

The Regulation of Working Time as Work-Family Reconciliation Policy: Comparing Europe, Japan, and the United States

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ABSTRACT *This article compares working time policies in eight European countries, Japan, and the US, specifically policies that embody three goals: (1) reducing the full-time working week to less than the traditional standard of 40 hours; (2) guaranteeing workers an adequate number of paid days, annually, away from the workplace; and (3) raising the quality and availability of voluntary part-time work. While working time policies can help to free up parental caregiving time, they also have some potentially problematic consequences – including an associated rise in nonstandard-hour scheduling and the possibility of negative effects on gender equality.*

Introduction: Working Time Regulation as Work-Family Reconciliation Policy

Across the industrialized countries, in the last two decades, researchers, policy-makers, and advocates have increasingly called attention to the problem of “work-family conflict”. This is hardly surprising given the dramatic rise, during the post-war era, in the employment rates of mothers, especially those with young children. Currently, in most OECD countries, the majority of couples with children have both parents in the labor force; single mothers’ employment rates generally exceed those of married mothers. Throughout these countries, parents are struggling to balance the demands and rewards of employment with the needs of their families.

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Although concerns about “work-family conflict” are prevalent everywhere, perceptions of “what’s broke?” are, in fact, extraordinarily diverse – within and across countries – and often difficult to reconcile. Child development experts, for example, typically raise concerns about the consequences for children of insufficient time with their parents; in practice, this question is generally focused on children’s time with their mothers. “Work-life” advocates, in contrast, often consider the problematic consequences of employment – not for children, but for parents, especially mothers. According to this perspective, working parents (mothers) are over-extended; their competing responsibilities lead to untenable levels of stress. Other critics of contemporary practices are troubled by persistent gender disparities in the labor market, disparities that are both cause and consequence of women’s disproportionate assumption of caring work at home. Still others are alarmed by the financial implications for families of the high price of the non-parental care that is needed when parents are at the workplace – an especially serious concern in the US, and elsewhere, where public child care provisions are minimal.

Because perceptions of “what’s broke” vary so widely, it is not surprising that there is a diversity of views as to what parents need to help them reconcile employment and family care. Some emphasize the need for more high-quality, affordable child care, and/or longer annual school hours, which would free up parents to devote more time to employment. Some focus, instead, on the need for paid leave, including leave to care for infants or sick children, or to attend to family-related emergencies. Others call for taxes or transfers that compensate mothers who stay home altogether. Still others advocate strengthening forms of employment – such as telecommuting, web-based work, and self-employment – that allow parents to work in closer proximity to their children.

In this article, we analyze yet another strategy that is crucial for helping parents reconcile the competing demands of parenthood and employment: *the regulation of working time*. We focus on a package of measures that embody three over-arching goals: first, to reduce the full-time working week to less than the traditional standard of 40 hours; second, to guarantee workers an adequate number of paid days, annually, away from the workplace; and third, to raise the quality and availability of voluntary part-time work.¹ Achieving the first two goals would, in effect, put a ceiling on annual hours worked, even among those with strong labor market ties. That would help to standardize the definition of full-time/full-year employment at a level that allows working parents to secure adequate time at home. Achieving the third goal would enable parents to choose part-time work, for short or long periods, without a disproportionate loss of compensation.

We analyze working time measures in comparative perspective, considering provisions in ten countries that span the leading economies of the world – eight European Union (EU) countries, Japan, and the United States. We focus on these countries because there is extensive variation among them in both working time policies and in working time outcomes – such as annual and weekly hours actually worked, and the availability and quality of part-time work.

In the EU, the regulation of working time has been prominent on policy agendas for decades, at both the supranational and national level. The EU enacted two Directives in the 1990s – the 1993 Directive on Working Time and the 1997 Directive on Part-Time Work. These were binding for EU member countries, requiring

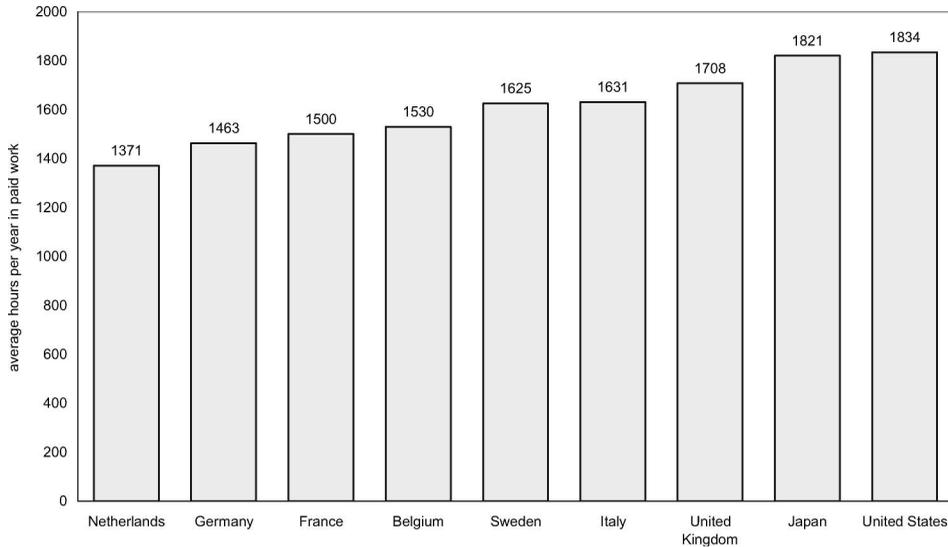
national-level policy implementation by 1996 and 2000, respectively. Working time reductions in Europe have been advocated for reasons that have varied both across countries and over time. In the 1980s, the emphasis was most often on combating unemployment by spreading available work, and the 1993 EU Directive on Working Time referred to health and safety reasons (European Communities 1993). But, more recently, public discourse in a number of countries has shifted more towards “work-family” – or “work-life” – balance (OECD 1998, OECD 2004a).² In several countries, the stated rationale for reducing work hours includes supporting a more even distribution of paid and unpaid work between men and women (see Fagnani and Letablier 2004).

Policy reforms aimed at reducing working time appear to have had an effect. In the last 20 years, average annual hours decreased in most EU countries and, in several countries, some portion of that decrease is attributed to declining full-timers’ hours. In some countries, average hours also declined due to a rising percentage of workers (mostly women) employed part-time (Lehndorff 2000).

Japan and the US offer rich contrasting cases. In Japan, annual work hours also declined during the 1980s and 1990s (Lehndorff 2000), but to a level well above that seen in EU countries. In the 1990s, Japanese law gradually reduced the legal working week to 40 hours, with the goal of improving workers’ quality of life and easing the longstanding culture of long work hours (Lee 2004). In 2001, working time reductions remained on the labor policy agenda in Japan, with the social partners considering further reductions, aimed in part at maintaining employment via work-sharing (Carley 2003).

In the US, in contrast to both the EU countries and Japan, average annual hours actually *increased* during the last two decades (Lehndorff 2000), overtaking the Japanese level (see Figure 1). The US is also distinct in other ways. Remarkably, the normal working week in the US, set by national legislation enacted in 1938, has not been reduced in over 60 years. In addition, efforts to reduce working time are virtually absent from contemporary US policy agendas. Messenger (2004: xviii) notes that “from an American perspective, until very recently working time never seemed to be more than an afterthought in discussions of labour issues and labour market policies. Even now, with changes to US overtime in the news, the focus is not on the *number of hours* that people work, but rather *how much they will be paid* for working those hours”. As Messenger observes, Americans generally view long hours in a positive light – as evidence of Americans’ industriousness and the cause of the US’s comparatively high per capita GDP. Indeed, in US policy discourse, long work hours are often framed as worthy of replication. Perhaps more significant is that even “work-family” scholars and advocates in the US rarely address the length of the normal full-time working week, the definition of full-year work, or the quality of part-time work. American work-family advocates, instead, typically focus on the need for child care, paid family leave, and (employer-based) programs that permit flexibility in determining which – if not how many – hours workers will spend on the job (Gornick and Meyers 2003).

In the next section, we compare key working time regulations in ten countries, including measures that establish the normal full-time week, regulate minimum annual days of leave, and protect part-time workers. In the third section we assess actual working time in these countries, and consider the extent to which these outcomes are policy-sensitive.

Figure 1. Workers' average annual hours in paid work, 2000

Source: OECD (data on Luxembourg not available).

In the final section, we reflect on two important concerns sparked by ongoing efforts to reduce working time. Each raises the possibility that shortening working time, in practice, may have some problematic consequences, especially for workers with family responsibilities. One concern is that the reduction in work hours, particularly in Europe, is being achieved at the cost of more nonstandard, and less controllable or predictable, work scheduling. A second is that strengthening reduced-hour work may exacerbate, rather than alleviate, gender inequalities in paid and unpaid work.

Policy Variation: Working Time Policies in Europe, Japan, and the US

Working time policies, and efforts to reform them, operate in diverse institutional frameworks. The institutional backdrops of our comparison countries – eight EU countries, Japan, and the US – are summarized in Table 1. As indicated, in six of these EU countries, working time is typically governed by a combination of labor law and collective agreements, while in France and Italy, labor law traditionally dominates. Coverage rates of collective bargaining in the continental European countries are 60 to 80 percent in Germany, Italy, Luxembourg, and the Netherlands – and 90 percent or higher in Belgium, France, and Sweden. The UK is set apart by the limited reach of collective bargaining; the coverage rate is about 30 percent, less than half that of most of the continental countries. In Europe, diversity in policy-setting mechanisms is supported at the supranational level. The EU Directives relating to working conditions allow member countries to implement required practices through legislation, formalized agreements among the social partners (groups representing employers and workers), or some combination of the two. In Japan and the US,

Table 1. Institutional framework, c. 2000

	Primary mechanism for regulation of working time	Employees covered by collective bargaining (as a percentage of the workforce)
<i>European Union</i>		
Belgium	Combination of collective agreements and labour law.	90 + %
France	Primarily labour law.	90 + %
Germany	Combination of collective agreements and labour law.	68 %
Italy	Primarily labour law.	80 + %
Luxembourg	Combination of collective agreements and labour law.	60 + %
Netherlands	Combination of collective agreements and labour law.	80 + %
Sweden	Combination of collective agreements and labour law.	90 + %
United Kingdom	Combination of collective agreements and labour law.	30 + %
<i>Non-Europe</i>		
Japan	Primarily labour law.	15 + %
United States	Primarily national labour law, with some supplementation by state laws.	14 %

Notes:

Collective bargaining coverage refers to the percentage of workers whose wages and working conditions are set, at least to some extent, by collective bargaining, regardless of whether they are union members.

Figures in column 3 with a + represent lower-bound estimates.

Sources: Carley 2003, Evans *et al.* 2001, Gornick and Meyers 2003, Jung 2000, Messenger 2004, OECD 2004b.

in contrast, only about one worker in seven is covered by a collective agreement. Not surprisingly, working time measures in these two countries are largely determined by labor law. And, clearly, individual agreements between employers and employees are also important for many workers – especially in the UK, Japan, and the US, where collective coverage is so far from universal.

One of the most powerful mechanisms for shaping working time is the establishment of a normal (or standard) full-time working week (see Table 2). Normal weekly hours generally refers to the threshold above which overtime becomes payable. Some EU countries establish normal weekly hours through legislation and collective agreement, while others regulate maximum hours (generally set at an average of 48) but leave the setting of normal hours exclusively to the bargaining table.³ Currently, in the continental EU countries included here, the normal full-time working week, for at least a substantial majority of workers, is set by collective agreements below 40 hours – 35 in France and between 37 and 39 in the other countries. In the UK, an outlier among EU countries, there is no statutory normal working week⁴ and, while collective agreements, on average, set the week at about 37 hours, only a third of the UK labor force is covered. Both Japan and the US set normal hours, via legislation, at 40 hours, above the standard typical in most EU countries – and a full five hours

Table 2. Normal weekly working hours, c. 2003

	By statute	By collective agreement (average collectively agreed weekly hours)
	<i>European Union</i>	
Belgium	38 with possible reduction through collective agreements.	38
France	35 with possible reduction through collective agreements.	35
Germany	Legislation sets maximum weekly hours (48) but not normal weekly hours.	37.7
Italy	40 with possible reduction through collective agreements.	38
Luxembourg	Legislation sets maximum weekly hours (48) but not normal weekly hours.	39
Netherlands	Legislation sets maximum weekly hours (48) but not normal weekly hours.	37
Sweden	40 with possible reduction through collective agreements.	38.8
United Kingdom	Legislation sets maximum weekly hours (48) but not normal weekly hours.	37.2
	<i>Non-Europe</i>	
Japan	40	Information on average award not available
United States	40	Information on average award not available

Notes:

Normal weekly hours (as distinct from maximum hours) generally refers to the threshold above which an overtime premium becomes payable.

The 1993 EU Directive on Working Time (WTD) – now Directive 2003/88/EC – was binding in all EU member countries with an implementation deadline of 1996. The WTD stipulates that maximum working hours must not exceed 48 weekly. National laws can permit this limit to be averaged over up to four months (six months for some workers) and up to 12 months by collective agreement. EU member countries also set normal weekly work hours and regulate averaging and overtime (within the WTD's parameters). Certain exceptions to the WTD are allowed if national laws permit, e.g., senior executives, or where an employer and employee agree to opt out of the working time limit (with the latter nearly exclusively used in the UK). Hours averaging can occur in the countries in this table, except in the US in relation to employees covered by the FLSA (see US note below). When hours are averaged, overtime payments may be calculated in ways that refer to hours worked during a longer reference period than a single week.

Belgium: The statutory working week (set by intersectoral agreement but effective as law) was cut from 39 to 38 in January 2003.

France: Since 1 January 2002, normal weekly hours must, by law, be set at 35 hours in all companies. The law calls on collective bargaining "to negotiate the practicalities of actual reduction of working hours". Enterprises with fewer than 20 employees have an exemption scheme relating to overtime.

(continued)

Table 2. (Continued)

Germany: Figures for hours set by collective agreement cover the whole of Germany. The figure for west Germany was 37.4 hours in both 2002 and 2003, and the figure for east Germany was 39.1 hours in 2002 and 39.0 in 2003.

Japan: Although there is no available information on average collective agreements, available data indicate that “average scheduled weekly working hours” equalled 39.2 in 2001. Note that Japan requires a worker-management agreement for overtime to be worked. Employers must then only “endeavor” to keep to a 15 hour weekly limit (with 45 monthly and 360 annually as overall limits).

Luxembourg: The collective agreements figure is an estimate.

Netherlands: The collective agreements figure is based on a sample of agreements.

United States: The Fair Labor Standards Act (FLSA), which regulates normal weekly hours (and requires a 50% premium for each hour worked over 40 in a week) excludes many workers (e.g. managers/supervisors and those over set earnings limits); approximately 27% of full-time workers are exempt. While no data are available on average collective agreements, survey data from 1999 indicate that, in medium and large establishments, 86% of full-time employees have weekly work schedules of 40 hours or more.

Sources: Carley 2004, 2003, Gornick and Meyers 2003.

per week above the French standard. In the US, any effects associated with the comparatively long standard week are compounded by the limited reach of the Fair Labor Standards Act (FLSA). The FLSA excludes many workers, including managers and supervisors and those over specified earnings limits, from its requirement that overtime is paid after 40 hours of weekly work; approximately 27 percent of full-time workers in the US are exempt.

In addition to setting weekly hours, countries effectively set the normal number of days worked per year – meaning that working time policies define the meaning of not just full-time work, but full-year work as well. The full year is defined, in practice, by the establishment of paid vacation and holiday entitlements (see Table 3). As with normal hours, vacation entitlements are embedded in diverse institutional frameworks. In these European countries, a statutory minimum exists and collective agreements typically raise that minimum for many covered workers (see columns 1 and 2). In Europe, some homogeneity is imposed by the EU Working Time Directive, which requires “that every worker is entitled to paid annual leave of at least four weeks in accordance with the conditions for entitlement to, and granting of, such leave laid down by national legislation and/or practice” (European Communities 1993). In practice, workers in these EU countries are typically entitled to between 25 and 33 days per year of paid vacation (or about five or six weeks) – meaning that full-year work corresponds to approximately 46 to 47 weeks a year.

Again, workers in Japan and, even more so, in the US work under substantially different rules. Japanese workers are entitled by law to 10 vacation days after 6 months of continuous service, increasing with length of service to a maximum of 20 days – thus workers with long tenures are entitled to vacation time nearing European levels. While no data are available on average collective agreements, Japanese workers are entitled, in practice, to about 18 days of paid vacation each year. In the US, national legislation is silent with respect to vacation days and collective bargaining reaches only a small share of workers. It is difficult to determine average vacation entitlements in the US. One survey found that American workers with 10 years of service in medium/large enterprises were entitled to, on average, about 17 vacation days per year (Carley 2003); workers with shorter tenures receive substantially fewer.⁵

Table 3. Annual paid vacation entitlement and public holidays, c. 2001–2003

	Annual paid vacation entitlement (number of days)		Statutory minimum annual vacation plus public holidays
	Statutory minimum	By collective agreement (average collectively agreed days)	
<i>European Union</i>			
Belgium	20	Current information not available	30
France	25	25	36
Germany	20	29.1	29–32
Italy	20	27.5	32
Luxembourg	25	28	35
Netherlands	20	31.3	28
Sweden	25	32.5	36
United Kingdom	20	24.5	28
<i>Non-Europe</i>			
Japan	10	Information on average award not available	25
United States	0	Information on average award not available	10

Notes:

The 1993 EU Directive on Working Time (see note to Table 2) stipulated not less than 4 weeks annual paid vacation.

Data given as weeks were converted to a number of days, assuming a 5-day working week.

Belgium: In 1993, the figure for average collective agreements was 25 days.

Germany: The collective agreement figure is for the whole country.

Italy: The collective agreements figure is calculated as 4 weeks' leave, plus the mid-range between 5 and 10 days awarded as a form of working time reduction.

Japan: Workers are entitled by statute to 10 days after 6 months' continuous service, increasing to a maximum of 20 days depending on length of service. While no data are available on average collective agreements, Japanese workers are entitled, on average, to 18 days of paid vacation.

Luxembourg: The collective agreement figure is an estimate.

Netherlands: The collective agreement figure represents 25.3 days of holiday, plus 6 days awarded in the context of reduction in working time.

Sweden: The collective agreement figure is calculated as the statutory 25 days, plus the mid-range between 5 and 10 days' additional leave awarded in most collective agreements.

United States: While no data are available on average annual vacation leave in collective agreements, survey data indicate that, in medium and large private sector establishments, average paid vacation days among full-time employees are: 9.6 days after 1 year, 11.5 days after 3 years, 13.8 days after 5 years, and 16.8 after 10 years.

Sources: Carley 2004, 2003, Jung 2000, OECD 2003.

The number of days that workers are permitted – and expected – to be away from work is also shaped by the establishment of public holidays.⁶ While holidays also increase workers' time outside of work, sometimes substantially, they are generally less advantageous than vacation days, as workers typically have no control over when they can take them. When vacation and holiday entitlements are summed (see column 3), we see that workers in the EU countries are granted from 28 annual days off (in the Netherlands and the UK) to as many as 36 days (in France). Japanese workers' entitlement, at 25 days, is well above the US outcome (10 days), due to both the Japanese vacation statute and the larger number of public holidays.

A third set of working time measures complement those that directly influence work hours and days directly: policies that aim to raise the quality of part-time work

and those that grant various rights to work part-time.⁷ Measures intended to raise the quality of part-time work include, first, requiring pay and benefits parity between part-time and full-time workers, and, second, enabling workers to shift from full-time to part-time work without being forced to change jobs. The right-to-work-part-time measures are also intended to raise the availability of part-time work, for full-time workers who wish to reduce their hours and, depending on the law, for new labor market entrants who might otherwise refrain from employment. (Measures that raise the availability of shorter-hour employment could, in turn, affect labor force participation rates. Many women – mothers especially – choose non-employment because no high-quality reduced-hour work is available; see Clarkberg and Moen 2001).

Policies aimed at improving part-time work are widespread throughout Europe. A crucial force behind these measures is the 1997 EU Directive on Part-Time Work, whose official purpose was “to eliminate discrimination against part-time workers and to improve the quality of part-time work” (Europa 2004). All eight of the EU countries in this study have implemented the Directive via some mix of legislation and collective agreements. The Directive requires that member states enact measures prohibiting employers from treating part-time workers less favorably than “comparable full-time workers”, unless they demonstrate that this is objectively justifiable. The national measures address various combinations of pay equity, social security and occupational benefits, training and promotion opportunities, and bargaining rights. In contrast, although Japan enacted a law aimed at the effective utilization of part-time workers’ skills, Japanese law provides no pay and benefit parity protection. With the exception of coverage under the national minimum wage law, US labor law is entirely silent on part-time workers’ remuneration.

The Part-Time Directive also urged, but did not require, member states to eliminate obstacles that limit opportunities for part-time work and instructed employers to “give consideration” to workers who request transfers between part-time and full-time work as their personal and family needs change (Europa 2004). Long before the Part-Time Directive, Sweden had already set the gold standard on the right to part-time work. Since 1978 Swedish parents have had the right to work six hours a day (at pro rata pay) until their children turn eight. After the Directive, other European countries added new protections. Germany now grants the right to work part-time to employees in enterprises with more than 15 workers; the Netherlands enacted a similar right in enterprises of 10 or more workers. Belgium grants employees the right to work 80 percent time for five years. In most cases, employers have a safety valve; they can refuse a change on business grounds but those grounds are often subject to official review. A recent UK law grants employees, in enterprises of any size, the legal right to request flexible working time – including part-time work – in order to care for a child under age six or a disabled child under age 18. The employer has seven different grounds on which to refuse an application and must give reasons for such a refusal. Italy and Luxembourg join Japan and the US in granting workers no particular legal rights to seek part-time work.

Does Policy Matter? Cross-National Variation in Hours Worked

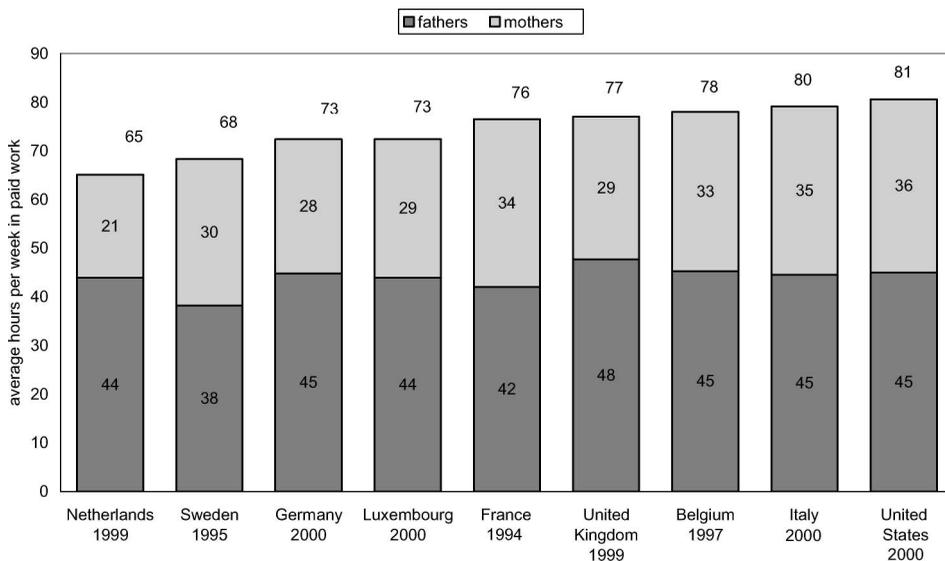
How many hours per year do workers actually work in these ten countries? Figure 1 presents an OECD estimate of annual hours worked in 2000 in our comparison

countries, except for Luxembourg (reported in Mishel *et al.* 2005). As the figure indicates, there is substantial variation within Europe. Annual hours are 1530 or fewer in Belgium, France, Germany, and the Netherlands, just over 1600 in Sweden and Italy, and substantially higher in the UK. Workers in Japan and the US work the longest hours, logging more than 1800 hours annually, nearly one-third more than the average Dutch worker and more than 10 percent more than Swedish and Italian workers.

Figure 2 shifts vantage points and considers actual hours worked per week – rather than annually – and specifically among parents. This figure reports average weekly hours worked jointly by dual-earner married/cohabiting couples with children.⁸ Cross-national variation is again substantial, with American working couples averaging 16 more hours per week – or the equivalent of two full days – than Dutch parents. The figure also indicates that mothers' hours vary much more than fathers', ranging from 21 per week in the Netherlands to 36 in the US, although fathers' hours vary as well – from 38 in Sweden to a remarkable high of 48 in the UK.

Note that the cross-national rankings in the two figures are similar (correlation coefficient = .7) although some differences stand out. When the focus is on parents, Sweden and the UK both drop down in the country ranking – however, for different reasons. In Sweden both mothers and fathers work relatively reduced hours, whereas in the UK many mothers work reduced hours – with a large share working short part-time hours – while fathers log unusually long hours.⁹ Finally, dual-earner couples in Italy are nearly as time-squeezed as their US counterparts, partly because part-time work in Italy remains relatively uncommon. Italian mothers who are in the labor market log hours as long as those of American mothers – although their employment rates are substantially lower.

Figure 2. Parents' average weekly hours in paid work, middle 1990s to 2000 (employed married/cohabiting parents)



Source: Luxembourg Income Study (data on Japan not available).

Undoubtedly, work hours vary sharply across these countries. Is this variation demonstrably shaped by the policy variation presented in the previous section? Clearly, there is an association between the institutional frameworks and the policies, on the one hand, and actual hours worked on the other. That association is most evident when we contrast the continental European countries as a group with the UK, Japan, and the US. In the continental European countries, collective bargaining coverage is substantially higher than in the other three and policies go further in limiting weekly hours, capping annual days, and enabling and protecting part-time workers. Not surprisingly, then, workers in these countries work fewer hours than their British counterparts and even more so than their Japanese and American counterparts.

Yet, an association does not establish causality – obviously – and it is possible that other factors matter more than these policies. Some observers have argued that underlying preferences for working time vary across countries. Perhaps American and Japanese workers, including parents, simply want to work more hours than do most Europeans.¹⁰ It is also possible that other structural factors are more important than these direct measures. Bell and Freeman (2001), for example, attribute Americans' relatively long hours to higher levels of wage dispersion such that an extra hour worked has a higher return in the US than elsewhere. Prescott (2004) argues similarly that lower taxation rates in the US motivate comparatively longer hours, as returns to additional hours are greater.

Research on working time indicates that the policies reported in the previous section in fact do matter – especially the regulation of normal and maximum hours. Several empirical studies assess the effects of normal-hour thresholds, and they all find evidence that lowering overtime pay thresholds reduce actual working time among employees (see OECD 1998 and Gornick and Meyers 2003 for reviews). A number of studies have estimated the magnitude of the effect of reducing regulated standard hours on actual hours worked. Estimates of the magnitude of the effect range from about 75 to nearly 100 percent of the change in standard work hours. Researchers have reported the effect on actual hours to be about 77 percent in the United Kingdom; 85 to 100 percent in Germany; and close to 100 percent in France (see Gornick and Meyers 2003 for a review of this research).¹¹ Although maximum hours have received less attention in empirical research, they too seem to have a strong effect on actual hours worked. Grubb and Wells (1993), for example, assessed the effects of restrictions on overtime hours. They found that, across Europe, maximum limits on annual overtime hours – which ranged from under 100 to over 500 hours per year – were a strong negative predictor of the observed frequency of overtime work.¹²

In addition, the limited evidence that exists also indicates that the generosity of vacation entitlements has a strong effect on the days per year actually worked – with the possible exception of Japan, where average vacation take-up is substantially less than that allotted (Carley 2003). Like European workers, American workers take up their rights at relatively high levels; one recent study found that about 70 percent of employed Americans take all of their allocated vacation days (Expedia 2004).

The effects of part-time legislation on part-time work rates and/or part-time workers' remuneration are not well known, in part because the EU Part-Time Directive and the national measures that followed were implemented only recently; several outcome evaluations are underway. There are correlational findings that link

regulation to the availability or quality of part-time work; for example, more protective regulations are seen in countries with larger part-time labor markets and smaller pay penalties. One recent study, for example, finds that part-time/full-time wage differentials in Germany, the UK, and especially in Sweden are substantially smaller than those reported in the US, where part-time workers' compensation is not protected by law (Bardasi and Gornick 2002). However, virtually no research persuasively establishes a causal link.

Policy Conundrums: Reducing Work Hours – at What Cost?

Scholars, policymakers, analysts and advocates who are assessing and debating working time policies have raised the possibility that efforts to reduce working hours may have some worrisome consequences, especially for workers and their families. Most agree that shortening full-time workers' hours, and creating opportunities for high-quality part-time work, have the potential to free up parental time for caregiving. But at what cost?

Two concerns, both of them complex, frequently surface. First, a number of working time analysts have observed that, in many European settings, workers are gaining shorter hours but are being forced in return to accept more nonstandard schedules – often along with diminished control and predictability. Second, others argue that efforts to strengthen reduced-hour work inevitably create new forms of gender inequality, because it is women, overwhelmingly, who will reduce their hours or choose shorter-hour work. We close this article by reflecting on these two important policy conundrums.

First, in recent years, while several European countries have implemented reductions in total working hours, a number of these countries have ushered in new practices that increase employers' options to schedule workers "flexibly" – which, in practice, often means during nonstandard hours. These new practices are on the rise largely because an increasing number of European employers are operating under various "annualized hours" (AH) schemes. AH schemes allow employers to average workers' hours over periods of time ("reference periods") longer than a week – and, in some cases, up to a year (hence the terminology). AH schemes, of course, enable employers to fit workers' schedules to production or commercial needs, and the result is that more workers are scheduled during nonstandard hours – including during evenings, nights, and weekends – and/or assigned hours that rise and fall weekly, monthly, or seasonally. AH schemes also allow employers to pay less overtime, as overtime thresholds may be set not weekly but for the reference period as a whole.

Some of the momentum underlying AH schemes – which expanded in the 1990s – came from the EU itself. The 1993 Working Time Directive explicitly allows working hours up to the 48-hour weekly maximum to be calculated over a four-month period, which can be extended up to 12 months by collective agreement. Furthermore, the Directive implicitly allows member countries to establish reference periods of longer than a week for normal and/or overtime hours as well. In most countries, AH schemes are mainly designed at the bargaining table and they vary widely across and within countries. Although AH arrangements are usually favored by employers, employees' representatives typically agree to them – or even initiate them – in

exchange for some compensatory benefit, most often, a reduction in total work hours (Kouzis and Kretsos 2003). Thus, in practice if not in principle, legions of European workers may have gained shorter hours at the cost of more nonstandard work scheduling and, in many cases, reduced control and predictability.¹³

For workers with family care responsibilities, even with reduced total hours, having a nonstandard, uncontrollable and/or unpredictable schedule can make reconciling work and family responsibilities difficult. In a groundbreaking study, Fagnani and Letablier (2004) report findings from a survey that queried French parents with young children about the impact of the 35-hour law on their ability to balance work and family. The French case is a significant one – with implications for other countries – because annualization schemes, set at the sectoral or company level, are widespread and reference periods of 12 months are not uncommon. Fully 58 percent of French parents report that the 35-hour law has made family care easier for them – a finding that underscores the importance of working time reductions for employed parents. However, that figure is substantially lower among workers who have nonstandard-hour schedules (that is, evenings, nights, weekends), those whose hours are imposed on them (rather than chosen by the worker or negotiated with the employer), and those whose employers do not respect notification periods in relation to working patterns (Fagnani and Letablier 2004). A recent OECD study concurs. OECD researchers used data from the Third European Working Conditions Survey, pooled across 19 countries, to assess factors that affect workers' ratings of their "degree of conflict between working life and family life". Not surprisingly, work-family conflict is higher among those with longer total work hours. However, controlling for total hours worked, conflict is also significantly higher when daily hours vary, work days per week vary, starting and finishing times vary, if schedules change with no notice or with only a day of notice, or if workers have little control over their working hours (OECD 2004a).¹⁴ Fagnani and Letablier (2004: 568) sum up: "taking into account the extreme heterogeneity of workplaces, it is not sufficient to mechanically reduce working time for there to be an improvement in the daily lives of working parents". The scheduling of hours, and the processes governing that scheduling, matter a great deal.

Annualization schemes are widespread in several European countries and further extensions are proposed at the EU level and in a number of member countries as well. If annualization schemes gain strength in Europe, and elsewhere, the potential gains for parents of winning shorter hours are likely to be seriously compromised. Protective mechanisms for workers – such as enforceable minimum notification periods and/or time-bank agreements that divide control over scheduling between employers and workers – will be crucial or the advantages for parents of shorter work hours may be more than offset by increasingly problematic scheduling practices. Where consumers' or employers' demand for "24/7" operation is especially strong, it may be impossible to control the growth of nonstandard-hour work – in which case other policy responses may be needed to help working families cope. For example, although controversial on a number of grounds, primarily concerns about child well-being, it may become increasingly necessary to provide round-the-clock childcare options for parents whose working hours fall outside normal schedules.

Second, strengthening reduced-hour work also raises thorny questions about gender equality. If shorter full-time hours and more available part-time hours are

taken up disproportionately by women, more parental caregiving time may become available, but gender equality in time spent in paid work will worsen. With respect to shorter-hour work (and parental leave as well), whether men will eventually take advantage of these options as often as women do remains an open question.¹⁵ Part of the logic of improving the quality of part-time work, of course, is to draw more men into it. And, in fact, men's engagement in part-time work increased in the 1990s in a number of European countries, including Belgium, France, Germany, and the Netherlands (European Foundation 2004). Recent survey results indicate that the substantial majority of male part-time workers (like their female counterparts) are voluntarily working part-time, which suggests that the new rights-to-part-time-work may be a factor underlying this increase. Nevertheless, part-time work remains overwhelmingly feminized in most industrialized countries. A countervailing view argues that even if part-time work remains feminized, it still has some gender-equalizing potential in that establishing viable part-time work options also draws some women into paid work who would otherwise refrain from employment altogether. It is possible that improving the availability of quality part-time work may, in general, have the effect of reducing gender gaps in employment rates while increasing gender gaps in hours worked among the employed. In the end, this is an empirical question and one that calls for continuing study.

From a gender equality perspective, it seems likely that reducing full-time weekly hours is the more promising strategy. Mutari and Figart (2001: 40-41) make this argument persuasively: "The alternative to policies that accommodate work hours to the gendered division of labor are policies that change the male model of full-time employment. Reductions in the standard work week are a long-term solution for achieving gender equity in the labor market and the redistribution of domestic labor ... [A] shorter work week can enable both men and women to participate in the labor market on an equal basis." In fact, this view – that shortening the full-time week is a gender parity strategy – seems to be gaining ground in a number of European countries. Fagnani and Letablier (2004) observe that in France, where part-time work has always been viewed with skepticism, the French 35-hour law "had the [explicit] objective ... of improving equality between men and women". The effects of reducing normal weekly hours on gendered distributions of labor also call for further study.

In conclusion, reducing total employment hours, and raising the availability and quality of part-time work, are crucial components of work-family reconciliation policy in many countries. While most of the EU member countries are seriously pursuing working time reforms, working time is less prominent on policy agendas in Japan and especially in the US. While working time policies can help to free up parental caregiving time, there are hazards associated with cutting work hours and creating feasible part-time options. If working time is cut in exchange for increased employer flexibility in scheduling, workers in less accommodating enterprises may suffer. If shorter-hours options are taken overwhelmingly by women, gender equality may suffer. Throughout the industrialized countries, policy advocates, policymakers, and "work-family" researchers would do well to weigh these hazards while designing, implementing, and evaluating working time policy reforms.

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Notes

1. A note on terminology: We use the terms “the regulation of working time” and “working time policies” to refer broadly to national and local legislation, public labor market regulations, and collective agreements that affect a large share of the workforce. We use the term “reduced-hour work” to refer to paid work at less than 40 hours per week. We use the term “part-time work” to mean work that is not considered, by national standards, to be “full-time”. Across our comparison countries, legal and statistical definitions of part-time work vary. In some, for example, the statistical definition of part-time work is less than 35 hours per week, in others, less than 30 hours per week; in the EU, the legal definition refers to someone whose normal hours of work are less than the normal hours of a comparable full-time worker. Finally, by the EU, we mean the EU-15 prior to the 2004 enlargement.
2. Fagnani and Letablier (2004) report that, in France, politicians arguing for work-time cuts adopted the slogan: *travailler moins pour vivre mieux* (“work less, live better”).
3. The meaning of maximum hours varies. In most cases, maximum hour policies mean that workers may not work above the set ceiling, while in others workers may not exceed the ceiling unless they opt to do so (see notes to Table 2).
4. This is also the case in Germany, Luxembourg, and the Netherlands, but collective bargaining coverage is much greater in those countries.
5. Carley (2003) also reports that the percentage of US workers in medium/large enterprises with any paid vacation fell from 96 percent in 1988 to 89 percent in 1997.
6. Public holiday laws vary widely across countries and, in some cases, employers can limit workers’ rights to take off holidays and/or to be paid for them. For example, EU citizens generally have a statutory right to public holidays. However, in some member states – including France, Sweden and especially the UK – some employers may require employees to work on these days or to take them as part of annual holiday entitlements (Mercer 2003). In the US, the federal government designates ten public holidays and, in addition, some employers observe state and local holidays. However, many employers reserve the right to schedule employees to work on holidays, although employers are required by law to allow workers to observe religious holidays consistent with their beliefs and practices (salary.com 2006).
7. A table with detailed information on country-specific part-time work policies is available from the first author.
8. Figure 2 reports results calculated by the authors, using the Luxembourg Income Study (LIS) datasets, from various years in the mid-1990s to 2000. Japan is not included in the LIS.
9. Other factors, in addition to direct working time regulations, contribute to British men’s long work hours. One is that, traditionally, British wives have worked short hours, partly due to a history of state policies aimed at creating demand for female part-time labor.
10. Evans *et al.* (2001) report a revealing finding about cross-national variation in working time preferences. An international survey, in 1994, asked workers if they would prefer a reduction in working hours or an increase in pay. Americans were less likely than Europeans to choose a reduction in working hours. But when no reference was made to the trade-off with earnings, a somewhat higher percentage of US workers than European workers replied that they wished to reduce their hours of work. Americans’ preferences for long hours appear to be bound up with concerns about economic security, at least more so than among many of their European counterparts.
11. Here, we are considering the question of the effects of overtime regulations on average actual hours worked. A distinct and also important literature addresses the question: what is the effect of reducing

workers' weekly hours on aggregate employment levels? This literature suggests that the impact is likely to depend on the mechanism used. If hours are subject to an absolute limit, new jobs may be created if employers hire new workers to supply the needed hours. If hours are limited by lowering the threshold above which overtime must be paid, or by raising overtime rates, employers might shed workers to compensate for the extra costs associated with paying the workers already employed. The empirical findings on this question are, in fact, mixed (see Hamermesh 2002 for a review). In addition, others have assessed the link between workers' actual hours and aggregate productivity. As with employment, the hours/productivity relationship is complex. Among the OECD countries, output-per-worker is highest in the US – largely due to Americans' long average hours. However, when output-per-worker-hour is compared, the US falls to eighth place among the OECD countries, falling below, for example, Belgium, France, Italy, Germany, and the Netherlands. Some conclude that the US's comparatively lower productivity per hour is the result of compositional differences – arguing that many lower-productivity workers in the US would be unemployed elsewhere – although Mishel *et al.* (2005) refute that explanation. An alternative interpretation is that Americans' long hours may be in the range of diminishing returns with respect to productivity.

12. The effect of maximum hours regulation also seems apparent when we consider our ten countries. Carley (2003) reports that the gap in actual hours between the EU countries, on the one hand, and Japan and the US, on the other, is caused not just by a gap in normal/scheduled hours but also in the overtime and additional hours worked (which are higher in the latter two cases). Japan limits maximum hours but in general allows longer hours than those set in most EU countries, and the US is the one case among these ten with no restrictions on maximum hours. For an overview of the effects of working time regulations, see Rubery, Smith and Fagan (1998: 75). Drawing on variation in statutory and bargained normal hours across Europe, they concluded that “national working time regulations can be seen to have a major impact on usual working time”.
13. At the same time, the Directive includes a number of other components, many of which are clearly advantageous to workers. It requires minimum provisions related to daily rest, breaks, weekly rest periods and, as we have mentioned, annual leave.
14. These studies and others establish that parents perceive that shortening their working hours reduces their work-family conflict. Whether, and to what extent, parents spend those “freed-up” hours with their children is an empirical question that has received much less attention. One study that addresses this directly is also from the French case. According to a 2001 survey, among parents with children under age 12, 43 percent of French parents say that, since the enactment of the 35-hour week, they spend more time with their children (see Kamerman *et al.* 2003 for a review of research on the effects of the French law).
15. Whether women's working time preferences are different from men's – in some fundamental and enduring way – is a contested question. Catherine Hakim, for example, has long argued that while many women are career-oriented, substantial numbers are not – and it is their preferences, not constraints or institutional factors, that explain their relatively low working hours compared to men's (Hakim 1997). Others argue that women's intrinsic preferences cannot be identified until gendered expectations and institutional constraints erode (Gornick and Meyers 2003).

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