in the tertiary sector; In most Member States public sector workers make up between 40 and 50% of the total number of shiftworkers; for women this proportion rises to between 60 and 80%. In the transport and communications sector, the proportion of shiftwork has always been relatively high; principally because of the growth of the new data processing technology, shiftwork has also spread to other fields in the tertiary sector.

The Commission wishes to stress the rather paradoxical situation in which it is placed by proposing to increase the number of shifts by reducing the length of each shift.

On the one hand, the increase in the number of shifts would make it possible to create a certain number of jobs and would therefore involve a greater number of workers. On the other hand, shiftwork, in all its aspects, is not necessarily compatible with the improvement of working conditions. Thus it is only by reducing the hours worked per shift, thereby increasing the number of shifts, that it is possible to reconcile employment requirements and the improvement of living and working conditions. This step is of particular importance as recourse to shiftwork seems likely to develop in the future.



The Commission considers it difficult to approach the problem at the industrial inter-occupational levels, as the characteristics of shiftwork vary from sector to sector according to the branch of industry (2 shifts, 3 shifts, 4 1/2 shifts, semi-continuous work).

As a first step, the Commission proposes to introduce an additional shift in the iron and steel industry, in firms where work organisation persists. This will be done under its programme on "Social Aspects in the Iron and Steel Industry".

#### Flexible retirement and early retirement

The retirement age problem has hitherto been considered at Community level more in terms of the immediate requirements of worksharing (by introducing early retirement) than in terms of more permanent solutions to the needs of persons nearing retirement age. Positive results from this measure have been obtained mainly in Belgium and very recently in Denmark. Thus current policy tends to favour a widespread but temporary lowering of retirement age, particularly in certain crisis sectors.

Early and voluntary retirement of older workers affects employment more directly than other worksharing measures. The departure of older workers starts a process of job rotation which improves the prospects of younger workers at the same time as offering "freed" jobs to the unemployed.

Without going into detail on the problems of early retirement and while acknowledging that this measure is inevitable in specific crisis situations in order to facilitate restructuring, the Commission draws attention to the need to keep the voluntary aspect of all measures concerning access to retirement. Compulsory and sudden retirement often poses social and medical problems, particularly if it has not been sufficiently prepared.

The Commission considers it necessary to examine alternatives to the current retirement policy. An alternative policy should aim to modify pension systems by introducing two possibilities which would enable individuals either to choose their age of retirement within given limits or to work fewer hours in the last years of their working lives.

Such a policy would contribute to a better distribution of work through part-time work in the last years of employment and early voluntary retirement, without constraints and without exceptions. Furthermore, preference should be given to flexible rules which enable employment in the long-term to adapt to the evolution of society.

Some first steps have been taken in this direction. Flexible retirement age is more current in German legislation, while the possibility of early retirement without loss of rights is provided for in other legislation in specific conditions. The principle of a gradual transition from full-time employment to none has recently been adopted with success in Swedish legislation and in certain sectoral collective agreements in Germany (breweries, tobacco industry).

There are a number of problems (legal, financial, technical) involved with the implementation of these guidelines, at the level of national legislation.

The Commission proposes to submit its studies and suggestions on all these problems for discussion at Community level.

#### Development of training

The question of access to training for young persons and adults has a special place in the general measures advocated by the Commission. The development of continuous education must primarily meet the needs of personal fulfillment.

In this context, measures designed to meet the training needs of workers can also help curb the rise in the supply of labour. The economic situation in the next four years will be favourable to such measures, under certain conditions, in two separate fields: development of training leave, and promotion of active transition between school and working life.

There is a clear connection between the recent European Council's request on the development of alternance training and this subject. Indeed, the prime task is to improve the training-employment relationship and the preparation of young persons for working life; however, it could also help reduce the time devoted to work by the categories of young persons in question, inasmuch as it would mean that some of them would go from full-time work to a suitable combination of training and work. The development of theoretical training would need to be combined with practical training based on work experience, thus meeting the needs of both young persons and industry.

The form and nature of the action to be taken at Community level must be considered in detail, in the light of recent national experiences.

In the Commission's opinion, at Community level an initiative on alternance training could be based on the following principles:

- establishment of training programmes meeting the needs of young persons for skills and firms' need of greater adaptability to the production process;
- establishment of concerted action procedures in respect of programmes, access to training, establishment of incentives to encourage forms of alternance, both for the young and for employers;
- recognition of alternance as a viable alternative to full time training.

As far as concerns the larger question of extending training leave for adults, foreseeable labour market developments (including increased female participation) will, over the next few years, bring into play a redistribution of work between those already in employment, and those seeking employment; this will have consequences for the development of non-professional activities. Alongside the flexible retirement and increased leisure arrangements resulting from the reduction in working time, the extension of education and training opportunities for adults is a major element in an overall strategy to increase the range of alternatives to paid employment

Permanent education and adult training can save both economic and social ends, responding as much to the future qualification needs of the economy as to individual aspirations and the collective needs of a democratic society.

Thus the Community should take into account, in planning its long-term strategy, the development of adult training leave, with particular emphasis on the following points :

- the principle of more flexibly based alternance between work and permanent education should be recognised for adults;
- a special effort is required for adults who have left school without acquiring a full range of basic skills and who as a result have only limited scope to participate effectively in permanent education programmes.

#### Extension of voluntary, part-time work

In the usual sense, part-time work is a regular and voluntary activity (in relation to part-time unemployment) paid according to a lower number of hours over a shorter working day than normal. Some Member States have set a ceiling to the number of hours worked, which varies according to the requirements of social legislation. Part-time work must not be confused with other types of reduced working hours such as temporary work, flexible hours and, in particular, partial unemployment due to economic difficulties.

The Economic and Social Committee produced a detailed Opinion on this problem (1). The Commission agrees with certain important elements of the Opinion.

This form of work organization is a reality and an important factor in the labour market; the workers concerned must no longer be regarded as belonging to a subordinate and marginal category; they must be granted proportionately the same rights as full-time workers.

Part-time employment constitutes approximately 10% of the total working population. The female part-time work force represents 25% (between 40% in Denmark and the United Kingdom and 10% in Ireland). Account should also be taken of the fact that the demand for part-time labour greatly exceed supply.

Nevertheless, attention should be paid to the fact that although this form of worksharing provides greater flexibility for firms and for certain categories of worker in the organisation of work, it can also give rise to discrimination, for example against women, in terms of wages and qualifications, and can contribute to a speeding-up of production rates which are already very high. The relative backwardness of social protection for part-time workers in relation to that for full-time workers must be remedied. In addition, part-time workers run the risk of being relegated to inferior jobs or losing all chances of a career.

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(1) ESC Opinion of 1st June 1978.

At the same time, a Community approach to the extension of voluntary part-time work should be developed. In the opinion of the Commission, this should be based on the following principles:

- part-time work should be voluntary; great care should be taken to avoid restricting or changing women's activities into part-time activities;
- part-time workers should have proportionally the same social rights and obligations as full-time workers;
- part-time work must fulfill the requirements of several labour market groups and must not be limited to jobs with less favourable wages or inferior social positions;
- incentives should be applicable to all the forms of non-discriminatory part-time work, without being limited to half-time work alone. Other forms of daily, weekly, monthly and even yearly work should be developed to meet the needs of certain groups of workers. The gradual transition from working life to full retirement could be particularly advantageous for older workers; this form of part-time work should be studied in the context of new flexible retirement schemes;
- the public sector could provide impetus in this field; the desirability of developing part-time work there deserves study.

#### The Problem of Temporary Work

Getting control of certain specific details of employment contracts (temporary work, fixed duration contract, etc.) is in itself an important aspect of policy for the improvement of working conditions. It also has close links with worksharing measures. The use made of temporary work by certain firms often appears to be a way of avoiding the requirements laid down by law or by collective bargaining governing the protection of employment. In this respect measures aimed at reducing working hours and redistributing work could be weakened if additional labour requirements are satisfied by temporary workers rather than new recruits. This is why action in respect of temporary work is an essential accompaniment to the overall strategy.

While it is acknowledged that these problems are not confined only to temporary work but include other vulnerable forms of employment such as fixed duration and seasonal contracts, the Commission feels that priority should be given to the question of social protection for persons recruited through temporary employment agencies and the prevention of infringements that result from inadequate control of such agencies.

Temporary employment agencies have experienced increasing activity since 1960, a growth that was not impeded by the deterioration of the labour market. According to the only professional sources available in this field, the agencies employed 300 000 persons. Their activity is highly concentrated in certain tertiary and industrial occupations and often tends to skim the top of the labour market. There is a marked trend towards the internationalization of such agencies through the development of multinational agencies and of their hiring-out activities beyond the frontiers of their countries of establishment.

Faced with this development, the majority of Member States either adopted laws, regulations or administrative provisions restricting or prohibiting the activities of temporary employment agencies. These measures in fact comprise two types of action : the control of firms' activities and the social protection of temporary employees.

Community action to support these efforts would be justified. In the opinion of the Commission it should be based on the following principles :

- it does not seem advisable simply to prohibit the activities of these agencies which play a part in the necessary flexibility of the labour market;
- on the other hand, the public employment agencies or services should be placed on the same footing as specialized private agencies in regard to the placing of temporary workers;
- the activities of temporary employment agencies should be controlled;
- control should take the form of prior authorization, which should probably be limited to certain sectors, e.g., "services";
- lastly, the activities of these agencies should, by procedures to be determined, be more closely linked with public employment services, in particular as regards the social security benefits to be granted to workers employed by such agencies.

ACTUAL HOURS WORKED

COMMUNAUTE: SALARIES / GEMEINSCHAFT: ARBEITNEHMER / COMMUNITY: EMPLOYEES

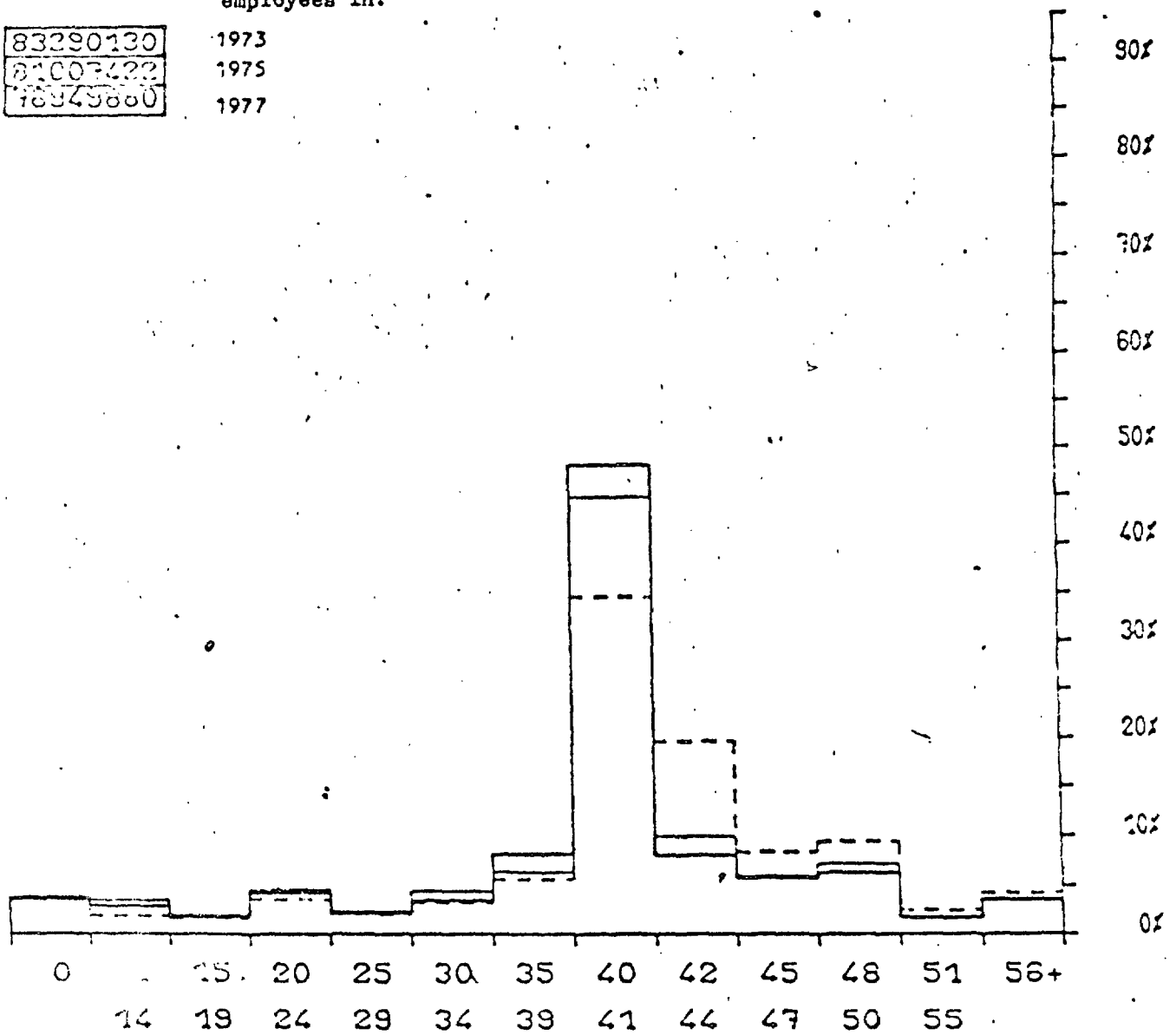
1977 \_\_\_\_\_

1975 \_\_\_\_\_

1973 - - - - °

Total number of employees in:

|          |      |
|----------|------|
| 83290130 | 1973 |
| 81007422 | 1975 |
| 78949880 | 1977 |



Source : Labour force sample survey

|                                | NORMAL WEEKLY WORKING HOURS |      |                                     |      | ANNUAL PAID LEAVE<br>(working days) |         |                                     |        |
|--------------------------------|-----------------------------|------|-------------------------------------|------|-------------------------------------|---------|-------------------------------------|--------|
|                                | legal                       |      | by agreement<br>(industrial worker) |      | legal                               |         | by agreement<br>(industrial worker) |        |
|                                | 1965                        | 1977 | 1965                                | 1977 | 1965                                | 1977    | 1965                                | 1977   |
| Belgium                        | 45                          | 45   | 45                                  | 40   | 18                                  | 24*     | 18                                  | 24     |
| Denmark                        | (no legislation)            |      | 48                                  | 40   | 18                                  | 24      | 18                                  | 24     |
| Federal Republic<br>of Germany | 48                          | 48   | 40/43<br>(1960)                     | 40   | 15/18                               | 18      | 15/18                               | 20*/27 |
| France                         | 40                          | 40   | -                                   | -    | 18                                  | 24      | 24                                  | 24     |
| Ireland                        | 43                          | 48   | 42.5/44                             | 40   | 10*/12*                             | 15*/18* | 12                                  | 15*/18 |
| Italy                          | 48                          | 48   | 44/46.5                             | 40   | -                                   | 12      | 12                                  | 20*/24 |
| Luxembourg                     | 48                          | 40   | 42/46                               | 40   | 8/18                                | 22      | 8/18                                | 22     |
| Netherlands                    | 48                          | 48   | 45                                  | 40   | 10*/12*                             | 15*/18* | 15*                                 | 20*/22 |
| United Kingdom                 | (no legislation)            |      | 40/42                               | 40   | -                                   | -       | 12/18                               | 15/20  |

\* days of work

Source : Commission service



THEORETICAL ANNUAL WORKING HOURS - 1977

|   | B    | DA   | DE   | F    | IR   | IT   | LUX  | NL   | UK   |
|---|------|------|------|------|------|------|------|------|------|
| Calculated on the basis of (average) legal provisions | 2043 | 1852 | 2256 | 1920 | 2304 | 2336 | 1832 | 2304 | 1864 |
| Based on (usual) collective agreements                | 1816 | 1852 | 1784 | 1856 | 1904 | 1840 | 1832 | 1864 | 1864 |

Calculated as follows : 365 calendar days - 52 Sundays  
 - 52 Saturdays (5-day week)  
 - x legal holidays - y days of paid leave

Source : Calculations done by Commission service

PERSONS (in thousands) WORKING OVER 42 HOURS

|      | B    | DA  | DE     | F     | IR  | IT    | LUX | NL    | UK    |
|------|------|-----|--------|-------|-----|-------|-----|-------|-------|
| 1973 | 1005 | -   | 10 057 | 9 280 | -   | 5 006 | 38  | 1 938 | 6 626 |
| 1975 | 368  | 245 | 4 525  | 7 055 | 193 | 4 251 | 17  | 954   | 5 333 |
| 1977 | 266  | 240 | 4 116  | 6 701 | 186 | 3 581 | 12  | 564   | 5 328 |

PERSONS (in thousands) WORKING OVER 42 HOURS BY SEX  
STATUS AS AT 1977

|                    | B   | DA  | DE    | F     | IR  | IT    | LUX | NL  | UK    |
|--------------------|-----|-----|-------|-------|-----|-------|-----|-----|-------|
| workers<br>men     | 83  | 75  | 1 574 | 3 171 | 104 | 2 249 | 7   | 175 | 3 441 |
| employees<br>men   | 139 | 112 | 1 696 | 1 997 | 51  | 718   | 3   | 328 | 1 387 |
| workers<br>women   | 15  | 18  | 247   | 688   | 22  | 429   | 2   | 15  | 192   |
| employees<br>women | 38  | 35  | 600   | 846   | 19  | 185   | 1   | 45  | 307   |

Source : Labour force sample survey

ANNEX II

WORK-SHARING

MEASURES AND TRENDS

IN THE MEMBER STATES

(work-document of the Commission's Services)

PART I

MEASURES TAKEN IN MEMBER STATES

## BELGIUM

### The working week

The law of 20 July 1978 fixed the standard working week at 40 hours, a progressive reduction in working time having already been achieved following the national collective agreement of 6 April 1973. The 1978 legislation also provided for reduction of the working week to less than 40 hours, by royal decree, in enterprises or branches of activity, characterised by unhealthy, dangerous or heavy work. Collective agreements have already reduced by standard working week to less than 40 hours in the oil and steel industries and in much of the services sector and 10-15 % of the workforce in the private sector enjoy a less than 40-hour week.

### Overtime

Virtually all employees in the <sup>private</sup> sector are subject to restrictions imposed under the law of 16 March 1971. In general, overtime must be either notified to, or authorised by the labour inspectorate and even in these cases, there may be an absolute limit to the amount of overtime which may be authorised, for example, 2 hours per day, 10 hours per week, 130 hours per year in the case of overtime to cope with extraordinary increases in workloads. In other cases, for example, work with perishable materials, compensatory rests are imposed. Further limitations may be imposed under collective agreements or by royal decree in the case of certain arduous work. The royal decree of 6 January 1977, making binding a collective agreement concluded in the National Labour Council on 29 November 1976, required certain overtime, to be notified to the Ministry of Employment and Labour, with the reasons for the overtime and the arrangements proposed.

### Annual holidays

Certain changes in the national agreement concluded in the National Labour Council (10 April 1975 as subsequently modified), establishing the regime governing annual holidays, favour the extension of annual holidays, for example, by the extension of double pay to part of the fourth week of annual holidays. Many sectoral agreements have provided for additional day's leave related to seniority and several have provided for reduced standard weekly working hours in the form of extra annual leave. In the public service, the collective agreement of 1977 introduced additional annual leave of 1-5 days for civil servants of over 60 years of age.

### Age of retirement

The age of retirement is normally 65 for men, 60 for women. The law of 30 March 1976 on economic recovery authorised the payment of an indemnity (including an element equivalent to unemployment benefit, and financed from the unemployment fund), and a supplement (equal to half the difference between net remuneration and unemployment benefit, and financed from social security funds) to men retiring from 60 and women retiring from 55 years of age, on condition of their replacement by young unemployed persons of under 30. By the end of January 1979, it was estimated that 22,657 young persons had found employment under these arrangements.

The law of 22 December 1977 on the 1977-78 budget established a system of early retirement pensions for elderly unemployed persons. Full pension entitlement is granted after 1 year of unemployment for men over 60 and women over 55. By the end of January 1979, 13,756 persons had applied for benefit under the scheme. These arrangements extend to temporary or established civil servants by virtue of a recent royal decree.

### Short-time work

The law on employment contracts allows for the possibility of putting manual workers on temporary work. This provision has been used to introduce work-sharing in certain enterprises, as an alternative to redundancies, but trade unions are opposed to further generalisation of the practice.

The royal decree of 31 August 1978 introduced a temporary provision allowing half-days on which an employee did not work to be combined and to count as full days for the purposes of unemployment benefit. The provision applies only to workers affected by the restructuring or closure of undertakings and who accept part-time work to avoid unemployment.

### Temporary work

The law of 28 June 1976 established a provisional framework of rules governing the status of temporary workers, set up an appropriate body for the negotiation of collective agreements on working conditions and reinforced the role of the Ministry of Employment and Labour in controlling the activities of private agencies. These arrangements are accompanied by limitations on retired persons taking up work, which have been extended to persons retiring from the public service (from 1976) and further reduced (from 1977).

Interruption of careers

Certain enterprises in the services sector allow the possibility of interruption of careers by young mothers for up to two years.

A royal decree of 26 May 1975 established this right for civil servants.

DENMARK

Working hours are usually determined in collective agreements and the principles both of a 40 hour week and a 4-week annual holiday are well-established. Legislation, such as the law of 1 July 1977 on the working environment, has only a limited bearing on the arrangements for working time, the main legal constraint on adult workers being the guaranteed rest period of 11 hours within any period of 24 hours.

In November 1977 the Ministry of Labour appointed a committee consisting of representatives of the public sector, the trade unions (including civil servants and graduates organizations) and the employers (including the agricultural sector and the municipalities) with directions to propose a scheme "aimed at sharing the existing volume of work more effectively so as to give more people jobs and thus improve the age structure of the labour force".

Age of retirement

Given the likely work-sharing implications of early retirement in a country where the normal pensionable age (70) is the highest in the Community, it is natural that the Committee's terms of reference should have given a first priority to consideration of early retirement.

In Autumn 1978, on the basis of this Committee's report, Parliament passed the Early Retirement Law which came into force on 1 January 1979.

As from 1 January 1979 anyone who :

- (a) is 60 years old
- (b) has contributed to an unemployment fund recognized by the State for five years during the past ten years, and
- (c) has received unemployment benefit,

may stop working and retire early.

For the first two and a half years the early retirement pension is equivalent to the full unemployment benefit, the following two years 80 % and subsequently 60 % up to the normal pension age. As in the case of unemployment benefits, the scheme is financed by the employer's and employee's contributions.

In January 1979 around 79,000 persons in the 60-66 age group satisfied the conditions for early retirement and it was expected that around 15,000 - 17,000 would take advantage of the new scheme during the first year. However, one month after the law came into force 30,000 people had already applied for early retirement.

### FEDERAL GERMAN REPUBLIC

#### The working week

There has been continuing progress in reducing working time through sectoral collective agreements and, while the law (of 1938) still provides for a standard working day of 8 hours and a working week of 6 days. 92 % of employees enjoy a standard working week of 40 hours or less.

#### Overtime

While overtime is limited by law to not more than 2 hours a day, within a 10-hour day, over a maximum of 30 days a year, there is in fact considerable scope for overtime, given the difference between the statutory working week of 48 hours and the standard working week of 40 hours established by collective agreements. Overtime (not necessarily paid), for employees of the Federal Government is limited to 5 hours per month and compensatory rests given in certain cases.

#### Annual holidays

Annual holidays average 30.7 days reckoning 6 days to the week and only 10 % of workers have now less than 4 weeks' paid annual holiday. Recent collective agreements in the steel and metallurgical industries may be



significant as models for the future, with a combination of limited pay increase and additional holidays (effectively 6 weeks for all employees in steel production by 1982 and in metallurgy by 1983) conceded in response to the original demand for a 35-hour week. These agreements also provide for additional paid free shifts (4 in 1979 and a further 2 in 1980) for all continuous shift-workers (60% of the labour force in these industries), with special provisions for older workers. Such agreements, while primarily intended to achieve a continuing improvement in working conditions, consistent with the requirements of productivity, will, it is hoped, have some work-sharing effect, at least in the sense of avoiding redundancies.

#### Age of retirement

Legislation has been passed reducing the age of retirement for severely handicapped workers from 62 to 61 as from 1 January 1979 and from 61 to 60 from 1 January 1980. Special regulations have been applied to mining since the beginning of 1979.

#### Interruption of careers

Civil servants and judges, male or female, can have their working time reduced to 50 %, over a maximum period of 12 years, providing the medical service can certify a need for absence on grounds of family responsibilities.

### FRANCE

#### The working week

While the standard working week is normally of 40 hours under the various collective agreements, the maximum legal working week is still 48 hours (averaged over a 4-week period)

Under recent legislation, the absolute maximum hours which can be legally worked, before averaging over a period, have been reduced from 52 to 50. Hours of "equivalence" (for the purpose of assimilating hours of actual physical presence in certain jobs to hours of work) have been reduced by one hour under a decree of 12 December 1978.

### Overtime

Despite certain legal restrictions- mandatory consultation with workers' representatives, minima hourly premiums, mandatory requirement of authorisation by the labour inspectorate in many cases - the working of overtime was widespread, with an estimated average working week of 41.5 hours for manual workers (January 1978) and 40 % estimated to be working an average of more than 42 hours a week. The law of 16 July 1976 imposed a further disincentive by providing an entitlement to paid compensatory rests for workers working more than a 44-hour week in all firms employing more than 10 wage earners. The entitlement, which is equivalent to 20 % of overtime worked was extended to workers working more than a 43-hour week from 1 July 1977, to workers working more than a 42-hour week from 1 July 1978. Penalties for breach of compensatory rest provisions have recently been doubled.

### Shiftwork

A decree of 3 June 1977 imposed an interruption of at least 24 hours in enterprises or parts of enterprises within most industrial sectors, starting operations after 1 July 1977 and using continuous shift systems. Exemptions can be granted by the departmental director of labour for various reasons, including those of technical necessity. Working two successive shifts is generally prohibited under the 1977 decree.

### Early retirement

There is no legal compulsory age of retirement, though 65 is normal for men. The normal expectation, subject to sufficient insurance contributions is to have a pension equal to 50 % of the average earnings over one's ten best years, plus a supplement of 20 % of salary.

Retirement has, however, normally been possible after 60 on grounds of unfitness for work. The concept of unfitness for work has been redefined in legislation of 1971 to cover those whose capacity for work has been reduced by 50 % and 94,800 persons retired early in consequence over the period 1972-1976. A law of 21 November 1973 made similar provision for veterans and former prisoners of war of whom 187,000 benefited from the new arrangements during 1974-1977.

Subsequent developments have extended the principle of early retirement with full pension to

- (a) workers over 60 with 10 years' membership of an insurance scheme, who would otherwise be redundant (national inter-trade agreement of 27 March 1972)
- (b) workers over 56 (over 54 if continuous shiftworkers), in the steel industry, who would be made redundant, as a result of restructuring (agreement with "Forcé Ouvrière" of June 1977)
- (c) certain insured workers over 60, whose work has involved a high degree of <sup>stress</sup> over previous 5-15 years (e.g. continuous or semi-continuous shiftwork, exposure to heat and bad weather) or mothers of three children (law of 30 December 1975)
- (d) women over 60 (63 and over during a transitional period up to the end of 1978), having been insured for 37 years (including 2 years per child for mothers of families) (law of 12 July 1977)
- (e) extension of agreement of 27 March 1972 (see (a)) to all workers retiring over 60 (national intertrade agreement of 13.6.1977, valid until 31.3.1979).

The number of beneficiaries under these provisions as of May 1978 was 78,000 under the 1972 agreement, 62,600 under the 1977 agreement (22,900 following redundancy, 39,700 following retirement). In general, arrangements (a) - (e) for early retirement pension (at 70 % of salary) are financed from unemployment insurance funds (UNEDIC), with the State contributing.

#### Part-time work

Certain provisions of the law of 27 December 1973 on the improvement of working conditions might be said to favour the extension of part-time work, now subject to certain guarantees to employees (for example, equivalent rights to seniority with full-time employees) and to employers (refund of additional social security costs attributable to the hiring of part-time rather than full-time workers). The law of 19 June 1970 opened up further opportunities for part-time work in the public service, a 3-year period being possible on part-time for

mothers of young children, persons in poor health and persons approaching retirement. An enquiry of March 1977 showed a total of 8.2 % of the labour force in part-time work, the great majority (70 %) in the private sector.

#### Temporary work

Following the granting of a legal basis to temporary work under the law of 3 January 1972, normally for periods not exceeding three months, there has been a rapid growth in the numbers of temporary workers (140,000 in 1976, 1.1 % of the workforce according to a government statistical enquiry in April 1977). Under the 1972 law, temporary work must be an exclusive activity, workers are employees of an ad hoc body, the "Enterprises de Travail Temporaire", with its 2,300 agencies, rather than of the "client" enterprise and are normally recruited only to meet certain specific requirements, such as, for example, replacement for absentees and for persons going on annual holiday and occasional increases in workloads. In January 1979, a new law strengthened control by the labour inspectorate and introduced a premium for precariousness of employment.

#### Education and training

The law of 17 July 1978

- (a) provided a right to up to a years' training leave for employees, having spent at least two years in their present employment and not having any recently acquired qualifications, the number of trainees simultaneously absent in any enterprise being limited to 2 %;
- (b) defined the conditions under which workers may be entitled to educational, as distinct from training leave and extended the benefits to workers under 20, a decree of 21 March 1978 subsequently fixing the maximum number of employees per enterprise having a right to take educational leave during the year (for example, one for over 25 employees up to 500, one for every 50 between 500 and 1,000).

## IRELAND

In Ireland, there has been little if any positive action, which could be regarded as contributing to work-sharing objectives. The 40 hour standard working week has been largely achieved with its extension to agricultural worker under a recent Wages Council Order. Average working time for manual workers remains exceptionally high (2.051 hours in 1975 - EEC Labour Force Survey) alongside an exceptionally high unemployment level (of over 100,000 or about 10 %). Certain specific features of the Irish economy, however, impose constraints, for example, the high dependence on export trade and the need to maintain competitiveness with the United Kingdom, the exceptionally high dependency rate and low activity rate and the co-existence of high unemployment with significant shortages of skilled workers.

Nonetheless, the Government, in its recently published "Programme for National Development 1978-1981", has publicly committed itself to reducing the numbers of unemployed by 25,000 per annum over the next years. The programme accepts that, since economic growth, even at the current relatively high rates, may not be sufficient to sustain the required level of job creation, work-sharing measures must be seriously considered as a second line of attack.

## ITALY

### The working week

The 40-hour working week is virtually universal, apart from such marginal categories as domestic staff and petrol pump attendants. Working hours are on average the lowest in the Community, with an annual average of 1,535 hours per annum estimated for 1977. Reduced hours have been negotiated in those sectors requiring restructuring. and a 29-hour week is at present effective in the metallurgical and mechanical engineering industries.

### Overtime

Legislation from 1923 onwards subjects overtime in excess of 2 hours per day or 12 hours per week to the requirements of (a) notification to an authorisation by the labour inspectorate (b) agreement by workers' representatives and (c) payment by employers of an amount equal to 15 % of remuneration for hours of overtime to the fund which finances unemployment benefit.

A statistical enquiry (by ISTAT), however, indicated that about 23.5 % of the workforce worked overtime hours. Many collective agreements have recently provided an undertaking to restrict overtime and to ensure that the derogations allowed by law are kept within limits strictly necessary to deal with, for example, difficulties affecting the technical side of production. For example, in the engineering industry, overtime has been limited to 2 hours a day, 10 hours a week and 280 hours a year in craft undertakings and to 2 hours a day, 8 hours per week and 170 hours a year in enterprises with state participation. A law of 22 July 1977 provided for a new system regulating overtime in the public service, overtime only to be called for exceptionally in the interest of the public service, and not to exceed 140 hours per annum.

#### Annual holidays

The four-week annual holiday is very general and in many cases, additional days have recently been granted to compensate for public holidays lost following a recent rationalisation. Recent agreements provide for up to 26 working days off, depending on seniority, for workers in public transport, publishing, hotels and catering and in the commercial sector.

#### Shiftwork

Collective agreements frequently provide for reduced working hours or for compensatory rests. The current agreement for the paper industry, for example provides for 7 days rest, increasing to 8 days in 1979 and 9 in 1980, in addition to normal compensatory rests.

#### Temporary work

The law of 3 February 1978 extended the possibilities of introducing short-term employment contracts in commerce and tourism.

#### Educational leave

In the special circumstances of Italy, the emphasis is on the completion of basic education. Virtually all agreements now provide for entitlement to 150 hours every 3 years and there is a general objective of achieving an entitlement of 250 hours for special courses leading to middle school leaving certificate.

LUXEMBOURG

The working week

The law of 24 December 1977 on economic growth and full employment imposed a 40-hour standard working week for manual workers, in substitution for the gradual reduction to 40 hours by 1980 provided in existing legislation.

Overtime

This law also suspended the exemptions to the requirement of authorization of overtime allowed under existing legislation in respect of extraordinary increases in workloads arising out of particular circumstances. In these cases, the authorization of the Minister of Labour is now required, with the onus of proof on the applicant enterprise to show that requirements cannot be met by the taking on of new recruits.

Annual holidays

Annual holidays were fixed at a minimum of 24 working days in 1978, 25 working days in 1979, with 5 working days reckoned to the week, for all salaried workers, under a law of 26 July 1975, as applied by regulation.

Age of retirement

The law of 24 December 1977 on economic growth and full employment also provided a general framework for compulsory early retirement schemes. Such schemes, which require a specific regulation, are to be introduced only where part of the labour force is redundant because of structural difficulties or rationalisation. The period of years over which the scheme can apply is related to thresholds of unemployment reached in the enterprises affected and to future employment prospects.

So far, a scheme has been introduced only for the steel industry, under a Grand Ducal regulation of 27 December 1977, for those fulfilling the conditions for pension (in terms of insurance contributions) over the years 1978, 1979 and 1980. Indemnities under the scheme, financed from unemployment funds, are assessed at 85 % of gross earnings (calculated over the last three months) for the first 12 months, at 80 % for the next 12 months and 75 % for a third period of 12 months. By the end of

1978, 1,100 steelworkers had taken advantage of these provisions.

The 1977 legislation also restricts the access of retired workers to the labour market, other than those whose monthly income is less than the minimum unskilled wage. The Minister of Labour may authorize exceptions.

### NETHERLANDS

#### The working week

In general, the 40-hour week has been adopted in almost all collective agreements. Some sectors, such as banking and food-processing, have introduced a 38-hour week and in many agreements, there is provision for reduced hours for workers over 60, for example, in the glass and chemical industries, where earnings are maintained at 85 %.

#### Overtime

Overtime is restricted under the Labour Law of 1919 and beyond fairly narrow limits (for example an 8½ hour day for factory and shop workers) requires authorisation or notification. Overtime working is also circumscribed by the provisions of collective agreements, by the requirement, normally binding under the 1919 law, of consultation with the Works Council, and by specific restrictions on the working time of women, young persons or elderly workers.

#### Shiftwork

The government has supported experiments on the introduction of a fifth shift and the reduction of working hours, with financial assistance from a fund for the improvement of working conditions.

#### Annual leave

The basic leave entitlement is 21 days, with 23 days in some sectors. There are many schemes in operation for extra time off for workers aged 60-64.



### Age of retirement

Collective agreements normally provide for retirement at 65. In 1977, temporary schemes for voluntary early retirement of workers over 63 were introduced in education, in the building industry and in the metallurgical and engineering industries. Pensioners receive 75-80 % of their previous wages. In the case of the building industry, just over half of those eligible took advantage of the new arrangements and 46 % of the workposts vacated (out of 67 % advertised) were in the event filled by new recruits.

### NETHERLANDS

The 1979 collective agreement for the printing industry provides for early retirement at 63 or 64 with wage maintenance. The additional cost will be reimbursed from an industry-wide fund financed by employers and employees.

### UNITED KINGDOM

Initiatives in the field of worksharing have been very limited, although, in theory, there is considerable scope for them, given, for example, the fact that working hours are among the longest in the Community (average working week for a manual worker in 1974 - 46.5 hours) and annual holidays in many cases, falling short of the 4-week standard accepted in most EEC countries.

There are, however, serious difficulties in the way of government intervention. Working time legislation is minimal, except in the case of women, children and the minority of workers covered by wages councils orders. There is simply no basis, for example, for a statutory standard working week from which, for example, legislation on overtime, could proceed. Working time is rather a matter for agreement between employers and employees or their representatives. The other inhibiting factor is the requirement of successive government pay policies since 1975 that improvements in terms and conditions of work, including reduced weekly hours or increased holiday entitlement, should be offset against increases allowable under the various pay rounds.

### Overtime

The government has, however, issued a guide for good conduct to the Trade Union Congress overtime.

### Early retirement

The government's job release scheme, extended to the whole of Great Britain from 1 April 1978, offers an allowance to those who are working at least 30 hours a week and are 64 years of age, if men, 59, if women,

provided they leave their jobs and undertake not to claim unemployment or other social security benefits, other than supplementary benefit. Employers must in consequence undertake to recruit someone from the unemployment register, though not necessarily for the same job. By August 1978, over 12,000 persons had taken advantage of the scheme.

In the coal industry, the National Coal Board's early retirement scheme has been extended to miners aged 61 and over and will be extended to those over 60 in 1979. By the end of 1978, 15,000 had benefited from the inception of the scheme in 1977.

#### Temporary work

The temporary employment subsidy, introduced in August 1975, normally offered only for periods of up to three months, up to a maximum of 12 months, was made available to firms applying up to 31 March 1979, prepared, in consultation with regional trade unions, to defer impending redundancies affecting 10 or more workers in an establishment. A subsidy of £ 20 is provided for each full-time worker, with half-rate for those working 21-35 hours per week. At the end of July 1977, 159,439 workers had benefited from these arrangements.

PART II

PROPOSALS AND PERSPECTIVES

A. THE WORKING WEEK

In Belgium, one of the main trade union confederations (FGTB) is strongly committed to the reduction of the standard working week to 36 hours over a 3-year period, with full wage maintenance, as a means of creating additional employment. Other trade union confederations are broadly in support. The employers' organisation, however, is firmly opposed in principle, on the ground that such a proposal is likely to result in increased unit costs of production and, hence, additional unemployment. The argument remains unresolved and has so far prevented the conclusion of an inter-trade agreement on a social policy programme. Nonetheless, progress continues to be made towards a reduced working week in sectoral collective agreements, the government agreement of 7 June 1977 containing a commitment to examine the possibility of a step by step reduction in the light of specific conditions in the different sectors of activity. From 1 October 1979, there will be a 38-hour week for certain personnel in the public sector.

In Denmark, while local arrangements have been made to reduce the working week as part of worksharing schemes introduced temporarily in response to acute production crises, shorter weekly working hours are opposed by the employers' federation and not regarded as a priority issue by the national trade union organisation (LO). Given the traditional adjustment of public service conditions to those in the private sector, the Government is not in a position to pursue a separate policy.

In the Federal German Republic, there is current discussion of a revision of the present legislation on working time, dating from 1938 and providing a 48-hour standard working week, to bring it into line with actual conditions. While trade unions are in favour, since a 40-hour legal working week would, among other things, provide a basis for overtime limitation, employers are opposed.

Following the rejection of the demand for a 35-hour week in the German steel industry, it remains to be seen whether it can be met in other industries, such as paper and printing, textiles and food processing, where consideration had been deferred, pending the settlement of the recent dispute in the steel industry. In general, the national trade union organisation does not attempt to impose a general guideline for

all circumstances. Employers are opposed to general working time reduction, but prepared to offer improvements for specific groups, as and when economic circumstances permit.

In France, the government has invited the employers and trade unions to open negotiations on (a) the arrangement of working time, with a particular emphasis on the working time of those engaged in heavy or stressful work and (b) the progressive reduction of "equivalences" to legal maximum weekly working hours in collective agreements. Should the negotiations fail, the government has indicated that it could take appropriate measures of a legislative or regulatory character.

Of the main trade union confederation, the CGT (Confédération Générale du Travail) is committed to the demand for a 40 hour week (in actual practice) for all sectors, with a progressive reduction to 35 hours and a 35 hour week immediately for those engaged in heavy or repetitive work. The CFDT (Confédération Française Démocratique de Travail) advocates a 35-hour week, but with obligatory recruitment to ensure that there is a proportionate work-sharing effect. The Force Ouvrière advocates gradual reduction on a sectoral basis, but without designating any general norms.

In Ireland, the government will be reviewing the present legal working week of 48 hours in connection with the review of the statutory limitation on overtime. While the trade union confederation supports the European Trade Union Confederation's demand for a shorter week, there is no strong demand for increased leisure and certainly not as an alternative to wage increases. The Government's and the employers' organisation, while open to proposals, would expect to see any further reductions of working time negotiated in the context of wage developments generally and would insist on an unqualified understanding that any changes should not give rise to loss of competitiveness.

In Italy, the trade unions are committed to a progressive reduction of the normal working week to thirty-five hours by the mid-eighties, following the trend to reduction below 40 hours already established in, for example, the metallurgical and construction industries.

These demands which are central to most sectoral negotiations are largely motivated by a desire to reduce unemployment, though it is accepted that the employment effects are likely to be different in the north, where it is essential to retain jobs in the face of restructuring and in the south, where there is a permanent labour surplus and where the government, under the current economic development plan, is committed (1979-1981) to avoiding increases in unemployment and migration.

The demand for reduction in weekly working hours is met with reservations from employers' organisations on cost grounds, particularly when the demand is combined with a demand for increased wages, which are normally indexed against inflation. There is, however, a continuing dialogue on ways and means of creating new job opportunities through reducing working hours without increasing unit costs of production.

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In the Netherlands, trade unions have demanded a 35-hour week only in the metallurgical industry. While the trade union federation (FGN) has for the first time been prepared to accept limitation of increases in income in return for better work distribution, it is not so far committed to any specific strategy.

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In the United Kingdom, standard working hours are determined largely by collective agreement. While the trade unions are publicly committed in favour of shorter working hours as an improvement in working conditions, it is not generally believed that reduction in the working week would contribute significantly to employment. While there are examples of agreements for a reduced working week, for example 38 hours for Post Office engineers, the question of working time is very much subordinate to that of wage levels in negotiations and not normally pressed as a strong bargaining point.

#### B. THE WORKING YEAR

In Belgium and in France, employers' organisations have responded to trade union demands for a reduced working week with the suggestion of more flexible forms of reduced working time within an agreed annual time budget. In Belgium, the employers' had suggested a 5 % reduction in annual working time over a 3-year period.

In France, the actual proposal put forward, which was based on a standard working year of 1920 hours, was rejected by trade unions as having the effect of increasing worktime. Two of the major trade union confederations (CGC and CFDT) are, however, disposed to negotiate on the basis of a working year of 1800 hours.

C. OVERTIME

In Belgium, where overtime restrictions have been tightened under 1976 legislation, the Government is committed to further review in the light of examination of the results of this recent legislation by the social partners.

In Denmark, the standing committee appointed by the Minister of Labour to consider work-sharing measures published a report (January 1979) proposing legislative restrictions on overtime working and the introduction of compensatory rests wherever possible. Such legislation would have an immediate effect on sectors not covered by collective agreements, and would also set a minimum standard for collective agreements.

The proposal is based on the following main principles :

- (a) no employee may work more than 100 hours overtime a year;
- (b) compensatory time-off must be given for all overtime worked;
- (c) such compensatory time-off must be given no later than two months after the overtime was worked;
- (d) an overtime board consisting of the parties to the collective bargaining negotiations is to be appointed and are of its tasks will be to consider applications for exemptions.

No compensation is anticipated for loss of extra pay, in the event of restrictions on overtime. The bill is supported by the national trade union confederation (LO) but rejected by the employers on the grounds that legislation is inappropriate as this matter is subject to collective agreement. They also argue (i) that it is difficult to recruit replacements, (ii) that hundreds of small firms would suffer and (iii) that the total impact in terms of promoting employment would anyway be minimal, overtime in the private sector being equivalent to only 3 % of all hours worked (1976-1977).

The proposal has not yet been tabled for first reading in Parliament, nor has the position of the Government (a coalition of the Social Democrat Party, normally inclined to favour trade union views and the Venstre (Liberal) Party, normally inclined to favour employers' views) been made clear.

In the Federal German Republic, the question of overtime limitation is not one of priority for the trade unions. Employers are opposed to a general limitation, in view of shortages of skilled workers. The Government prefers to leave the responsibility for deciding between compensatory rests and monetary premiums to the two sides of industry. There is some limited movement in the direction of compensatory rests in industry, for example in food processing.

In France, the Government is considering a levy on overtime, which is relatively extensively practised, the detailed arrangements to be open to discussion with employers and trade unions. The product of the levy would be allocated to unemployment insurance.

In Ireland, high rates of unemployment (currently about 10 %) co-exist with the longest working hours in the Community (Labour Force Survey for 1975 - average of 2051 hours per annum per manual worker).

The Government is publicly committed to a reduction in the statutory limits on overtime, which date from 1936 and intends to legislate in 1979 following (a) consultations with trade unions and employers and (b) the completion of studies on (i) labour costs and the structure and distribution of earning and (ii) the reasons for working overtime. The conversion of social insurance to a pay-related basis from April 1979 should also help to encourage employers to contemplate the replacement of overtime by the recruitment of extra workers. There is no suggestion of replacing overtime payments with compensatory rests.

There is general agreement by employers and trade unions that "excessive" overtime should be discouraged and that the present legislative limits, which permit overtime of 12 hours on top of a standard working week of 48 hours are in any case divorced from reality. Employers are, however, concerned that new legislation should not be so inflexible that it exacerbates the present shortage of skilled workers, frequently relieved by overtime working. Trade unions are particularly concerned that lower-paid workers dependent on overtime earnings should not



suffer a reduction in their living standards. The Government, in seeking to reduce systematic overtime in the public services, is equally aware of this problem.

In Italy, trade unions are favourable to further efforts to reinforce control of overtime, already limited by comparison with other Member States. This control, while efficient in the larger enterprises, is perhaps less so in smaller firms, particularly in the south, in areas of traditionally high unemployment.

In the United Kingdom, the Government has welcomed recent initiatives of the Trade Union Congress to reduce overtime working. It is generally agreed that, while a proportion of overtime workers may depend on overtime earnings for a minimum acceptable living standard, there is wide scope for the provision of additional jobs in substitution for overtime working at no increased cost. The New Earnings Survey 1974 indicated an average working week of 46.5 hours for male manual workers.

#### D. SHIFTWORK

In the Federal German Republic, shiftwork is not a central issue for government or trade unions, and there is no suggestion of a five shift system except for specific industries or branches of industry. Following the precedent of the recent agreements in the steel industry. However, there may be a trend towards inclusion of special provisions for shift workers, such as additional free time, in collective agreements.

In France, the Government has indicated that it is prepared to support a reduction in working hours of shiftworkers from 42 (under a 4-shift system) to 35 or less (introducing a fifth shift) as a general objective to be achieved in the future, and as a short-term objective for shiftworkers engaged in heavy or stressful work. Working parties have been set up to study the conditions under which a ninth half-shift could be gradually introduced with the effect of reducing the working week to 37½ hours and freeing an estimated 25-30,000 work-posts. Reform of shiftwork, however, will be dependent on (a) an

understanding that employers and employees as well as the Government will all share in the cost and (b) parallel action by other Member States of the European Economic Community.

In Ireland and in Italy, shift-work tends to be viewed less negatively than in other Member States as providing a maximum of employment in relation to a given capital investment. In Italy, however, one major trade union confederation (the U.I.L.) has included reduction of working hours for shiftworkers in its programme. The Government, following the philosophy of softening rigidities in the labour market, set out in the national economic development plan for 1979-1981, is examining the possibilities of additional employment which could be realised by introducing a fifth shift in continuous shift-working systems.

In Luxembourg, trade union organisations are seeking a gradual reduction of working hours for steelworkers working in continuous shifts. The working week for shiftworkers remains 40 hours in all sectors, except synthetic fibres, where a 39½ hour week has been negotiated for continuous shiftworkers.

#### E. HOLIDAYS

In Denmark, the national trade union confederation (LO) has placed much emphasis on longer holidays during the current collective bargaining negotiations. The law at present provided a minimum of 4 weeks' annual holiday. While the trade unions regard longer holidays as a major means of achieving worksharing, government and employers remain sceptical.

In the Federal German Republic, the Government is considering whether it can adopt the principle of 4 weeks' holiday, contained in the EEC recommendation of 22 July 1975, in federal legislation. Employers, while generally sympathetic to increases in annual holidays in negotiations, 6 weeks being now quite common, would prefer to avoid general regulation as much as possible and concentrate improvement on specific groups, such as older employees or those involved in heavy or stressful work.

In France, the Government and two of the major trade union confederations (CFDT and FO) support the objective of a fifth week of annual holidays for manual workers. The employers' organisation (CNPF) while not in favour, is prepared to negotiate on the basis of flexibility within an annual time budget.

In Italy, employers' organisations have, in negotiation on reduced working time, expressed a preference for additional annual leave as a method of achieving the reductions desired by the trade unions.

In the Netherlands, where the 4-week annual holiday is achieved virtually universally, trade unions have been advancing demands for up to 25 days paid annual holiday by 1981.

#### F. AGE OF RETIREMENT

In Belgium, the social partners have taken a rather positive position on early retirement in the Central Economic Council (advice on the economic situation of 22 December 1977), providing that such retirement is voluntary, measures are introduced selectively, for example in the case of sectoral restructuring, and there is some limitation on taking another job.

In Denmark, the law of 1 January 1979 on early retirement was passed without the support of the employers organisations, who still doubt its possibilities for checking unemployment. The national trade union organisation, however, is firmly in support of the new regime and has expressed the hope that the early retirement scheme might eventually be extended, possibly by introducing a lower age limit combined with a system of part-time working after 50 years of age.

In the Federal German Republic, the Government and the social partners regard the reduction of the already flexible upper age limit as a desirable aim of social policy, which can also offer certain advantages in relation to employment policy. Such an aim cannot, however, be achieved in the short run for financial reasons and the Government has no plans for extending the principle embodied in recent legislation for the handicapped and for miners to other groups. Efforts are however being made in certain industries, for example by the food, drink and catering trade union, to have the transition from work to retirement eased by a shorter working week, longer holidays and even part-time work as a run-down towards retirement.

In France, the Prime Minister's legislative programme includes measures to give workers a choice at 60 and over between continuing in full-time work, or early retirement with a guaranteed acceptable level of income or gradual reduction of working hours.

In Ireland, while the Government is prepared to consider pilot schemes within the public service and to pursue further studies, early retirement is not regarded as likely to make a significant contribution to the creation of employment. The Government's view, which is shared by employers and trade unions, is largely conditioned by the exceptionally high dependency rate, in a country where one-third of the population are under 15 and the female activity rate is the lowest in the EEC. Employers are also anxious about any increase in the cost of private occupational pension schemes, financed by industry. Both employers and trade unions take the view that early retirement is not generally regarded as an attractive proposition, particularly in times of even moderate inflation. Both agree that early retirement would be likely, particularly in the case of skilled craftsmen, who are in short supply, to lead to double-jobbing rather than an increase in employment.

In Italy, the Government is considering the feasibility of introducing more flexible arrangements for retirement, with the possibility of a gradual reduction of working hours approaching retirement age.

In Luxembourg, the government is drawing up a comprehensive reform of the system of financing of contributory old age pensions, on the basis of an opinion of the Economic and Social Council. Such a reform could increase the scope for more flexible arrangements for retirement.

#### G. PART-TIME WORK

In Belgium, the government agreement of 7 June 1977 on worksharing included the promotion of part-time work as a possible measure of work-sharing. While an extension of part-time is favoured by the employers' organisations, however, trade unions are opposed to the generalisation and institutionalisation of part-time work, presented as an alternative solution to the problem of worksharing, preferring a reduction in the standard working week. Recently, a proposal was tabled in the Senate for legislation modifying certain social security provisions with a view to making part-time work more attractive.

In the Federal German Republic, the proportion of the female unemployed seeking part-time work is as high as 40 %, quite apart from any further unsatisfied demand for part-time work. Employers' associations recommend expansion in part-time jobs, despite the increased financial burden. Trade unions recognise the need and are prepared to accept expansion, providing there is no threat to established full-time jobs or reduction of social security for part-time employees. Both sides of industry await the results of current government initiatives. Last year, the Federal Government introduced a Bill increasing part-time work for officials, including prohibition of holding a second job at the same time. The Länder governments have so far been very reserved in their reactions.

In France, the Government is studying ways and means of developing and extending part-time work, particularly in the public service.

In Ireland, the Government has no proposals for the extension of part-time work, though the forthcoming change to flat-rate social insurance contributions is likely to encourage some further demand for part-time work. While there is no separate register of part-time unemployed, their numbers are thought to be low, so that increased opportunities for part-time work are unlikely to reduce the live unemployed register very significantly. Employers favour the flexibility of a larger part-time element in the workforce. Trade unions are rather opposed both to "dilution" of the workforce and to the potential use of part-time as a substitute for full-time employment.

The Irish Government is publicly committed to action to discourage the practice of second jobs and to ensure that, where persons are being taken on for temporary or part-time employment, preference will be given in the normal course to those who are unemployed. Surveys are being carried out to obtain further information about the characteristics of those taking second jobs, for example the incidence of skilled workers within this group and further action is not to be excluded. It is also expected that any revised statutory limit on overtime will apply to second and first jobs combined. Trade unions and employers are broadly sympathetic towards the government's efforts, given the extent of double-jobbing, which involves perhaps 5-7 % of the workforce.

In Italy, the government is examining the possibilities for developing part-time work, in the context of the problem of women at work (including high levels of absenteeism).

In the Netherlands, a number of recent collective agreements commit the social partners to exploring the feasibility of introducing part-time work.

## H. TEMPORARY WORK

In Ireland, the government is publicly committed to setting up a temporary hire agency under the aegis of the National Manpower Service. The object is not to control the activities of existing agencies, which operate almost exclusively in the service sector, but to supplement those activities by providing a service for industry. Employers are favourable, trade unions reserved, pending clarification of the details.

In Italy, the government is considering the promotion of temporary work as a means of softening the rigidities in the labour market, in the context of the national economic development plan for 1979-1981.

#### I. SHORT-TIME WORKING

In Belgium, the government has encouraged arrangements for continuing part-time work in situations where redundancies would otherwise occur, and many collective agreements have taken up this theme, which, however, remains controversial.

In the United Kingdom, a short-time working compensation scheme is in preparation to improve arrangements for providing compensation to workers on short-time and to avoid redundancies in businesses which are basically viable but are undergoing periods of difficulty.

#### J. EDUCATION AND TRAINING

In Belgium, the principle of prolongation of compulsory education was included in the general framework of the government agreement of 7 June 1977 on worksharing. No proposals have, however, as yet been put forward and the technical problems, such as the content of the curriculum for an additional school year, are still being examined. The National Labour Council is currently examining certain proposals for the reform of legislation on credits for hours spent on further education. Agreement already exists on the extension of the field of application of the law and on improvement in the terms on which educational leave is taken.

In Denmark the trade unions have for many years recommended a scheme which would allow the employee, over quite a long span of his working life, to take a period of paid educational leave. In LO's view, such a scheme is a means of work sharing and the aim is that 5 % of the total labour force at any time should have up to one year's paid leave. It has been estimated that around 30,000 - 40,000 people would be entitled to take advantage of such leave. At present no proposals on this subject have been planned by the Government. The employers' federation remains opposed on grounds of the costs, which the trade unions presuppose would fall to be met by employers.

In the Federal German Republic, there has been a general tendency to lengthen the duration of education and the trade unions support a demand for a tenth year of general compulsory education. Employers would prefer this year to be used for Vocational education. Given that education is a land responsibility, federal government intervention is largely precluded. Paid educational leave is one of the central demands of the trade unions. Employers are sceptical, taking the view that existing possibilities are under-used. The Government sees the matter as one for negotiation between trade unions and employers.

In Ireland, the question of raising the school leaving age is regarded by the Government and the social partners as a matter for educational and not employment policy. Given recent increases in participation rates in education after the legal minimum school leaving age, it is in any case doubtful whether the impact of any change would be substantial. It is also felt that it would be undesirable to increase an already high dependency rate.

On educational leave, the Government has recently accepted the principle of a right to paid educational leave and indicated its intention to ratify ILO Convention no. 140, subject to the outcome of examination by representatives of employers and trade unions of possible lines of implementation in practice.

In the Netherlands, the ad hoc commission set up by the Social and Economic Council to study the question of educational leave has made an interim recommendation advocating a right of all workers to paid educational leave.