







# ACHIEVING A SHORTER WORKING WEEK ACROSS EUROPE

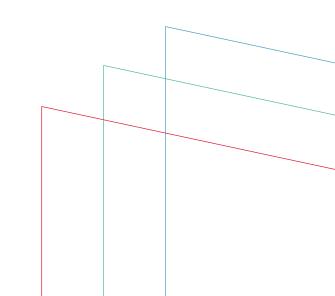
Newsletter of the European Network for the Fair Sharing of Working Time

ISSUE 7 • DECEMBER 2020

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

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

Registered charity number 1055254 © 2020 The New Economics Foundation



# **WELCOME**

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

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

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

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

If you want to receive the newsletter automatically please sign up here.

# IN THIS ISSUE

### Germany

- IG Metall calls for a four-day week in order to save jobs
- Die Linke leader proposes 30-hour workweek
- BMW agrees working time reduction to save jobs
- Airbus workers hope to work four days a week

### Spain

Political parties propose four-day week

### **United Kingdom**

- Scottish National Party backs four-day week
- Book published: The Case for a Four Day Week
- Morrisons introduces four-day week at head office for 1500 staff

#### **Finland**

• Prime Minister calls for shortening working hours

#### **Austria**

• "Leisure option" working time policy in collective agreements

#### International

- European leaders call for four-day week in response to pandemic
- Company runs four-day week pilot in response to Covid
- Unilever begins four-day week trial in New Zealand
- Seattle start-up establishes "Flex-Fridays"
- US web company moves to 30-hour working week

# **EUROPEAN UPDATES**

### **GERMANY**

### IG Metall calls for a four-day week in order to save jobs

Germany's largest trade union IG Metall is proposing a <u>four-day working week</u> ahead of the next round of collective bargaining talks, scheduled to begin at the start of 2021.

The proposal comes in the wake of the coronavirus crisis which has put 300,000 jobs at risk in the electrical and metalworking sectors across Germany.

The coronavirus crisis has compounded other crises impacting the automative industry including climate change, increasing automation, and digitalisation. It has long been recognised that structural changes will be needed in order to cope with them, and the shorter working week is seen as a key part of those changes.

This announcement comes just two years after IG Metall won their members a 4.3% pay rise and the right to reduce their working week to 28 hours. IG Metall is Europe's largest union with nearly 2.3 million members and significant industrial muscle. Their size, power, and recent track record suggest that their calls for a four-day week must be taken seriously.

# Die Linke leader proposes 30-hour workweek

Katja Kipping, the co-chair of Die Linke (the Left) in Germany has proposed a 30-hour workweek for all workers in response to the economic crisis. She is joined by MEP Martin Schirdewan, as well as Katalin Gennburg – a member of the Berlin House of Representatives.

One of the key arguments they make is that increasing levels of automation and digitisation have increased productivity across the economy, and that the gains from this should be used to enable a general reduction in working time for all workers.

The politicians have written a position paper which makes the following argument:

"We need a general reduction in working hours to 30 hours a week full-time in order to allow the productivity gains to benefit everyone and to give everyone enough time for family and care work, for political interference, personal training and leisure."

### BMW agrees working time reduction to save jobs

Car sales in the automotive sector have collapsed as a result of the coronavirus crisis, and BMW are expecting to make large losses. They employ around 126,000 people worldwide and expect to make 6,000 workers redundant.

The car manufacturer BMW has reached an <u>agreement</u> with the works council on the announced job cuts, after initially wanting to cut 600 jobs. The agreement contains a variety of measures, including severance pay for workers choosing early retirement.

In addition to the option for early retirement, those on 40-hour contracts will be reduced to 38 hours a week, and employees have the option of taking additional – albeit unpaid – vacation days.

### Airbus workers hope to work four days a week

Workers in both <u>France and Germany</u> have been protesting Airbus in a fight to retain over 15,000 jobs at risk due to their employer's plans for downsizing. In Germany, the workers are represented by IG Metall who are campaigning for shorter working time in order to preserve jobs.

Airbus boss Guillaume Faury had said that this could help save 1500 of the 5100 jobs at risk in Germany. Airbus does not expect a return to pre-crisis levels of business before 2025, and production has been cut by 40 percent.

Airbus are serious about looking at shorter hours as a way of reducing jobs losses and are looking at the example of the four-day week at Volkswagen, where the car manufacturer avoided job cuts in the 1990s. IG Metall's Jürgen Kerner is responsible for the union's presence in the aerospace industry. He is quoted as saying, "We are ready to talk about a collective reduction in working hours".

### **SPAIN**

# Political parties propose four-day week

Spain is currently governed by a coalition of the centre-left PSOE party and the smaller left-wing parties Podemos and United Left, with ad hoc support from other smaller parties, including Más País.

The leader of Más País, Íñigo Errejón <u>recently proposed</u> that the Spanish finance ministry examine proposals to provide financial aid to companies that cut the working week to 32 hours with no loss of pay, as part of its 2021 budget. The plan would be

restricted to a relatively small pilot which is predicted to cost 50 million euros.

"Now that we have to rebuild our economy, Spain has the perfect opportunity to go for the four-day or 32-hour week. It is a policy for the future that allows for an increase in the productivity of workers, improvements to physical and mental health and reduces our impact on the environment.

"We must put ourselves at the forefront of Europe as we did 100 years ago with the shift to an eight-hour working day." – Íñigo Errejón, leader of Más País

In a boost to the proposals, deputy prime minister <u>Pablo Iglesias</u> of Podemos spoke favourably of the shorter working week, revealing that minister for work Yolanda Díaz Pérez was exploring the idea, particularly in relation to its ability to create jobs and reduce high levels of unemployment in Spain.

"The proposal is interesting and I know that the ministry of labour is studying it and within the framework of social dialogue it will be explored because it would undoubtedly favour job generation." – Pablo Iglesias, deputy prime minister

The proposals for a national reduction in working time follow the Valencian government's plans to pilot the idea in the region's public sector, with a grant system to help private employers adopt the same approach. The Valencian plan for shorter working time was created through a collaboration between the regional government of Valencia and the <u>UK-based thinktank Autonomy</u>.

### **UNITED KINGDOM**

### **Scottish National Party backs four-day week**

A motion in support of a four-day working week <u>was overwhelmingly passed</u> at the Scottish National Party's (SNP's) 2020 conference.

The motion, which passed by 1,136 votes to 70, called on the Scottish government to launch a review of working practices in Scotland, including the "possibility of a four-day week". Employment law is currently still controlled by the UK's national government in Westminster, however, meaning any policy designed to reduce weekly working hours could only be enforced by an independent Scotland.

"Everyone's lives revolve around their jobs, and if we can promise that independence will make that arrangement just a little bit easier, then Yes starts to look like a more tantalising option on the ballot paper to those who otherwise might not have been persuaded." – Lee Rob, SNP member

The thinktank Autonomy have calculated the cost of implementing a four-day week in Scotland's public sector. Their calculations suggest that a four-day week for Scotland's public sector could create 60,000 new jobs and "represents good value for money", costing £1.4bn per year, which constitutes just 3% of Scotland's public sector pay bill and just 2% of public spending overall.

### **Book published: The Case for a Four Day Week**

Three researchers at the New Economics Foundation have co-authored <u>a book on the four-day week</u>, published by Polity Press.

It sets out why reduced working time is good for human wellbeing, for the natural environment and for building a prosperous economy – and shows how it can be done. Drawing on a wide range of experience across the world it provides, for the first time, a practical roadmap for moving from today's standard workweek towards four days or 30 hours as the new norm.

The route map for transition starts with measures to support innovations by trade unions, individuals and employers, and then builds on existing entitlements with extended care leave, additional public holidays and tapered retirement. It proposes a standing Commission on Working Time to conduct independent analysis and 'map out a consensual path towards increased statutory paid time off in return for slower future pay growth overall'. Further along the route are proposals for a legally enforceable 'living wage' that matches reductions in working time, public reporting of working hours by employers and gradually lowering statutory maximum weekly limits.

# Morrisons introduces four-day week at head office for 1500 staff

Morrisons is one of the UK's big four supermarkets, with its head office located in Bradford. Over 1500 staff at Hilmore House in Bradford and a small number of employees who work at its clothing brand Nutmeg's office in Coalville, Leicestershire, moved to a <u>four-day week</u> over the summer. The move was spurred by the coronavirus lockdown and a drastic shake-up of working practices, where they realised that large changes like remote working and increased flexibility for employees held advantages for them.

"These new improvements to our ways of working will enable us to be more flexible and responsive and will make Morrisons a place where more people will want to join and stay." – Clare Grainger, people director at Morrisons

The changes include a reduction of weekly hours from 40 to 37.5, with a longer working day of nine instead of eight hours a day over four days. However, staff must also work a six-hour day on a Saturday once a month. In addition, the change only effects head office staff and none of the frontline workers who are usually on rota systems.

### **FINLAND**

# Prime Minister calls for shortening working hours

Finland's prime minister Sanna Marin called for reducing the current eight-hour working day to six hours in her keynote speech to her Social Democratic Party in July.

"We need to create a clear vision and concrete steps as to how Finland can proceed towards shorter working hours and Finnish employees towards better working life. The wealth brought about by the increase in labour productivity has to be split not only between owners and investors but also to ordinary employees." – Sanna Marin, prime minister

Although they did not exclusively back the six-hour day proposal, the party conference adopted the objective of shortening hours or introducing more flexibility into working life.

# **AUSTRIA**

# "Leisure option" working time policy in collective agreements

Since 2013, collective agreements in Austria have used an innovative working time policy called the "leisure option", or <u>Freizeitoption</u>. The leisure option policy allows employees to choose between a wage increase and additional leisure time.

In order to understand the policy fully, one must first understand that wages in Austria are mostly determined by collective agreements, with 98% of the workforce under some form of collective agreement. A collective agreement is a contract negotiated through collective bargaining for employees by one or more trade unions with either the management of a company, or an employers' association made up of any number of employers – usually within a particular sector. The agreements regulate the terms and conditions of employees at work, including wages, benefits, and the duties and responsibilities of the employer.

The leisure option can be used hourly or daily, and employees have the option of saving

up their leisure option in order to take longer time off in one go. In contrast to other holiday entitlements, the leisure option claims do not expire.

The leisure option was first used in 2013 as part of the collective agreement for the electrics and electronics industry (EEI). The works council and management had to reach an agreement on offering the leisure option for each individual employee. In this case, each individual employee could choose between a 3% pay increase, and additional leisure time of five hours per month.

In the 2013 round of collective agreements, abound 40% of the firms in the EEI offered the leisure option to their employees and eventually about 10% of employees took up the leisure option. After the initial introduction in the EEI, the leisure option has also been implemented in the mining and steel industry (2013), the automotive industry (2014), as well as in the paper industry (2015).

### INTERNATIONAL

# European leaders call for four-day week in response to pandemic

A coalition of politicians, campaigners, and trade union leaders have signed a joint letter calling on their governments to consider shorter working hours with no loss of pay as a response to the Covid-19 pandemic. The letter was coordinated by the UK's <u>4 Day Week Campaign</u>.

The coalition that sent the letter also includes: Katja Kipping, the chair of Die Linke party in Germany; Íñigo Errejón, an MP in Spain's Más País party; Green party MP Caroline Lucas; and Len McCluskey, general secretary of the Unite union.

"Throughout history, shorter working hours have been used during times of crisis and economic recession as a way of sharing work more equally across the economy between the unemployed and the overemployed," the group wrote.

"For the advancement of civilisation and the good of society, now is the moment to seize the opportunity and move towards shorter working hours with no loss of pay."

### Company runs four-day week pilot in response to Covid

Buffer are a fully distributed team of 89 people living and working in 15 countries around the world. As a company, Buffer produces software for the web and mobile, which is designed to manage accounts in social networks, for example by providing the means for a user to schedule posts on various social networks including Twitter and Facebook.

In May 2020, the organisation <u>announced</u> that it was beginning a month long trial of a four-day week on full pay. This decision was a direct result of the global pandemic where a staff survey revealed that stress and anxiety had increased among its staff and there was a real fear of burnout. They asked each 'area' to choose which day of the week they would have off during the trial and all members of the area took the same day off, and some areas (like Engineering and Product) coordinated this together.

Things were done slightly differently for the Customer Advocacy team to ensure coverage for their customers across the week. Those working in the Customer Advocacy team have alternating Wednesdays and Fridays off, meaning that if they have Wednesday off in week one, then they'll have Friday off in week two, and vice versa.

As a result of the trial, another survey found that staff stress and had reduced, and feelings of autonomy and work happiness had improved. More detailed answers were also provided by staff:

'This last month has been incredible when it comes to finding more time to look after myself. I feel a lot more productive when it comes to the work I do and the creeping feeling of burnout towards the end of the week has gone completely. If anything, I find myself more focused than I've ever been.' – Buffer Employee

The success of the trial persuaded management to extend the trial to six months, with the intention of eventually making it permanent.

# Unilever begins four-day week trial in New Zealand

Unilever's New Zealand office will trial a <u>four-day working week</u> with no reduction in pay. Unilever is a British multinational consumer goods company headquartered in London. The New Zealand office has 81 employees, all of whom will be taking part in the trial where they will work 80 percent of their usual weekly hours.

Unilever New Zealand managing director Nick Bangs said momentum for a four-day working week was growing in the wake of the Covid-19 pandemic.

"Our goal is to measure performance on output, not time. We believe the old ways of working are outdated and no longer fit for purpose."

"Gaining flexibility in work-life balance can mean that women and men, younger and older, can both take time off to be with family and friends, and have the energy and focus to pursue their career ambitions."

"Essentially, this is about a holistic understanding of how work and life fit together and

improving mental and physical wellbeing." – Unilever New Zealand managing director Nick Bangs

Unilever are ensuring that workers in the New Zealand office make other changes to their work in order to improve efficiency with the hope of boosting productivity so that they can produce the same output in less time. To this end, Unilever will train some of its employees in Agile, a project management method that breaks work into short phases with frequent reassessment and adaptation of plans. The Agile system aims to eliminate work that adds no value, along with unnecessary bureaucracy.

Unilever will also be evaluating the trial. They have hired the University of Technology in Sydney to measure qualitative results of the trial.

### Seattle start-up establishes "Flex-Fridays"

Seattle start-up Volt Athletics is an app developer that sells a fitness training app platform. They have 24 full-time employees and a few part-time contractors, most of whom are based out of Seattle. They have moved to a <u>four-day working week</u> after a successful trial period.

The working time model is a compressed four-day week, where Friday is established as a "flex day", where employees could use that day however they wished. Examples of what they could use the day for include relaxing, going for a hike, hanging out with friends and family, working on projects, or catching up on emails.

They initially carried out a six-week trial after the CEO Dan Giuliani realised that the pressures of the pandemic and working from home were leading to burnout and low morale at the company. He found himself more exhausted on Monday mornings and feeling like he was "wasting" Friday.

After completing the six-week trial the organisation did an internal evaluation and found that it was overwhelmingly successful. 100% of those surveyed declared their job satisfaction higher with the four-day week and 70% said their job satisfaction was much higher. 96% felt their own productivity was roughly the same or higher with the shorter week and 100% felt the company's overall productivity was roughly the same or higher with the shorter week.

"We removed 20% of the required time at work and not a single employee felt it decreased the overall level of company productivity... Less time working + more productivity = happier employees. It's not rocket science, but it sure is music to my ears." – Volt Athletics CEO Dan Giuliani

They have now permanently moved to a "flex-Friday" model after the successful sixweek trial and the positive feedback from the internal survey.

### US web company moves to 30-hour working week

Kuvio Creative is a web design and development company with 18 employees from around the world. They are also a 100% remote organisation, even before the pandemic. They provide a variety of digital services including web and app design and development, branding, marketing, and user experience and interface design.

They have implemented a series of policies which aim to maximise the wellbeing of their employees. These policies include 164 days of parental leave (regardless of gender), unlimited paid time off, wellbeing and education budgets, as well as a <u>30-hour working</u> week.

They moved to a 30-hour week because they believe it is healthier and allows for more creativity. They were also inspired by successful examples of organisations around the world moving to shorter hours, including the Swedish Svartedalens nursing home. Additionally, they came across <u>research</u> which found that experts from a variety of fields spend no more than five to six hours per day focused on their area of expertise, after which focus and productivity decline rapidly, resulting in wasted time for the employee, as well as company resources.

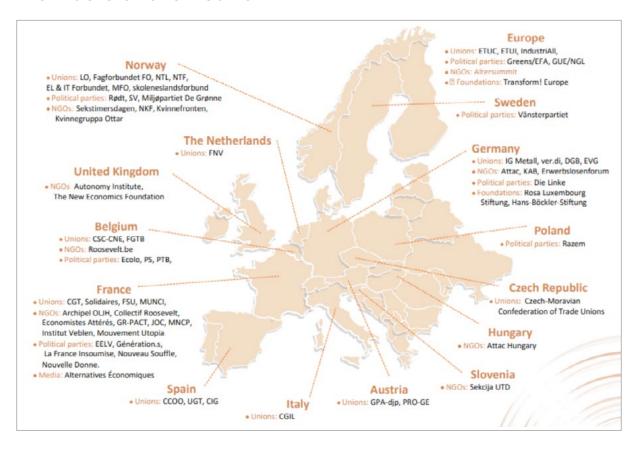
"I really enjoy working a 30-hour week because it gives me a perfect work-life balance and allows me to be super productive while on the clock because I'm determined to get things done within the allotted 30 hours. It also allows me to do the things I enjoy most like crocheting, knitting, and being able to be with the ones I love." — Dante Elegante, development apprentice

# **ABOUT THE NETWORK**

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

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

### Members of the network



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

### Margareta Steinrücke,

• Organisation: Attac AG ArbeitFairTeilen

Based in: Bremen, Germany
Email: <u>msteinruecke@web.de</u>
Phone: +49 1 51 22 87 73 90

Or

### Adrien Tusseau

• Organisation: Réseau Roosevelt

• Based in: Paris, France

• Email: adrien@collectif-roosevelt.fr

• Phone: +33 6 33 51 48 12

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

### Aidan Harper

• Organisation: New Economics Foundation

• Based in: London, UK

• Email: aidan.harper@neweconomics.org

• Phone: +4478206388

If you want to receive the newsletter automatically please sign up <a href="here">here</a>.