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Working Time in EU Countries: Different Proposals Put Forward, but Company-level Collective Bargaining Plays a Key Role

by Francesco Seghezzi, Michele Tiraboschi

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The shortcomings of using working time as the main parameter to assess employee performance and its economic value were clear as early as ten years ago, when Italy's reform of the labour market (Jobs Act) was taking place.

Currently, the regulation of working time, both at the legal and contractual level, has gained new momentum at the international level. A number of different provisions have been put forward on an experimental basis which were implemented through collective bargaining at different levels or through national legislation; this willingness to change dates back in time, well before Industry 4.0 and novel remote working schemes. Yet, this does not mean that working time has been reduced, as we often hear; the picture is far more complex, especially when comparing working time regulations outside Italy.

In some countries – e.g., Belgium – projects were implemented to understand whether and how the contributions allocated since 2004 to companies that permanently reduce working time below 38 hours per week have an impact, also on employee welfare and productivity.

An experimental project was also conducted in Spain in 2023 involving companies with fewer than 250 employees and a turnover of less than 50 million euros. A public subsidy was provided to employers who reduce working hours from 40 to 36 hours (i.e., 10%) for at least two years and for at least 25% of their staff. A further proposal tabled by the government and hailed by trade unions is being debated, as it includes a gradual decrease of working time to 37.5 hours, with collective bargaining empowered to negotiate additional reductions. Collective bargaining plays a major role also in Germany, where recent proposals by the metalworkers' trade unions aim to reduce working time to 32 hours per week, keeping the same wage (some companies – Sparda Bank – are also adopting similar policies). Since 2024 and for a period of six months, 45 companies located in different areas of the country have introduced a working week of four days.

Some interesting proposals for the gradual reduction of working time have been put forward by the Germany government; one example of that is the conversion the annual, performance-based bonus into hours of work to be reduced for those who have educational or family responsibilities involving children and old people. The same can be said for other countries, such as Greece, Sweden, Iceland, and the well-known French case. Significantly, the most innovative experiments concerning working time are taking place at the company-level, where an attempt has been made to strike a balance between productivity and organisational needs. Then there is the US case, where the share of employees working more than 40 hours a week is 10% higher than in Europe, as in the latter collective bargaining is fundamental. Consequently, what we have today is a patchwork of initiatives which are quite different from one another both in relation to the ways working time is reduced or remodulated and the regulatory levels governing these changes. Reasons for this state of affairs include the differences related to production processes, cultural and social factors.

Equally different is the role played by collective bargaining; as a recent Eurofound report shows, in 14 of the 27 EU countries, the working hours negotiated in collective bargaining are fewer than the 40 hours set by legislation (one might note that working time legislation at the EU level dates back to the 1993 and 2000 directives). While not easy, EU coordination on working time has become an urgent matter in order to avoid dumping and deal with an issue that affects employment and labour productivity.

Francesco Seghezzi
ADAPT President
@francescoseghezz

Michele Tiraboschi
University of Modena and Reggio Emilia
@MicheTiraboschi

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