

REDUCING WORKING HOURS IN MANUFACTURING: A REVIEW OF EVIDENCE

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REDUCING WORKING HOURS IN MANUFACTURING: A REVIEW OF EVIDENCE

FOREWORD

BY IAN WADDELL, CSEU GENERAL SECRETARY

t is now over 30 years since the CSEU and its affiliated unions set out on the Drive for 35, a campaign for shorter working time that captured the imagination of a generation of engineering and manufacturing workers.

The campaign was based on a clear and well-thought-out strategy, aimed at forcing key companies to concede shorter hours, which would then unleash a tidal wave of similar agreements. The tactics relied on identifying the key companies, building a national strike fund to support workers in those companies, and then following through with sustained strike action. Right across the UK, workers contributed an hour's pay every week, collected in cash by an army of shop stewards and collectors.

Some of the workers in the selected factories were out on strike for months and carried on even when their strike pay had to be reduced, demonstrating their determination to achieve a step-change in working time. Ultimately, the dispute was a success and hours were reduced from 39 per week to 37 right across engineering and manufacturing, leading to a new norm across the whole economy.

A legacy of millions of pounds was also left in the fund that had been set up to finance the dispute. Contradictory circulars and statements were made about what would happen to the money in the aftermath, so it was effectively locked away for many years while legal advice was taken. Eventually, this led to a High Court decision to gift the money to a new charity, the Alex Ferry Foundation, named after the General Secretary of the CSEU at the time of the Drive for 35 campaign.

The Alex Ferry Foundation has a board of trustees drawn from the four CSEU unions and funds

community grants aimed at workers, former workers, and their families in shipbuilding, engineering, and related industries. The Foundation also funds research on relevant issues, including the impact of working time on a range of issues.

Much has changed over the last 30 years, but the hard-fought gains workers won in 1989 and 1990 are still in place. Indeed, many workplaces have subsequently moved to a 35-hour week, but this pattern is far from universal. Meanwhile, there are many parts of our economy where workers are under constant pressure to work more hours, just to keep their heads above water. Inequality in both earnings and hours has increased over the last 30 years, with work-life balance, or the lack of it, becoming a major issue for families across the UK.

Now seems like an appropriate time for the CSEU to take stock of our history, consider the lessons of the past, and decide whether they can be applied to the present.

This report, commissioned by the CSEU and written by the New Economics Foundation (NEF), looks at the drive for shorter working time across the world and reviews the evidence available on how improvements were won by workers and their unions. It reflects the fact that the original Drive for 35 campaign was run simultaneously across Europe and coordinated by unions at an international level. It is the first step in assisting workers and their unions in considering whether the time is right for a renewed campaign on working time and if so, what strategy and tactics might be used in delivering it.

The onset of change in the world of work is a key area of the research and campaigning work of CSEU-affiliated unions due to the digital transformation of industries, the widespread introduction of artificial intelligence, and a change to the economic architecture of the world.

Reductions in working time – working hours, new and shorter shift patterns, longer holiday, earlier retirement, and time off for parental and family leave – are now back on the bargaining agenda.

The world changed as the Covid-19 virus pandemic spread across the globe. One common feature is workers spending more time at home, forced to stay away from work. In the UK, we have

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found new ways to deliver work, new ways to communicate, new ways to co-operate. This quiet revolution may well be the key to unlocking a new drive for a better balance between work and home and a fairer division of time. It may well be the next step in a campaign for shorter working time.

Lasting change does not happen unless people demand it – the history of the Drive for 35 campaign tells us that. I hope this report is a first building block in a movement that will prove unstoppable, winning shorter working time, whatever form that takes, for a modern generation.

This report was commissioned by the Executive Committee of the Confederation of Shipbuilding & Engineering Unions (CSEU). The CSEU has four affiliated unions — Unite the Union, the GMB, Community, and Prospect.



Medal from the CSEU's

Drive for 35 campaign in 1991

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EXECUTIVE SUMMARY

Modern methods of production have given us the possibility of ease and security for all, but we have chosen instead to have overwork for some, and starvation for others.

Bertrand Russell, 1932

The shorter working week has been at the core of the labour movement since its inception. Trade unions have always fought to ensure that the significant gains from an increasingly productive economy were shared fairly with workers in the form of shorter hours, as well as improved pay and conditions.

For most of the twentieth century, up until the early 1980s, strong collective bargaining ensured that working hours decreased significantly for workers. Over this period, gains in productivity and wages and reductions in time spent at work went handin-hand. However, since 1980, while productivity and wages have broadly risen in tandem, gains for workers in terms of leisure time, the measure of how much time workers have away from work, have stagnated.

Our analysis suggests that there is, in effect, a backlog of productivity gains in the British economy, where over the last four decades increases in productivity have not flowed to workers in the form of reduced working time, and this has not been compensated for with increased wages. Had the post-WWII trend of steady increases in leisure time in line with productivity growth continued beyond 1980, our analysis indicates that the full-time working week today would be at least 4.2 hours shorter. This observable trend is especially acute in the manufacturing sector, where productivity has improved faster than the rest of the economy in recent decades, in part due to the introduction of new technologies.

A cross-country comparison suggests that policies enacted in the UK more than elsewhere in Europe, such as the deregulation of the labour market and a reduction of the role of collective bargaining in setting working conditions, have played a role in depriving British workers of leisure-time gains that they were on track to receive.

Those setting their sights on a new era of industrial relations in the UK should consider this a lost four decades of leisure time for workers. With a renewed politics of time which focuses on orienting individual workplaces and the economy at large towards improving work-life balance as a key marker of economic achievement, campaigners and trade unions can be much more ambitious in claiming shorter hours for workers. The fairness and justice case for workers to share the gains of future automation is amplified by the fact that for decades, those gains have not been shared.

Looking ahead, future reductions in working time could bring considerable benefits to the manufacturing sector in the UK. These benefits include increased levels of productivity from wellrested workers with higher levels of wellbeing, the righting of past wrongs through the fair distribution of productivity gains among workers, proactively addressing the challenges of automation, improving workplace health and safety, and improving equality and work-life balance across the sector to ensure the effective recruitment of a new generation of motivated and skilled workers. Shortening working time can be seen as a major policy lever through which increased spending in the economy can give UK productivity the boost it desperately needs through increased leisure time and reduced underemployment.

This analysis is made amid a recent revival in the public and political debate on working time in the UK, especially around the notion of the four-day working week – an ambition supported openly by the TUC, the Labour and Green parties, and a new wave of businesses who have successfully made the move to shorter hours. A few examples of businesses include Indycube, Pursuit Marketing, Legacy Events, Radioactive PR, Curveball Media, Advice Direct Scotland, Aizle Restaurant, and CMG Technologies.

We look at eight current and historical case studies – including a Toyota factory in Sweden, an Airbus

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plant in Wales, and Bosch Diesel in the Czech Republic – which demonstrate the malleability of working time in manufacturing and the ability for unions and organisations to establish new models of working time, be they reduced working weeks, increased holiday, shortened shifts, or new allowances for caring leave, which improve quality of life for workers.

This report analyses these case studies to draw out lessons from the successful campaign for and implementation of shorter hours to inform future industrial campaigns. We highlight three notable lessons from their achievements:

- 1. Unions are a proven vehicle to secure reduced working hours in a democratic and inclusive way, for example through campaigning, setting up working time committees, and carrying out workforce surveys. Successful campaigns have reached beyond the existing union membership and have inspired involvement from workers of different genders, ages, and roles. In the absence of national union agreements, these changes must be won at a company or group level, meaning that the active involvement of a well-informed workforce is crucial.
- 2. Bargaining for shorter hours can be responsive to the financial performance of a firm or sector and can be used to reflect the priorities of the workforce during periods of change. For example, using reduced hours as a means to effectively boost per-hour wages, avoiding the threat of redundancies from technological unemployment, enabling workers to perform caring responsibilities at home, or as a means for employers to appeal to prospective workers by offering a favourable deal. Changes to working time can be wide-ranging, including holidays and tailored working patterns over a week, fortnight, month, or year.
- 3. Working time campaigns can catalyse an innovation of workplace practices lead by workers. As those closest to day-to-day workplace practices, workers and their unions are often best placed to lead on improvements to operational processes and shift design. Some have invented new systems, redesigned roles

and tasks, and incorporated new technologies into workplaces to increase efficiency and further support the implementation of working time reduction. These changes present gains for both employers, who see productivity improve, and workers, who gain more control and autonomy over their working lives.

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1. PRODUCTIVITY AND LEISURE TIME SINCE THE 1980S

n the post-WWII era, UK productivity (output per hour) measured across the whole economy grew strongly until the mid-2000s. Initially, these increases in productivity translated into increased leisure time for workers and lasted until the early 1980s. After this point, however, the decrease in average full-time hours per worker is noticeably slower and working time gains have levelled off. From Figure 1 we can see that, for the 50 years between 1916 and 1966, average working hours dropped by 14.6 hours from 56.1 to 41.5 hours per week. For the 50 years between 1966 and 2016, they dropped just 4 hours to 37.5 hours a week, a substantial slowing of working time reduction.

Over the same period. ie 1916 to 1966 (Figure 2), productivity increased by 183%. Between 1966 and 2016, productivity increased by a very similar 187% but the gains did not translate into more time off for workers – nor did they translate into a corresponding increase in wages for the vast majority of workers.²

Working time reduced sharply after both world wars (Figure 1).³ These were, of course, exceptional circumstances, with high levels of political instability, and an unprecedented and rapid transition from a wartime to a peacetime economy.⁴ What these moments do illustrate, however, is the capacity of the economy to absorb temporary and dramatic reductions in working time. One such example of a rapid reduction in working time is the success of the National Union of Mineworkers (NUM) who persuaded the government to implement a five-day week (down from six) in 1947.⁵

Taking a more short-term view and focusing on the post-WWII trend (Figure 3), we make a more conservative estimate, from which workers today can make a strong claim they are owed a reduction of at least four hours working time per week.

In subsequent sections, we investigate why and how these hours of leisure time have been seemingly forgone by UK workforces, who could make a convincing claim that they are owed a significant reduction in their working hours today.

Low wages and insecure work are much-discussed ailments of the British labour market today. However, to take a longer-term view, there is an observable trend that for four decades, workers have also been losing out in terms of leisure time without a compensating increase in wages. Productivity gains have not translated into increased leisure time since the 1980s and increases in real wages have not made up the difference in terms of increases to real wages (Figure 2). Over this period, average wage increases have at best broadly tracked productivity growth.

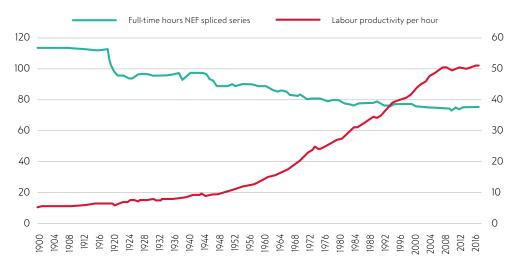
There have in fact been periods when median wage growth fell behind that of productivity. As reported by Bank of England in 2015, following the 1990 financial crisis, there was a gap of around 20%.

One explanation for these trends is the choices made by government policymakers. During the three decades following WWII, strong collective bargaining and increased labour market regulation are likely to have contributed to stronger rewards for workers per unit of productivity increase. But from 1980 onwards, this may have faltered due to less regulated labour market conditions and reduced union representation.

Figure 3 estimates the increase in leisure time (decrease in average weekly full-time hours) that might have occurred had the pre-1980 trend continued uninterrupted post 1980. We can see that workers would now be working a 33.3-hour rather than a 37.5-hour working week (ie, a full 4.2 hours less) and that by 2040, the four-day working week might have been reached. Indeed, had a series of policy decisions not been made, including successive legislative constraints put on unions alongside labour market deregulation, the average working week for full-time work would likely be significantly lower than it currently is. It would seem that workers in the UK are owed a significant

FIGURE 1: FULL-TIME HOURS REDUCED SIGNIFICANTLY UNTIL THE 1980S, AFTER WHICH THE TREND TOWARDS MORE LEISURE TIME STAGNATED, DESPITE INCREASED PRODUCTIVITY

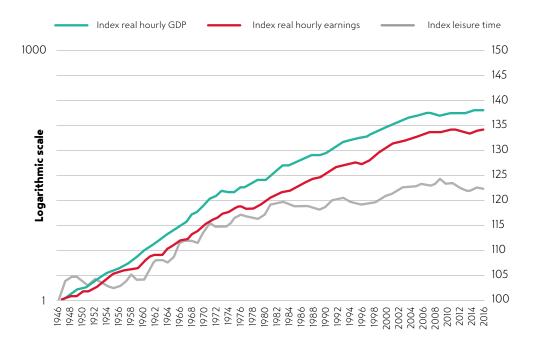
LABOUR PRODUCTIVITY (OUTPUT PER HOUR, £ 2013 PRICES, LEFT-HAND AXIS), HOURS WORKED (FULL-TIME, AVERAGE WEEKLY HOURS, RIGHT-HAND AXIS), 1900–2016



Source: : NEF calculations using Bank of England (2018) 'A millennium of macroeconomic data' https://www.bankofengland.co.uk/ statistics/research-datasets⁷

FIGURE 2: SINCE THE 1980S, PRODUCTIVITY GAINS APPEAR TO NO LONGER TRANSLATE INTO SIGNIFICANT INCREASES IN LEISURE TIME.

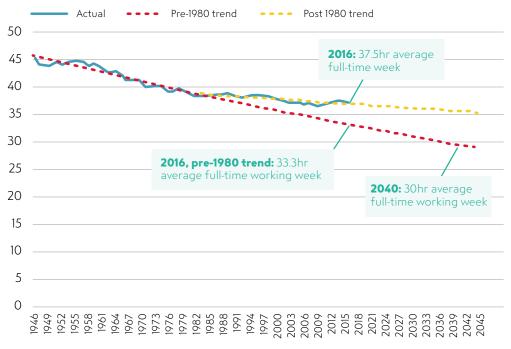
INDICES FOR GDP PER HOUR WORKED (LEFT-HAND AXIS, LOGARITHMIC SCALE), AVERAGE HOURLY EARNINGS (LEFT-HAND AXIS, LOGARITHMIC SCALE), AND LEISURE TIME FOR FULL-TIME EMPLOYEES (RIGHT-HAND AXIS), 1946–2016, 1946=100



Source: NEF calculations using Bank of England (2018)'A millennium of macroeconomic data' https://www.bankofengland.co.uk/statistics/research-datasets NB: For leisure time we use a proxy based on the average hours worked by those in full-time employment subtracted from 84, which we take as the constant for average weekly waking hours.

FIGURE 3: IF THE PRE-1980S TREND HAD CONTINUED, THE UK WOULD BE ON COURSE TO REACH THE EQUIVALENT OF A 30-HOUR WEEK BY 2040

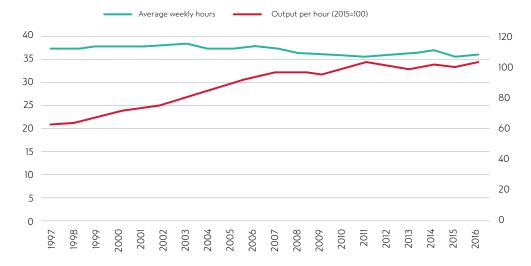
AVERAGE WEEKLY HOURS FOR FULL-TIME EMPLOYEES, WITH BOTH THE PRE-1980 AND POST-1980 TREND LINES, 1946–2045



Source: NEF calculations using Bank of England (2018)'A millennium of macroeconomic data' https://www.bankofengland.co.uk/ statistics/research-datasets. NB: projected trend lines based on simple bivariate regression.

FIGURE 4: AVERAGE WORKING HOURS IN MANUFACTURING HAVE REMAINED STAGNANT, DESPITE INCREASED PRODUCTIVITY (DATA ONLY AVAILABLE FROM 1997)

HOURS WORKED (AVERAGE WEEKLY HOURS OF ALL WORKERS IN MANUFACTURING, LEFT-HAND AXIS), REAL PRODUCTIVITY (OUTPUT PER HOUR, INDEXED TO BASE YEAR 2015=100, RIGHT-HAND AXIS), 1997–2016

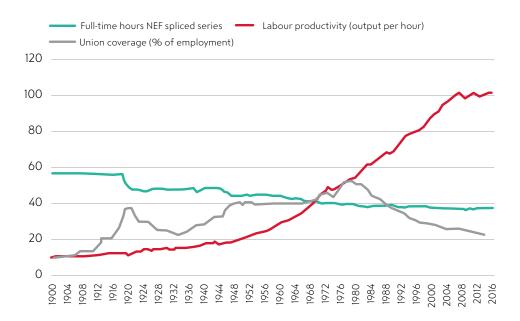


Source: NEF analysis of ONS (2017), 'Average actual weekly hours of work by industry sector: People' (2019). ONS Dataset. Found online at: https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/averagehoursworkedbyindustryhour03/current; NEF analysis of ONS (2017), 'Historical series of labour productivity'. ONS dataset. Found online at: https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/labourproductivity/datasets/historicalseriesoflabourproductivity

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FIGURE 5: SIGNIFICANT REDUCTIONS IN WORKING TIME OFTEN OCCUR AT THE SAME TIME UNION COVERAGE ALSO RAPIDLY EXPANDS

LABOUR PRODUCTIVITY (OUTPUT PER HOUR, £ 2013 PRICES), HOURS WORKED (FULL-TIME, AVERAGE WEEKLY HOURS) AND UNION COVERAGE (% OF ALL EMPLOYED), 1900-2016



 ${\it Source}: NEF \ analysis \ of \ Thomas, R. \ and \ Dimsdale, N. \ (2018)'A \ Millennium \ of \ UK \ Data', Bank \ of \ England \ OBRA \ Dataset. \\ Found \ online \ at \ https://www.bankofengland.co.uk/statistics/research/pages/onebank/threecenturies.aspx.$

reduction in their working week and have a very strong case on which they can press for more leisure time.

This tentative estimate of the backlog of economic gains that have not translated into leisure time or wages is a conservative one. It is based on a continuation of post-WWII trends in the economy up until 1980. As we can see in Figure 1, with a longer-term view, workers can make a more ambitious claim for shorter hours.

Looking at UK manufacturing specifically, we observe two breaks in the prevailing trend. The unit wage costs (the ratio of wages and salaries per employee to output per worker) increased at a faster rate than productivity in the 1970s, maintaining a steady share afterwards. Figure 4 shows that this slower growth in wage costs was not compensated with an increase in leisure time: working hours in the sector have remained fairly constant since the late 1990s, despite a significant productivity increase.

1.1 HOW THE 40-HOUR WORKING WEEK WAS ESTABLISHED

In the nineteenth century, the working day could range from 10 to 16 hours and was typically six days a week. Workers carried out arduous tasks, often in hazardous working conditions. Long hours were a large source of worker discontent. Working time reduction was a major feature of the political landscape of Victorian Britain, where hundreds of thousands of workers would gather, many represented in trade unions, to demand that government legislate for a shorter working week. The demand for shorter working hours was an international one. In 1856, stonemasons in Melbourne, Australia were the first to win the eight-hour working day.

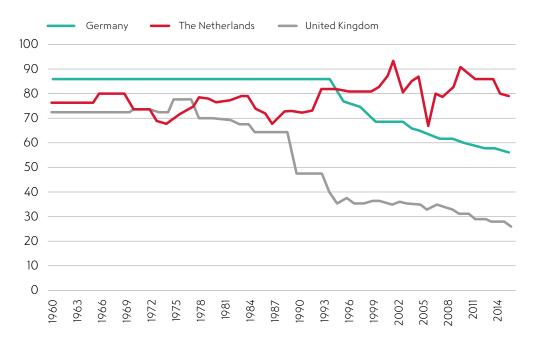
1.2 COLLECTIVE BARGAINING AND WORKING HOURS

The efforts of generations of campaigners and trade unionists won reductions in working time and established new norms and expectations in

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FIGURE 6: COLLECTIVE BARGAINING COVERAGE HAS DECLINED IN THE UK MORE THAN OTHER EUROPEAN COUNTRIES

COLLECTIVE BARGAINING COVERAGE (% OF ALL EMPLOYED), 1960-2016



 $\label{eq:source:new} Source: \ NEF \ analysis \ of OECD \ (2019)'Collective \ bargaining \ coverage'. \ Dataset \ available \ online \ at \ \underline{\ https://stats.oecd.org/Index.} \ aspx?DataSetCode=CBC\#.$

the form of the eight-hour day and the two-day weekend at the turn of the twentieth century.¹²

Working time reductions traditionally start in economic sectors with high union density, who set new norms and expectations around standard working times. ¹³ As we can see in Figure 5, the most rapid reductions in working time correspond with significant rises in union coverage. The general pattern is of long periods of stable basic hours broken by shorter periods in which new, lower levels of standard basic hours are established. These reductions in working time have stalled over the past 30 years, however, despite the continuing growth of productivity in the economy and the lack of commensurate wage growth.

1.3 DECLINING BARGAINING POWER AND WORKING HOURS

Increases in productivity are a necessary but not a sufficient factor through which workers can achieve improvements in pay as well as reductions in working time.¹⁴ Historically, workers' ability to improve their pay and conditions has relied on the extent to which they have organised power (eg in

the form of trade unions) that collectively bargained for their share of economic growth.¹⁵

The decline in union power and the even more restrictive trade union legislation in the USA has been the central factor in explaining why Europeans now work 50% less than their American counterparts on average.¹⁶

In the UK, as in many other countries, trade unions have steadily lost membership and institutional influence over the past 40 years.¹⁷

Reductions in working time often occurred at the same time union coverage rapidly expanded, for example in the years following 1916 or 1945 (Figure 5). This suggests there is a link between the two.

In the UK in the 1970s more than 70% of workers were covered by collective bargaining agreements; in 2016 it was just 26% (Figure 6). This is far below the 61% European average in 2015/2016. Germany and the Netherlands were selected as countries that, alongside Britain, had a high level of collective bargaining in the late 1970s, with over three-quarters of all workers in the respective countries falling under a collective agreement.

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The UK's decline in union coverage from this comparable position is stark.²⁰ In the UK, the reduced level of bargaining power corresponds to a reduction in trade union membership and trade union militancy, as measured in strike days.²¹

1.4 FRAGMENTED BARGAINING ENVIRONMENT

From 1979 to today, when union coverage peaked and then began its steady decline, the working week for full-time work has only reduced by 2.3 hours. This notable slowing of working time reduction can be explained to some extent by the shift to an enterprise-based collective bargaining structure rather than a sectoral system, the latter of which remains in many other parts of Europe. This has created a fragmented bargaining environment where bargaining units negotiate with individual employers, rather than reaching a collective agreement that covers all workers in a sector of the economy. As a result, the few working time reductions won in individual firms have not cascaded across the economy.

In the case studies in Section 3, we lay out a series of successful firm-level campaigns for reduced working hours that have taken place since the 1980s, but whose wider economic impacts have been limited because of this fragmented system.

The corresponding legislative constraints put on unions by governments over successive decades since the 1980s have materialised in laws that place increasingly severe restrictions on strike action, state support for employers in disputes with unions, and a narrative of delegitimisation of union activities.²³ This has resulted in a structural shift in the labour market away from collective and institutional regulation of employment towards a system based on a highly flexible structure of individual employment protections.²⁴

1.5 NORMALISING LONG WORKING HOURS

Translating productivity gains into more time off for workers is not an inevitable process. Our series of interviews with trade union representatives carried out for this report suggests that there has been a normalisation of long working hours that conceals the political dynamics of working time. The standard 37.5-hour week for full-time work has not been widely challenged for a generation in the UK and as such has become something of a norm.

From the Eight-Hours Movement to the Drive for 35, trade unions and campaigners have historically challenged existing norms and raised expectations among workers about what the length of the working week should be. However, it appears that the regulatory changes to labour market and trade unions in chorus with this establishment of a norm have further served to undermine efforts to reduce working time.

Union representatives engaged in campaigns over wages and conditions told us of the focus of their membership on protecting and defending wages and existing rights, at the cost of other demands. Even though "working time is always on the initial list of demands, it is the first thing to be conceded in negotiations with employers".²⁵

This deprioritisation of working time reduction as a workplace demand shows that even when unions are able to bargain with employers, wage increases or other improvements to working conditions can take precedent.

The reasons for this are multiple. They include the shifts in economic and labour market policy cited earlier that have undermined the ambition of collective bargaining demands. As our interviews uncovered, however, there have also been cultural and economic shifts that have seen workers comply with their working hours, and even routinely seek out longer hours and overtime in the pursuit of economic security through higher wages. At an aggregate level, workers have not been rewarded for this compliance. As we outline in this section, productivity gains have not translated into increased leisure time and increases in real wages have not made up the difference. Over the same period, economic inequality (and especially wealth inequality) has dramatically increased.26

The fact that the UK has not had a significant reduction in working time or a high-profile campaign around working time reduction in decades, means that the current model has become naturalised. It is seen as an inevitable and unchangeable phenomenon outside of the remit of union business. As we discuss, mass campaigning by unions is a necessary step in any effort to repoliticise working time and reveal its deeply contested nature.

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2. REDUCING WORKING TIME IN MANUFACTURING TODAY

ur analysis has demonstrated that workers are no longer sharing in the gains of the economy in the form of reduced working hours. The stagnation of full-time working hours from the mid-1980s onwards, despite significant improvements in productivity, suggests that there is a backlog of gains that workers have not received. To put things simply, had pre-1980 trends continued, workers would by now be enjoying a considerable reduction in working hours, perhaps to the tune of an additional four hours off per week. In the past, there have been step-changes in reductions in working time, so had worker voice and union power not been denuded during the last four lost decades, this could even be a conservative estimate.

Given this new politics of time, which focuses on orienting individual workplaces and the economy at large towards maximising leisure, campaigners and trade unions can be much more ambitious in claiming significantly shorter hours for workers, bringing forward the achievement of a UK four-day working week to 2030 or sooner.

To give a sense of how much time workers can begin to demand off work in line with improving productivity, an indicative analysis suggests that a 2% real increase in productivity would create the conditions through which workers could gain an additional week of annual leave, while keeping output constant.²⁷

In the UK manufacturing sector, for example, there are significant productivity gains to be recouped. Reduced working time could bring benefits to both workers and employers in the sector, including through increasing levels of productivity, proactively

addressing the challenges of automation, improving workplace health and safety, and improving equality and work-life balance.

British manufacturing, in particular, has a proud history of working time reduction, most famously with the implementation of the five-day, 40-hour week for workers in Henry Ford's automotive factories.²⁸ It also has far lower levels of automation than its European manufacturing counterparts with a density of 85 industrial robots per 10,000 workers compared to 322 in Germany, 240 in Sweden, and 190 in Italy.²⁹ This suggests that the UK manufacturing sector has significant potential to expand its levels of automation in line with its European neighbours.

2.1 PRODUCTIVITY AND REDUCING WORKING TIME

When making a comparative analysis between countries, the evidence demonstrates that there is a strong inverse correlation between working hours and productivity, both between countries and within individual countries over time. 4 Countries who work fewer hours are more likely to be more productive. For example, Germany, the Netherlands, and all of Scandinavia work far fewer hours than the UK, and yet have much higher levels of productivity. Correlation does not necessarily mean causation, but there is also evidence at firm level to show that a causal link exists between working less and being more productive.

Reducing working time can increase the productivity of individuals in the workplace, to the benefit of the organisation.³⁵ Various case studies have demonstrated that a shorter working week can increase productivity per hour, and longer hours (including overtime) are associated with decreased productivity within the manufacturing industry.³⁶ This is because the productivity of individual workers is not just dependent on the amount of time spent in the workplace but on the wellbeing, fatigue levels, and overall health of the worker.³⁷

Fatigue stemming from working long hours is linked with poor learning capacity and decreased productivity.³⁸ Increased leisure and rest can

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EMPLOYER INTEREST IN SHORTER WORKING HOURS

There are an increasing number of small and medium-sized firms outside of the manufacturing sector who are already experimenting with alternative forms of working time. A study of over 250 businesses working a four-day working week (with no reduction in pay) found that two-thirds have improved staff productivity and that the establishment of a four-day working week nationally could save UK businesses an estimated £104 billion every year through increased staff productivity and the improved physical and mental health of workers. The same study found that workers also benefited from the change, with 78% of those surveyed saying staff were happier, 70% reported being less stressed, and 62% took fewer sick days. 31

Outside of the workplace, 40% of employees in four-day-week businesses said they would use the time to upskill or develop professional skills, whilst 25% said they would use their fifth day to volunteer. ³² The study shows that 72% of UK workers view the four-day working week as an attractive proposition that would inform their decision when choosing an employer.

improve a worker's mental and physical health, so that they will be more relaxed and alert during working hours, thereby improving their productivity. Moreover, several studies point out that overwork can lead to serious accidents or diagnostic errors.³⁹ Reducing working time can therefore alleviate some of the effects of overwork which negatively affect productivity and the overall performance of an organisation.

The negative effects of long working hours such as absenteeism related to fatigue are not captured in conventional measures of labour productivity but are captured in broader measures such as financial performance.⁴⁰

2.2 PRODUCTIVITY PUZZLE

An emerging school of thought is turning towards demand-side solutions to the UK's stagnating productivity. All Shortening working time can be seen as a major policy lever through which increased spending in the economy can give UK productivity the boost it desperately needs – through increased leisure time and reduced underemployment.

UK productivity has flat-lined since the 2008 financial crash and has decoupled from a long-running historical trend of year-on-year increases. Over the course of more than four decades up to 2008, labour productivity grew steadily, averaging more than 2% per year. Since the end of the

2009 recession, however, the annual increase has fallen to around 0.7%, representing a collapse of around two-thirds.⁴² It is the UK's worst decade of productivity growth in a generation and has come to be known as the UK's 'productivity puzzle'.⁴³

One of the key ways in which the UK's productivity puzzle can be solved is through reducing hours of work (eg in the form of increased statutory annual leave) with pay protected. On average, recreational activities tend to involve higher spending than being at work, and overall, each additional day of statutory leave would boost demand by a few billion pounds. 44 Additionally, lower working hours can be expected to lead to a redistribution of paid time from those in full-time employment to those who are currently underemployed as companies will likely recover some portion of the lost hours by increasing hours elsewhere (with the remaining difference made up by productivity-raising measures). This reallocation of hours would raise pay and disposable incomes for those currently out of work or on low incomes, thereby also increasing economy-wide demand.45

2.3 PROACTIVE STRATEGY FOR AUTOMATION

Automation is the carrying out of tasks by machinery and automatic programming that are usually done by labour. The process of automation is one that has occurred throughout the history

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of industrialism, and one which will continue to occur. Technological progress has created enormous amounts of wealth, yet it has always created winners and losers in the labour market. Ever since the automation of loom technology in the early 1800s and the rise of Luddism, technological change has been accompanied by 'creative destruction'; as new technologies displace old ones, they also render the skills of parts of the workforce obsolete, causing widespread poverty and political dissatisfaction.46 The process of automation is thus both a promise and a threat, 47 containing within it the capacity to vastly increase the productive powers of an economy, while at the same time threatening the livelihoods of workers and the communities likely to be displaced.

Current technological developments are affecting many industries simultaneously and potentially replacing skills thought to be uniquely human. 48 As in the past, there are fears that these new technologies could lead to widespread job losses. 49 Several recent estimates have predicted that anything from 9% to 47% of jobs are at risk of automation in developed countries. 50,51 There is a consensus, however, that work is likely to be transformed and not eliminated. 52

Without broader interventions, industrial changes such as automation that promise more productivity gains will most likely lead to greater inequalities, where the gains are captured by the owners of capital, and the labour market becomes even more polarised between highly skilled, well-paid, secure jobs, and low-skilled, poorly paid, and insecure jobs.⁵³

The shorter working week can be viewed as one proactive strategy to ensure that the gains of automation are shared fairly with workers in the form of reduced time at work. Several recent reports have highlighted the risks of automation without intervention, and have suggested that new technologies should be used to shorten the working week to ensure that the workers benefit, and not just the owners of the machines. 54,55,56 Furthermore, where there is a likelihood that new technologies will actively displace workers, a reduction in working hours can also be strategically applied to ensure that what work remains is distributed amongst workers, thus avoiding redundancies while simultaneously improving the quality of the

jobs that remain.⁵⁷ The case studies in this report also demonstrate how workers have viewed shorter hours as a being key to retaining jobs that were at risk of redundancy.

2.4 IMPROVING EQUALITY AND WORK-LIFE BALANCE

Women make up 25% of the workforce in the manufacturing sector.⁵⁸ In the Scottish manufacturing sector for example, women are under-represented in professional work and are more likely to be working in nonmanufacturing-specific professional occupations such as accounting, finance, and IT.⁵⁹ Men are more likely to be working in manufacturing-specific engineering professional occupations such as mechanical engineering, electrical engineering, and production/process engineering. 60 On the other hand, women make up 24% of managerial, director, and senior official jobs, which is a greater proportion than found in the Scottish economy as a whole.⁶¹ Of all female manufacturing employment, 55.1% is concentrated in four sub-sectors: food and beverage manufacture, textile manufacture, machine and equipment manufacture, and chemicals and chemical products manufacture.⁶²

At present, most of the unpaid domestic and care work in the UK is done by women. They carry out the vast majority of childcare, cooking, and cleaning⁶³ and are more likely than men to reduce their working hours as a result of struggling to balance full-time work with caring responsibilities.⁶⁴ Women are 42% more likely to suffer from work-related anxiety, stress, and depression than their male counterparts as they try to engage in the second shift of unpaid labour after a day at work.⁶⁵

A shorter working week in the manufacturing sector could make employment more accessible, encouraging the creation of more jobs for people with caring responsibilities (in particular, women) who might otherwise have to work part-time or not at all. It would enable those with caring responsibilities to progress in their careers and take up jobs appropriate for their level of qualification. It could also serve to redistribute unpaid labour more equally across genders.⁶⁶

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2.5 HAPPIER, SAFER, HEALTHIER WORKPLACES

A growing body of evidence shows the positive impact of shorter hours on worker health and wellbeing. Research concerning the relationship between hours worked and levels of wellbeing generally suggests that wellbeing increases as the number of hours worked rises, but beyond a certain threshold, additional hours worked have a negative impact on wellbeing. There is a significant difference in the mental health and wellbeing of those in work, and those who are unemployed; however, the psychological benefits of employment flat-line after just eight hours work a week, suggesting that we need no more than this to gain the maximum benefits to mental health and wellbeing.

The move to shorter working hours could improve the health of workers, and consequently their performance at work. Poor mental health at work is estimated to cost employers around £34.9 billion a year due to presenteeism, increased likelihood of staff turnover, and sick leave. 70 In 2017/2018, workrelated stress, depression, or anxiety accounted for 44% of work-related ill health and 57% of working days lost.71 Workload was the single biggest cause of work-related stress, depression, or anxiety, accounting for 44% of all cases. Burnout, exhaustion, and stress are costly both for workers' health and for productivity. If workers cannot switch off mentally from their work, this is likely to drain their energy resources and increase the negative effects.72

A move towards a shorter working week could reduce stress and increase productivity, as well as enable a better quality of rest and recuperation, which could, in turn, limit mental fatigue and lead to fewer sick days. 73 Employees who feel that they have achieved a good balance between work and home life are shown to feel less stressed and are likely to feel more satisfied at work.74 One study of Swedish childcare and health workers who moved to a 30-hour working week (down from 39 hours) found that health-related variables - including sleep quality, mental fatigue, and heart/respiratory symptoms – improved significantly. 75 Control trials of 6-hour days also found that when on the job, workers with reduced working hours reported greater quality of sleep, longer duration of sleep, lower daytime tiredness, and reduced stress.⁷⁶

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3. CASE STUDIES: THE NEW POLITICS OF WORKING TIME

There has been a recent revival in the public and political debate on working time in the UK, especially around the notion of the four-day working week, something supported openly by the TUC, the Labour Party and the Green Party, and hundreds of small organisations who have successfully made the move to shorter hours. Although the revival of interest in shorter hours burns most strongly in the UK, the phenomenon is one that extends across Europe. 78

In this section, we look at eight current and historical case studies which demonstrate the malleability of working time, and the ability of unions and organisations to establish models of working time which improve workers' quality of life.

The findings are based on interviews with trade union officials and members as well as academic and union literature.

3.1 CWU AND ROYAL MAIL, UK

In 2018, the Communication Workers Union (CWU) reached an agreement with Royal Mail to move from a 39-hour to a 35-hour working week by 2022, reducing the working week by an hour each year. The 35-hour working week was one of the four main Pillars of Security in the CWU's National Agreement with Royal Mail, which covered 119,500 postal workers. The union also succeeded in negotiating for the other three pillars, including operational changes, a backdated 5% pay increase, and the introduction of the UK's first collectively defined contribution pension scheme. The first hour of working time reduction was implemented in October 2018.

The move to shorter hours was in large part a response to automation within Royal Mail. In 2015, Royal Mail introduced a new £20 million parcelsorting system, which began automating large numbers of parcel-sorting jobs. 80 The machines were installed by Lockheed Martin who had also established a performance-related pay structure with Royal Mail. The sorting machine uses a form of artificial intelligence to read and sort the post. The artificial intelligence has a learning mechanism that improves address calibration after every item, lowering the number of errors and speeding up the process over time. In 2015, the CWU and their members saw this as a threat because of the observable reduction in workload the machines were bringing about.

As a result of the reduction in the amount of work needed to be done sorting mail, the time postal workers would spend on delivery rounds would increase from four to seven hours. With an average age of 49, Royal Mail postal workers claimed that the resultant changes posed a serious risk to their health and safety as they would have to push heavy loads for seven hours a day. The campaign for 35 hours was also catalysed by a 2010 three-year cycle agreement with Royal Mail, in which the CWU negotiated a reduction in working time from 40 to 39 hours a week as well as changes to pay rises.

The CWU mobilised its membership through a massive internal campaign, in which their tactics included meeting workplace union representatives, holding internal briefings, and campaigning continuously on social media. When it came to a national ballot on the issue, the vote produced a 75% turnout and an 89% vote in support of the CWU's position. The turnout and overwhelming support of the members shocked Royal Mail and galvanised the union.

Within negotiations, Royal Mail pushed back against the reduction in working time, arguing that CWU members would rather more pay. However, in dialogue with its members, the trade union recognised that fears over redundancy were a major issue, and the shorter working week was seen as a way of mitigating that risk.

The implementation of the working hours reduction has not been straightforward, not least

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because of the coordinated efficiency of the postal workers, who work to tight deadlines to ensure the UK postal system runs effectively. Rotas and task allocations are systematised and flow into each other, leaving little room and few options for postal workers to reduce their working time.

In addition to these difficulties, the organisation and the union are having to respond to a rapidly changing postal landscape, where demand fluctuates widely along with changes to the nature of the post. There have been pressures from an annual letter decline of between 4% and 6% nationally, although in Sunderland there has been a 25% decline in posted letters in recent years. The introduction of the EU General Data Protection Regulation (GDPR) also resulted in an immediate 8% decline in posted letters – all of which has affected the workload of postal workers across Royal Mail. At the same time, the delivery of parcels and packages has been rapidly increasing as online retail establishes itself as the new norm.

3.2 BENTLEY MOTORS, CREWE, UK

In 2017, Bentley Motors reached an agreement with Unite the Union (Unite) for a reduction in working hours from 37 to 35 hours a week with no reduction in pay for more than 2,000 employees based in Crewe, Cheshire. The reduction in working time was scheduled to begin on 1 January 2019 and has been viewed positively by the workforce since implementation.

3.2.1 Internal campaign

When deciding what to pursue in negotiations, the Unite branch chose to engage with the entire bargaining unit, including both union members and non-members. Using Survey Monkey, an online survey program, the union collected information from across the organisation and asked respondees to rank a series of negotiating priorities. They also collected data on membership, work area, service, gender, and age. There was a high response rate, with 1,580 responses of 2,000 surveyed. From the data supplied by members, it became clear that while pay was the priority issue for the workforce, there was an appetite for a better work-life balance.

There were some initial concerns in the union that non-members were being surveyed in the process of determining the union's priorities, but those concerns were addressed through assurances that the data could be filtered between members and non-members. Concerns were further allayed when the union increased its membership by over 10% by engaging with workers not initially in the bargaining unit.

3.2.2 Negotiations and outcome

The complexities of introducing a 35-hour working week across many shift patterns meant that the negotiations took place over an extended period between late 2016 and early 2017.

In addition to the reduction in hours, the union also secured a 6.5% pay increase, improvements to sick pay and holiday pay premiums, and a consolidated payment worth £900 over the three years. They also secured the potential for employees to earn significant bonuses linked to delivery, quality, and efficiency. Bentley employees who were members of Unite voted in favour of the new deal by a margin of three to one.

Phil Morgan, the then Regional Officer at Unite, framed the reduction in working hours and the pay increase in terms of increased security for members, as well as increasing stability for Bentley in uncertain times:

This was an important deal for both Unite and Bentley as it allows the company to plan ahead, particularly in relation to new model development and gives members a great deal of security in what is a very uncertain time for car makers.⁸²

3.3 AIRBUS, BROUGHTON, UK

The Airbus manufacturing plant in Broughton, North Wales, employs 6,000 workers. The factory has very high union density, with more than 5,000 members in the union. In 2001 the union reached an agreement with management to move workers down from a 37-hour working week to a 35-hour working week, which they have maintained to this day. Additionally, employees can take holiday time in hours rather than days, allowing them to, for example, take a couple of hours off in the afternoon rather than an entire day. This enables workers to use their annual leave more prudently.

To have that freedom is something the members love.

DAZ REYNOLDS, AIRBUS WORKER AND UNITE CONVENOR

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3.3.1 Response to a crisis

Following the attack on the Twin Towers on 11 September 2001, the entire airline industry experienced a shock. Several airline manufacturers went bankrupt as people turned from flying.83 In response to this insecure environment, union members at the plant feared redundancies. As such, the union entered negotiations with management and agreed to cancel the agreed 4% pay award in exchange for a 35-hour working week. The company also put a pause on overtime in 2002/2003, and if workers did work overtime, they were given time off in lieu (TOIL) rather than added wages. The union estimates that the reduction in hours saved "a couple of hundred jobs" at the plant, and the reduction in working hours with pay maintained meant that the hourly wage increased by around 5%.84 Representatives report that levels of overtime have not been affected by the change to shorter hours.

The 35-hour working week was implemented on 1 January 2002 and has been tremendously popular with workers, especially workers who have recently joined.

You're on a seven-hour day. How many people work seven-hour days?

I think the work-life balance makes us attractive as an employer. People who have worked in different workplaces, when they come in here, they realise the difference and do make positive comments.

DAZ REYNOLDS, AIRBUS WORKER
AND UNITE CONVENOR

3.3.2 Making the shift

The transitionary period towards shorter hours posed some difficulties initially in balancing tasks with the new shifts. Effort had to be put in to find different ways of working including the summer shutdown where workers are obliged to take two weeks' worth of annual leave while major maintenance is carried out on the site.

We work to work packages now, so all the tasks are broken down into the amount [sic] of hours that are done so you've got to keep the workflow together. So, there was a period of change and learning when we reduced the working hours and the company still want[ed] the same productivity.

The airline industry has changed in recent years, including the creation of 'lean manufacturing', and the use of Ticon, an application that times tasks. These efficiency-saving techniques and technologies have improved the productivity of the organisation and helped support adjustments for the 35-hour working week.

After moving the organisation to shorter hours, Airbus also implemented the SAP computer system which monitors the use of materials onsite and automatically re-orders products and parts when they are needed, further increasing process efficiency.

More recently, Airbus tried to persuade workers to increase their full-time hours with the promise of an improved pay deal. The proposal was rejected as the 35-hour working week was a major reason many workers chose to work at the plant.

3.3.3 Benefits to the employer

In the years since the 35-hour working week was implemented, Airbus has gone from strength to strength; its share price has increased by a factor of nine. Stall indications are that the shorter working week has done nothing to hold back the fortunes of the booming manufacturer, while other manufacturers have since gone bankrupt and ceased to exist. On the contrary, workers view the 35-hour working week as a major boon to the employer, for example in attracting the best talent in an increasingly specialised job market.

We've gone from strength to strength. It hasn't affected us at all.

Production has absolutely smashed on the site since then.

The ability for the company to attract and retain skills, particularly around automation, is seen as an important factor in Airbus building a competitive advantage in relation to other employers, and further securing the organisation's future.

You've got to embrace automation. If you fight it, you will fail. If you can understand a plant like ours then you can manage it; there's no reason other plants can't do the same. It's about your people — you've got to be people focused. And it's also about retaining skills. Going

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forward, the 35-hour week will be important. Talking of automation, we've got to get specialists in on robotics and things like that. I know it's difficult as there's not that many specialists, so the likes of the 35-hour week attracts prospective candidates a little bit more and the work-life balance.

DAZ REYNOLDS, AIRBUS WORKER AND UNITE CONVENOR

In Airbus, workers on day shifts are most affected by the change.

You've got to have the appetite for the change. I think it was a great piece of work that was done. I recognise it is a difficult thing to do and you need a well-organised union and workplace and I like to say we are.

What's on paper there, we can discuss it... but then all those jobs have to be re-evaluated, changed. Don't forget that the guy coming on last week who was doing 'x' amount of work per day is now doing twenty minutes less per day.

3.3.4 Benefits to workers

One of the positive effects of working shorter hours has been to allow people to spend more time with their families and in their communities. They are finishing work earlier, which means they miss rush-hour traffic, reducing what are often long commutes. It has also allowed workers who are parents to share caring responsibilities with their partners, who often work themselves.

It works for mothers and fathers. Some kids finish at 3 o'clock or 3:30. There's a lot of time due to the flexibility and so a lot of people can finish at 2:30 or 3:00 to go and pick the kids up. This means that parents can share the responsibility between parents as most working families have working parents these days.

Where we are in north-east Wales, we have people that travel from Anglesey, which is just over an hour away, Manchester the same. Liverpool. We have a lot of employees who are quite well branched out into different communities. And due to the reduction in the working day that helps these people continue to stay in their homes and communities because they can work less.

DAZ REYNOLDS, UNITE CONVENOR

3.4 CANADIAN AUTOWORKERS, CANADA

The Canadian Autoworkers Union (CAW) is now known as Unifor, after a 2013 merger with the Communications, Energy, and Paperworkers Union. In the 1990s, the autoworker unions in Canada were particularly strong, whilst the automobile industry was also doing well. CAW had a reputation for being a highly innovative and enlightened union.

3.4.1 Special personal allowance days

The union negotiated a series of special personal allowance (SPA) days in manufacturing plants. SPA days were effectively an additional form of paid vacation in which every autoworker would get first one, and then two weeks paid time off but scheduled evenly throughout the year. Autoworkers had no control over when the SPA days were allocated to them. At its peak, the programme involved two whole weeks of randomly allocated additional leave throughout the year.

The policy was viewed as a job-creation measure by the union; SPA days were scheduled evenly to ensure that there was a continuous drop in production over the course of the year. The manufacturers wanted to maximise capital utilisation, so the vacation policy effectively forced them to hire more workers to make up for the lost days. A 4% drop in the number of working days of an employee was matched by a 4% increase in the number of new roles. These new roles were identified as SPA replacement roles; they had identical terms and conditions to other workers with full pay and union status.

The policy was designed to reflect the economic realities of the industry to get factories working. They ensured that productivity growth was translated into working time reduction for workers, rather than unemployment caused by automation.

After the 2008 financial crash, the Canadian auto industry was hit hard and several factories faced closure. To continue production, the government intervened and demanded labour roll back some terms and conditions including the SPA days, which the union was forced to do.

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3.4.2 Alternative work schedules

CAW also negotiated another innovative workingtime model in the 1990s known as the alternative work schedule (AWS), in which the union worked with employers to pioneer a three-shift system.

Before the change to the new system, companies still wanted to maximise the utilisation of factories, which they found difficult to do on a two-shift system. Typically, the workplace would have two shifts, with a total of six hours off at night, as well as an hour off at lunchtime. If the factory wanted to increase output, employees would work on Saturdays for time-and-a-half overtime pay. There were some situations where people would work on Sundays as well.

The union worked with employers to pioneer a new three-shift schedule. Rather than performing major pieces of maintenance each night, shifts were now organised around small pieces of maintenance during the week, while most of the maintenance and major repairs were done at the weekend. Under the new system, there were three shifts a day, five days a week and no more overtime work on the weekends. The new shifts were also 7.5 hours (down from 8 hours), meaning that the working week was shortened by 2.5 hours.

The new shift patterns were implemented in five automobile factories in Canada, including General Motors in Sichuan and Ottawa, Chrysler in Windsor and Brampton, and Ford Motors in Oakland. It was considered something of a win-win for employees who enjoyed their shorter working week, and employers who could maintain maximum capital utilisation.

The AWSs were first implemented at the Chrysler plant in Windsor. It was deemed very controversial. A group of workers did not want it implemented because they wanted to work on Saturdays and make overtime pay. The union had to deploy egalitarian arguments and make the case to their members that the whole community would be better off because the money would be shared between the workers (not everyone would have been able to work overtime shifts if they had other responsibilities).

3.5 TOYOTA, SWEDEN

In 2002, a factory in Gothenburg, Sweden, moved 36 employees from an 8-hour day, 40-hour working week to a 6-hour day, 30-hour working week. The factory is a subsidiary of Toyota Motors Europe. The reduction in working hours led to a dramatic increase in productivity: mechanics now produce, in 30 hours, 114% of what they used to produce in 40 hours. This has resulted in an increase in profits by 25%.

If you look at the industry average, they work 8 hours and bill 7.36 hours. In our 6-hour workdays, we bill 8.40 hours. You're probably thinking we're overpaid, but we're just very efficient. So, we can bill 1.04 hours more in a 6-hour workday than they do in 8 hours. That's 14% better.

Managing Director Martin Banck said that the service centres had several issues before the change was made: customers were unhappy with long waiting times, while staff were stressed and making mistakes. There were 36 mechanics on the scheme working from 7 am to 4 pm. The service centre switched to two 6-hour shifts with full pay, one starting at 6 am and the other at noon, with fewer and shorter breaks. Banck reported a significant positive change because of the shift to shorter hours:

This is how we work today: First shift works from 6 am to 12:30 and second shift from 11:55 am to 6 pm. Employees work the early shift and late shift, alternating weeks. The late shift is a little shorter at 27 hours and 15 minutes, but people also work Saturday and Sunday one week out of eight. So, on average, people work 30 hours a week. This means we're open 12 hours on weekdays and 4 hours on Saturdays and Sundays. So, we increased our opening hours from 8 hours to 12 on weekdays and started opening on weekends as well.⁸⁷

Staff feel better. There is low turnover and it is easier to recruit new people. They have a shorter travel time to work. There is more efficient use of the machines and lower capital costs – everyone is happy.⁸⁸

Martin Geborg, 27, a mechanic, started at Toyota eight years ago and has stayed there because of the six-hour day. He says his friends are envious. He

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enjoys the fact that there is no traffic on the roads when he is heading to and from work. Others feel the same.

It is wonderful to finish at 12. Before I started a family, I could go to the beach after work – now I can spend the afternoon with my baby.

SANDRA ANDERSSON89

We were very happy with that, now it's settled down somewhat. It's been really great. Disadvantages... What problems are there in this? We can't really find any. We've been thinking outside the box and it's worked for us. I see no disadvantages. All of that has given us a big competitive advantage and it's been a winwin solution. You don't do something like this for 12 years, unless it works. We are entering our 13th year now, and it works really, really well.

MARTIN BANCK⁹⁰

3.6 BOSCH DIESEL, CZECH REPUBLIC

Bosch Diesel in Jihlava was established in 1993 with 160 employees. Over time it grew to be the biggest production plant for common rail diesel injection systems within the Bosch Group globally, eventually employing over 4,300 people. It supplies specialist diesel equipment including high-pressure injection pumps, laser-welded rails, and pressure regulating valves for global companies including BMW, Volvo, Honda, Chrysler, Audi, and Peugeot.

Several years ago, Bosch began having issues with elderly workers in the factory, as they were unable to keep up with the speed of production. They initially wanted to make the workers redundant; however, the trade union stood in to defend these workers and began negotiating to retain their jobs.

3.7 PRE-RETIREMENT PROGRAMME

At first, it was agreed that Bosch would try to create workplaces suitable for elderly workers, but this measure was not enough. Working together, the union and Bosch looked for another solution. They established a pre-retirement programme, which shortened the working hours of elderly workers.

• Workers can enter the programme three years before they reach retirement age; they can use the benefit for a maximum of three years.

Workers must sign an agreement that they will leave the factory once they reach retirement age.

- Workers included in the programme work only 50% of normal working hours; the rest of the time is compensated by the employer. Compensation is 100% of the worker's wage.
- The work schedule is set by the employer, and workers do not get pay rises. Their right to paid holiday is four weeks, while other workers not in the programme are entitled to five.

3.7 IG METALL – GERMAN METALWORKING UNION

IG Metall is the largest union in Germany with 2.3 million members. In 2018, it won a significant victory for 3.8 million workers in the metalwork sector in relation to working time reduction. It was the first major victory for the union in terms of working time reduction for more than 20 years. ⁹¹ The agreement is multi-faceted and does not apply equally to all workers, with more options for reduced working for those with caring responsibilities. The option to temporarily reduce the working week to 28 hours also involves a reduction in wages.

The union ran a massive campaign titled My Life – My Time: Rethinking Work. It concentrated on the issue of working hours, focusing on aspects such as work-life balance, the loss of working hours, and increasing workers' self-determination. The campaign aimed to politicise issues such as family working hours and the right of workers to return to full-time work after having moved to part-time. 92

In the weeks before the agreement, the members of IG Metall had reinforced their demands with massive 24-hour strikes in all collective bargaining regions. Approximately 500,000 workers in about 280 companies participated.⁹³

In 2019, IG Metall began to practically realise the historical agreement for working time reduction it had won in 2018. Two forms of working time reduction were agreed:

 A right for all full-time workers with over two years of service to reduce their weekly working hours to 28 hours for between six and 24 months, albeit with a reduction in pay. After this

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period, working time automatically returns to the previous working time, but workers have the right to repeat the process.

2. The option to take either an extra pay increase or receive eight days more free time – where the monetary value of the extra days off is higher than the cash value of the wage increase. So far, most workers have chosen to have the extra days off. This option is only available for workers with caring responsibilities, or for those who work on shifts.

IG Metall was very happy with the eventual agreement.

The collective agreement is a milestone on the way to a modern, self-determined working world.

JÖRG HOFMANN, CHAIRPERSON, IG METALL 94

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4. LEARNING AND RECOMMENDATIONS

rom our range of case studies, we can see that working time reduction remains a contested phenomenon inside the workplace. In the following section, we cover several key lessons which can be drawn out for future working time reduction campaigns.

4.1 MOBILISING UNIONS AND BROADENING THEIR BASE

Most successful working time campaigns begin with a large-scale campaign among the membership. Support for shorter hours should not be assumed as workers often focus on wage increases and see working time reduction as a low priority. There are several reasons why this may be the case, including the normalisation of existing hours as well as the perceived lack of feasibility.

From the case studies in this report, we can see that having a high percentage of union density is important in holding a strong negotiating position in relation to employers who are often initially hostile to union requests for reductions in working time. The case studies have demonstrated two clear ways of increasing union density in the workplace:

- Expand campaigning beyond membership.
 Bringing in workers from outside the union to participate in surveys and consultations provides an opportunity for unions to build their membership within the organisation.
- Engage a diversity of members. From initial surveys, through to large-scale campaigns and working time committees helping to implement shorter hours, campaigns on working time engage all levels of the union. Campaigns can be used to activate passive members and inspire enthusiasm amongst workers of different genders, ages, and roles.

4.2 BUILDING A STRONG CASE

Reducing the working week companywide is not a mammoth task. Companies can restructure and reorganise their workforce for a range of purposes. Reducing working time can be part of this.

- Ensure the message reflects the workers' priorities. The key arguments put forward by trade unions in their successful pursuit of shorter working time reflect the needs and priorities of the membership at a particular time. Often the threat of redundancies or the desire to perform essential caring responsibilities at home act as a spur to further changes.
- Make the business case. Successful campaigns
 for reduced working time engage with the
 employer in such a way that frames the
 reduction in working time as a benefit to them as
 well, for example through improved productivity
 and more loyal workers. This is important on two
 fronts: to win employers over to supporting the
 decrease in working hours and to show union
 members that what they are doing will not
 damage the firm's performance.
- Think about working hours innovatively. Unions have created new shift patterns, redesigned roles and tasks, or incorporated new processes into workplaces to increase levels of efficiency. The pre-existing model of work was often seen as an insurmountable challenge prior to the move to shorter hours; however, alternative models of work were established after a focused and openminded approach was adopted.
- Think about overtime innovatively. Workplaces operating on shorter hours adopt the use of paid overtime to fill gaps in production. However, overtime can also be used as a bargaining chip in negotiations. Flexibility over the terms of overtime can be used to the union's advantage. For example, limits on overtime in times of crisis, or translating overtime into TOIL can be used as a way to address economic downturns, or help make a stronger case to the employer regarding broader reductions in working time.
- Ensure pay is maintained or improved. In our case studies, the effect of reduced hours on net pay was neutral or positive; workers did not lose out as a result of moving to shorter hours.

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Reductions in working time have often been accompanied by increases in wages as unions exploit a strong bargaining position. However, unions have also sacrificed yearly pay increases for increased time off. In these cases, hourly wages improved by more than the expected pay rise, effectively establishing increased time off as more value materially than wage increases. Ultimately, what happens to wages is at the discretion of the union and its membership.

 View time as a resource. Working time reduction can sometimes be viewed as an intangible alternative to wages. Translating increased time off as an effective hourly pay increase helps to frame increased leisure in more material terms.

4.3 IMPLEMENTATION

Working hours, shift patterns, and models of work are not inevitable. In our case studies working hours that had been historically set by the firm were, via union campaigns, reimagined to better suit both worker and employer needs.

- Establish working time committees. When implementing changes to organisational working time models, the union should work with the employer to establish working time committees that oversee the transition process towards shorter hours. Workers on the committees should have funded time to measure time use in the organisation and ideally, these committees would include an elected equalities representative to ensure new working patterns reflect the needs of all workers.
- Look to other technologies to support new shorter-time processes.- Unions can support the implementation of new technologies in the workplace to improve the efficiency of organisational processes, increase productivity, and further support the implementation of working time reduction.

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5. CONCLUSION

This report provides an insight into the UK's four lost decades of working time reduction. Britons spend more time in full-time work than their European counterparts, and yet had the pre-1980 trends in working time reduction continued, we would be broadly in line with more productive economies such as Germany, the Netherlands, and France. We would also be well on our way to the normalisation of the four-day working week. As a result of these lost four decades, there is a backlog of leisure time that is owed to the UK workforce that can be awarded by policymakers and unions setting their sights on a four-day working week by 2030 or earlier. This is a transition that could begin immediately.

Had the post-WWII trend continued beyond 1980, our research indicates that the working week would have been at least 4.2 additional hours less a week for full-time work. Policy decisions made since the 1980s have effectively robbed workers of leisure time they would have otherwise had without those changes. This is an observable trend, which is especially acute in the manufacturing sector, where productivity has improved faster than the rest of the economy in recent decades, in part due to the introduction of new technologies.

With a renewed politics of time which focuses on orienting individual workplaces and the economy at large towards maximising leisure, campaigners and trade unions can be much more ambitious in claiming significantly shorter hours for workers. Future reductions in working time could bring considerable benefits to the manufacturing sector in the UK. These benefits include increased levels of productivity from well-rested workers with higher levels of wellbeing, the righting of past wrongs through the fair distribution of productivity gains among workers, proactively addressing the challenges of automation, improving workplace health and safety, and improving equality and work-life balance across the sector to ensure

the effective recruitment of a new generation of motivated and skilled workers. Shortening working time can be seen as a major policy lever through which increased spending in the economy can give UK productivity the boost it desperately needs through increased leisure time and reduced underemployment.

Our case studies and analysis emphasise the importance of the trade union movement and its potential to organise to win more leisure at a faster pace than has been seen since the 1980s. But to achieve such an ambitious goal, there is also a key role for policymakers. This includes removing some of the constraints placed on unions in the past four decades; regulating for more working time, for instance by increasing the number of bank holidays; and developing an active industrial policy that seeks to recognise the role of a four-day working week in new industrial relations and policies of transformation to deal with ecological and technological challenges.

With a new politics of time which focuses on making up for lost time orienting individual workplaces and the economy at large towards maximising leisure, campaigners, trade unions and progressive policymakers can be much more ambitious in claiming significantly shorter hours for workers. Trade union members all over the world have an enthusiasm for a shorter working week. In the UK especially, the issue of working time has once again risen to the top of the agendas of trade unions, as well as political parties, enlightened businesses, and campaigners. After a near-30-year hiatus, the shorter working week has returned as a major political issue in the UK.

FURTHER READING

The Shorter Working Week is a quarterly newsletter that captures the latest developments in working-time reduction from across Europe. ⁹⁵ The newsletter is produced by the New Economics Foundation (UK) for the European Network for the Fair Sharing of Working Time and coordinated by ATTAC (Germany – Group ArbeitFAIRTeilen) and Réseau Roosevelt (France). It is supported by Rosa-Luxemburg-Stiftung, Brussels Office, funded by the German Federal Foreign Office.

A link to the newsletter can be found here: https://neweconomics.org/campaigns/euroworking-time

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