



Working time: a matter of policy?

by Diogo Silva

Working time is itself related to the working activity of the worker, which constitutes the object of the labour contract. But its importance is not limited to one aspect, as it interconnects with aspects like health and safety of the workers, wages and even employment rates. France is a paradigmatic case where **working time finds itself on the center of the political debate for the influence on the labour market.**

The working time topic has always been a controversial one in France, having arisen countless times. For example, in 1998 the first steps towards the reduction of duration of the working week were taken (through Aubry I, supplemented by 2000's law Aubry II), being reduced from 39 to 35 hours, primarily as a measure to decrease the unemployment that was at a rate of 12% at the time.

However, the unemployment rate did not diminish in the years that followed, leading to yet another passionate debate on the **efficiency of the reduction of the hours of the workweek** as a measure for fighting unemployment. Ségolène Royal, the left-wing candidate to the presidency in 2007, claimed that the employers had too much discretionary power in establishing a shorter workweek, not giving enough space for collective bargaining. In the same sense, Nicolas Sarkozy (that would later claim the victory on the elections) deemed the measure as a mistake (see [MARCELO ESTEVÃO /FILIPA SÁ – “The 35-hour workweek in France: Straightjacket or welfare improvement?”](#), *Economic Policy*, 2008, n.º 9, vol. 23, pp. 421-425).

Nonetheless, in recent years working time has once again seized the spotlight being connected with employment proportions more than health and safety concerns. On one side, some candidates propose the reduction of working time as a way to boost employment. The logic is as follows: **the labour supply would have to be shared to guarantee jobs for more citizens**, even if in small quantities (*i. e.*, few hours of work, or part-time working), given the shortage of labor demand and the enormous quantity of labor offer. It should be mentioned **that the France scenario is antagonistic to the major trend of reduction of youth unemployment**, that in 2014 stood at 26%, an all time high.

[According to recent statistics](#), France is the 5th country in the OECD with the lowest amount of hours of work provided annually, with an average of 1482.

On the primary elections, the right-wing candidates disputed generally for an augmentation on working time, varying in the terms of augmentation.

Firstly, [Allain Juppé](#) argued that the **limit should remain at 35 hours, with allowances for derogations by collective bargaining, to the top limit of 39 hours fixed by law**. This position does not introduce major changes on the French paradigm, as the new *Code du Travail* has somewhat maintained the rule. [François Fillon](#) (candidate that won the primary elections on the right side), taking a more radical position, **proposes that the limit of 35 hours per week should be eliminated, only having a 48 hour per week limit, as imposed by the European Working Time Directive 2003/88/CE**. Collective bargaining at an enterprise level would then fill in the void left by the law, in a way that it is possible for constant updates and adequacy to the reality of the labour

market. The candidate claims that the new Code du Travail is too bureaucratic and only blocks the activity of the enterprises.

On the left-wing side, the candidate Benoît Hamon proposes the **reduction of the working week from the current 35 hours to 32 hours**. His opponent on the left-wing, Manuel Valls, criticizes this solution, arguing that it will not have an impact on the labour market as pretended. Alternatively, this candidate suggests a **promotion on part-time working**, through the reduction of taxes to enterprises who hire according to this regime.


Regardless of the final result of the presidential elections, a reform on the *Code du Travail* looms (once again), since the two candidates defend a reform on the working time regulations.

From this political debate, it is possible to draw out two major subjects: 1) the trend on the reduction of working time across Europe; 2) the efficiency of the reduction of working time as a mean to lower unemployment rates.

It is noticeable one of the major trends across Europe towards the reduction of the overall working time workweek. France is not an exception, but the result of the elections might have an impact on the follow up of this trend.

Furthermore, it needs to be stressed out is the connection between the debate on working time and the effects this issue has on employment rates. The main argument utilized for the proving of a connection between working time and employment rates is that the reduction of working time and job sharing leads to a more equitable repartition of jobs and, consequently, to a reduction of unemployment. This argument, however, may constitute a fallacy, commonly known as the “lump of jobs fallacy”. This is so because the thesis is built on the false assumption that the rate of jobs in the labour market is rigid.

There are other issues concerning the reduction of working time, as raised from the failure of a **Swedish** attempt to reduce working time. In an experimentation carried out in a city for a period of two years, some nursing workers had their workday reduced to a maximum of six hours, while maintaining the wage at the same level. **The main conclusion from this trial was that the costs outweighed the benefits**, as there was a necessity to hire 17 new employees to complete the workload left undone. This is to say that the reduction of working time shall not be made without the thorough measurement of its consequences.

Diogo Silva
 **@DiogoD_Silva**
ADAPT Junior Fellow