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# Working Time Flexibilization and the Redistribution of Work

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# Abstract:

Nowadays, the fast pace of the transformations in the world of labour and the threat of unemployment lead us to assess the need of work redistribution measures, among which is the flexibilization of working hours. In this context, this thesis' main aim is to investigate whether or not the flexibilization of working time is the best approach towards work redistribution. Adopting a qualitative approach, this study sets out to evaluate different flexibilization policies and to see to what extent, and from which perspective, they can be deemed successful. We present several intakes on the importance of work redistribution and evidence of its role in creating employment and fostering a stable economy when aided by working time flexibilization policies, whilst taking into account the fields of sociology, ethics, economics and management. This analysis looks at the cases of The Netherlands, Denmark and Sweden as models of the implementation of such policies and compares them with both Portugal and the OECD, in order to assess their economic performance. We further probe our quest by taking into consideration, other than the economic viability of these measures, the degree to which they can be beneficial to workers themselves in terms of work-life balance. Additionally, we discuss the matter critically and ethically in order to make sure that certain ethical principles such as the freedom of choice and general well-being are complied when these policies are adopted, as to avoid precariousness and ensure the efficiency of work redistribution. The thesis' comprehensive approach also offers a reflection on the future of work and refers to Universal Basic Income (UBI) as a possible complement to work redistribution measures. It argues that such measures are instrumental for overall economic growth, employment and the prosperity of society, but only if certain criteria are adopted, which the thesis spells out and puts forward.

**Keywords:** Employment; Universal Basic Income; Work redistribution; Work-life balance; Working time Flexibilization.



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# List of Abbreviations

CWWs	Compressed Workweek Arrangements
EU	European Union
ECB	European Central Bank
GDP	Gross Domestic Product
ILO	International Labour Organization
IMF	International Monetary Fund
OECD	Organisation for Economic Co-operation and Development
UBI	Universal Basic Income
UK	United Kingdom
US	United States of America



# Introduction

Today, as in the past few centuries, work is still organized following a model inherited from industrial capitalism, even though the global economy has been changing at a fast pace. In this type of organization, the amount of work one needs to get done, that is, the number of mandatory working hours needed in order to attain sufficient income, remains one of the central issues of employment.

However, the exact amount of working hours, and the way to determine it, has been shifting from a strictly productive point of view, to a view which includes the effort made by each and any of the employees during those hours, and a time frame that involves a legal, psychological, family, sociological and economic meaning (Gorz, 1999).

Against this background, work redistribution such as work-sharing can be seen as a new and progressive attempt to criticize the assumption of full-time employment and mandatory working hours at the same time as it contributes to abolishing unemployment. It emerges as a concept connected with a set of policies that aim to distribute the amount of work available in a more equitable manner throughout the working class. One and perhaps the most important policy to achieve work redistribution is that of working time flexibilization, which grants reduced or flexible work schedules to employees and in turn allows for more people to be employed. Hence, in view of the recent global economic recession and the global jobs crisis that has spawned worldwide, there has been tremendous interest in work-sharing as a labour market policy tool for preserving existing jobs and creating new ones (International Labour Organization, 2011).

Thus, the research question, which this thesis addresses, is the following: Is the flexibilization of working time the best approach towards work redistribution?

This question is yet to be answered, but if it were so it would contribute immensely to the fields of sociology, economics and management. That is why we chose to probe this exact question, even though its answer does not consist of a simple 'yes' or 'no'. Indeed, the answer is as worthy as the question itself and as intricate too, posing itself as a commendable challenge, which we are more than pleased to address in this thesis.

It is therefore in our belief that we are able to not only shed some light on our query as well as offer possible solutions to its adjacent problems while taking into consideration the fields of sociology, ethics, economics and management, and of course the impacts on society. Moreover, it is also our aim to assess the fitness of the implementation of flexibility and redistributive policies adopted by other countries in Portugal, the country from which this thesis originates. One of our prime arguments in favour of work redistribution is in fact the substantial difference between the excessive working hours employed people face when compared to those unemployed, in other words the inequity of working hours among the working-class; this inequity leads of course to increased unemployment that in consequence generates poverty and has uncanny effects in the economy. On the other hand, those working too many hours against their will, suffer from work-life unbalance which in turn leads to high levels of stress and depression (Gorz, 1999; White, 1987; Zwickl, Disslbacher, & Stagl, 2016)

The inherent complexity of all these factors clearly shows us that they could not be taken up in isolation (Yaghi, 2016). Rather, they had to be studied together in their interdependence, which is why in this thesis we adopt an integrated approach to the phenomena of work redistribution through the

means of working time flexibilization policies by studying and analysing qualitative and quantitative data with direct correlation to the study. We treat the policy of working hours reduction as a specific case of working time flexibilization. Moreover we chose to study the social policies in practice in three countries: the Netherlands, Denmark and Sweden, which have been, through economic indicators, work-life balance, social economic and life quality studies, proven to be successful models in terms of working time flexibilization and work redistribution.

Hence, our research hypotheses are: H1: The flexibilization of working time is the best approach towards work redistribution if the employees are given freedom of choice; H2: Work redistribution has a positive correlation with the creation of employment; H3: A reduction in working schedules stemming from working time flexibilization policies has a positive economic impact and boosts productivity; H4: Working time flexibilization policies, including working hours reduction, contribute towards a better work-life balance; H5: Working time flexibilization policies should be introduced in the Portuguese labour market.

Our thesis is structured according to three main chapters. The first, the methodology, shall clarify the methods and criteria used to properly assess and answer the research question. The following chapter, the literature review, which is divided in several sections, provides a thorough contextualization of the subjects under scrutiny by analysing the literature available in which we can find both supporting and opposing opinions to our claims and issues at hand. In that chapter we go through these arguments and also provide historical context. The third chapter, the results, presents the economic indicators from each of the three countries chosen as models, assesses them and compares them with figures from the OECD in order to provide some context of the results achieved by these countries that enforced working time

flexibilization policies. By establishing a wide ranged comparison of their figures, both with OECD's and Portugal's numbers, we are able to provide a wider, stronger comparison, since it is one of our aims to prove the fit of the flexibilization practices in this country. The results chapter also provides some insight on work-life balance and an ethical and critical discussion, which allows us to offer acumen and weigh the pros and cons of working time flexibilization policies. In this chapter, we apply our comprehensive qualitative methodology to assess whether or not our research hypotheses are validated, drawing both from the literature review and the quantitative data displayed in the results. Finally, in the conclusion and recommendations, we put forward some final considerations on several issues raised by the discussion itself, and offer several recommendations on the implementation of such flexibilization measures.

Akin to the matters under discussion are several relevant subjects, which we felt the need to incorporate in our analysis and critical discussion to support our integrated approach. Therefore, we addressed the matters of unconditional basic income, work-life balance, freedom of choice and precariousness, the state of the economy, and the implications towards society and work inequity. Furthermore, as a conclusion to our thesis we discuss the future of work itself and leave clear recommendations on how to best implement some of the policies of working time flexibilization and work redistribution, taking into consideration different industries, economies and the management's point of view.

# Chapter 1

## Methodology

After the Introduction, which brought in the research question itself and gave a small insight on this thesis' central argument, this section shall provide acumen on the structure and methodology used to answer our query. This thesis' prime aim is then to assess if working hours flexibility policies are in fact the best approach towards an efficient work redistribution.

In order to properly identify the different dimensions that are relevant to answer to the research question, a qualitative approach has been adopted. A thorough investigation has been built mainly around qualitative data, even though some data, which has a quantitative origin, is used. Such quantitative data refers to economic indicators, which have originated from statistical studies found in European databases namely, the OECD database, Eurofound, Eurostat and Eurobarometer surveys, as well as all the other figures presented or referred to in numerals and percentages. The quantitative data is used as to offer some substantial grounds to the investigation and aid in the quest to answer the research question with some factual and objective evidence. The methodology that is used to properly assess and formulate an answer to the research question is in fact the qualitative methodology, meaning that no quantitative model was used and that it is built around an in-depth argument about the meaning of the issues in question.

The qualitative methodology in this thesis uses the hermeneutic approach, which in turn relies on the interpretation of documented texts, known facts and opinions to develop plausible arguments, which are more encompassing than isolated and objective data. Thus, the projections of quantitative models would

fail to provide valuable answers to our query. Additionally, by adopting this qualitative standpoint, this thesis also applies it to an ethical discussion, which only heightens even further the argument itself as it emphasises the weight work flexibilization and work redistribution have towards the quality of life of societies and individuals.

Mantzavinos writes in the Stanford Encyclopedia of Philosophy (2016) that Hermeneutics is none other than the methodology of interpretation concerned with problems that arise when dealing with meaningful human actions and their products, but most importantly texts. As a methodological discipline, hermeneutics offers a toolbox for efficiently treating problems of the interpretation of human actions, texts and other meaningful material. It also looks back at a long tradition as the set of problems it addresses have been prevalent in human life, and have repeatedly and consistently called for consideration: interpretation is a ubiquitous activity, unfolding whenever humans aspire to grasp whatever perception they deem significant (Mantzavinos, 2016).

Although the history of Hermeneutics dates back to ancient Greece, several authors throughout history have both theoretically developed and applied this interpretative methodology. Hirsch (1967), when writing on validity in interpretation, has observed that the act of understanding a text is at first either a genial or a mistaken guess at its meaning. In his opinion, there are no methods for making guesses, or rule for generating insights, but the methodical activity of interpretation begins when we begin to test and criticize our guesses. Once made, the guess is tested via qualitative probability. As he states:

“We reach those meanings entirely on the basis of our judgment that such meanings will occur more often in an instance of this sort than will other meanings, and we are able to make this inference because we have concluded that the instance *is* of this sort (i.e., class) rather than another sort. If we could

not subsume the unknown meanings under a class on the basis of what we already know, then we could not make such an inference.” (Hirsch, 1967, p. 178)

Hirsch (1967) and Rennie (2012) both have concluded that the discipline of hermeneutics is not founded on the logic of construction but rather on the logic of validation. The latter defends that the origin of qualitative investigation was in Hermeneutics, and advocates that qualitative investigation may be produced as a methodical hermeneutics (Rennie, 2012).

There is however a slight difference between the hermeneutic method and other methods, which can be used for social analysis. Walzer (1987) suggests a model that can greatly identify these differences between Hermeneutics and other methods, his model differentiates between three possible paths: discovery, invention and interpretation.

The final path, “interpretation” is the one that Walzer claims “accords best with our everyday experience”, and is not practiced from a critical distance. Walzer (1987) argues that interpretation recognizes that a stance of detached observance, which the other two paths rely on, is in fact not possible. Critical interpretation is the real practice of social criticism for this author as it makes us observe reality and interpret it, unveiling values that already exist, but which, in order to be understood, have to be interpreted methodically (Walzer, 1987).

The path of discovery yields a morality in the same way that an explorer finds a new continent. But even if the morality he “discovers” is new to some, perhaps its first hearers, it does not hold that advantage for long. Discovery is philosophical, or religious in nature, it looks at social reality and finds allegedly true values in which society was built but which were imposed by someone along the way. The path of invention is taken when philosophers seek to aid in the creation of a better common life. It too is developed from no place in particular, and without a blueprint to guide its development, trying instead to

find an ideal procedure, from which to figure out what are the best values and norms. Discovery and invention are, as Walzer (1987) argues: “efforts at escape in the hope of finding some external and universal standard with which to judge moral existence” (Walzer, 1987, p. 20).

The method of interpretation is then, the base of this investigation. The model and the methodology are accompanied by an ethical discussion, which takes origin in all the previously investigated facts and opinions. It may at first glance seem odd that a thesis in the field of Management chooses to explore this topic in a qualitative manner and resort to an ethical analysis of this particular theme, however, it is since the beginning of this investigation rather clear that this singular issue could not be investigated solely by pointing to economic figures, as society is not defined only by its economic or employment status. Some might argue differently, but society is built around a certain core of ethical values. If some countries have different employment/economic models, this is not only due to their different political and economic statuses, but also to the willingness of each society to adapt and hopefully change for the best, and that cannot be assessed through quantitative data alone.

The qualitative methodology, aided by the hermeneutical model uses the literature review, which is also hermeneutic and both grounded and based on scientific theory, as the foundation to draw the results, its interpretation and discussion, along with an ethical and somewhat critical argument in the third chapter of this thesis (chapter 3 section 3.3.). It is also relevant to mention that besides using the Hermeneutic model to support our investigation, this thesis also takes the redistribution and flexibility policies currently practiced by three different EU countries as distinctive examples. Throughout the thesis, the policies of the Netherlands, Sweden and Denmark, are described and assessed considering their relation to the topics at hand. These countries were chosen precisely in view of the policies which they have adopted through the years

which in turn have granted them good results, as European countries, in several areas such as employment, economy, work-life balance, flexibilization of schedules, work schemes and overall happiness of the society. These countries' quantitative data from economic indicators are also used to answer the research question, and are in contrast compared to the country of origin of this thesis, Portugal, also due to the latter's widely known problems in the areas under scrutiny. The three countries' data are additionally compared to the total average of the Organization for Economic Cooperation and Development's (OECD) member countries in order to obtain a broader and vaster comparison and incorporate greater data of other economic realities.

The following chapter will commence by providing a historical contextualization of the general topics on which this thesis relies, followed by a thorough literature review, which defines and describes the various crucial components that comprise this thesis, whilst identifying the logical connections between them that may be of importance to this thesis' research question. These are organised in different chapters according to their nature, in order to yield the reader a finer comprehension.

# Chapter 2

## Literature Review

### 2.1 Introduction

Historically speaking, the new stages of the industrial and technological revolution have led to a set of new working legislative measures such as the eight-hour working day in order to standardize working practices and keep employees from over-working in the new post-Fordism era of economies of scope and emphasis on the consumer rather than the social class. Some work-time reductions and work-sharing policies were actually implemented previously, as short-time crisis measures after the Great Depression, leading to employment improvement at the time (Zwickl, Disslbacher, & Stagl, 2016; Gorz, 1999; Carneiro et al., 2015; Nayyar, 2014).

In 1930 Keynes (1930) predicted that productivity would increase strongly in the following century. According to his view, over time, this would translate into shorter working hours: “The economic problem may be solved, or be at least within sight of solution, within a hundred years [...]. Thus for the first time since his creation man will be faced with his real, his permanent problem — how to use his freedom from pressing economic cares, how to occupy the leisure, which science and compound interest will have won for him, to live wisely and agreeably and well.” (Keynes, 1930, p.5).

The massive and rapid proliferation of the world’s population and the rapid increment in the costs of living presented themselves as a problem in the 20<sup>th</sup> century as the imperative need for a regular income grew bigger and employment was well below the average (Keynes, 1930). With the shortage of jobs after World War II and the poverty levels rising worldwide, it came as no

surprise that in order to rebalance the world's economy, a redistribution of work was in order (Keynes, 1930; White, 1987; Gorz, 1999).

Many authors agree that after this troublesome historical period, the redistribution of work in the form of work-sharing arose as a progressive approach to the society's inequality of work arrangements (Bruegel, Figart, & Mutari, 1998). However, in practice, even those who firmly support the redistribution of work have their doubts when it comes to the possible side effects on the economy and employment, thus creating a discussion concerning the positive and negative effects of work redistribution and its policy of work flexibilization (Marx, 1887; White, 1987; Gorz, 1999; Nayyar, 2011; Zwickl et al., 2016).

In the following chapters an in depth description of the literature available on the subjects under scrutiny shall be undertaken in order to ground our subsequent analysis.

## 2.2 The concept of work

In the interest of providing a thorough conceptualization, let us review what it is most scholars regard as work and how the concept evolved in different fields, from physics to economics; and how it evolved historically into the form of labour. Work can have several different meanings but its identification with the concept of labour is perhaps the most common, even though some scholars dispute it, distinguishing the two concepts<sup>1</sup>, nevertheless, it is this conception

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<sup>1</sup> Arendt, in her book "The Human Condition" (1959), distinguishes three different activities: labour, work and action. For the author, labour concerns effort born of a great urgency and driven by life itself, it amounts to constantly repeating an activity, which does not yield any produce, or produces something which is rapidly consumed as the effort is spent i.e. household chores like cooking or cleaning. Work and not labour is on the other hand a concept, which implies the transformation of the nature of a produce,

we shall adopt in this thesis. Labour, nonetheless, involves a dialectic between two oppositions: enjoying and suffering, and in Latin it derives from *laborare* which means punishing or walking while shouldering a heavy load (Oliveira, 2013). However, the term labour only acquired meaning in ancient societies through the work the slaves performed in the mines, workshops, road repairs and other services. Later, with the development of trade relations, which demanded a more sophisticated exchange of products, labour relations evolved into servitude, which was no longer just performed by slaves but common people with less possessions or lower social status. From the 16<sup>th</sup> century onwards with the advent of industrial capitalism, labour changed radically. The most significant change in labour was its decomposition; the final product was no longer obtained by the individual action of an independent worker but became the result of a collective action of a productive unit. The division of labour introduced by the manufacturing not only specialized workers but confined them in a unique place and created a social labour organization which changed production towards the interests of the capital (Oliveira, 2013). The machines' expansion, which characterizes modern industry, replaced the previous form of labour and originated a new process of production no longer dependent on artisanal skills and qualifications, which led to price lowering and diminished human labour that was replaced by the use of machines (Oliveira, 2013).

So why is labour needed in today's society? According to Vatin (cit. by Oliveira, 2013), labour fulfils three basic needs of the human being: surviving and fulfilling economic and capital needs, allowing for cultural and artistic

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and the production of long-lasting products, a world of durable things, consumer goods we use, without which life would have no means to survive.

The third concept, action, is for Arendt, something exclusively human, manifestations of human life like thoughts or speech which are only turned into produce in the form of books and sayings and belong in the Greeks understanding of politics.

creation associated with psychological activities and finally ensuring cooperation that characterizes social and political relations.

Other authors also agree with this claim according to which work, in the form of labour, is a necessary activity for the development of human capabilities, carried out according to the norms defined by society, but which also provides recognition in the sense that through work one is capable of doing what society needs. It also confers rights as it is also an obligation (Gorz, 1999).

Work, nowadays, no longer assumes the form Marx described: “abstract work”, labour that is measurable and quantifiable, work, which can be bought and sold, and have value according to the craftsmanship effort. The work that today allows for social integration and cohesion can no longer be measured in terms of human effort; instead, the general message in society is that work is a rare commodity, which one has or does not have, not that one does by expending one’s energies (Gorz, 1999).

Labour has throughout time transformed into jobs, into employment, fixed, stable contracts between employers and employees and getting paid to perform the work desired. One is not employed simply to attend to one’s creative needs and desire to work permanently, but as a consequence of capitalism, a way of ensuring subsistence for oneself (Soares, 2015).

For Gorz (1999), capitalism systematically links the imperative need for a sufficient regular income to the need to act, strive and be appreciated by others, it admits no regular income that is not earned from work, thus the author refers to society as a wage-based society, imprisoned by the old ideas of capitalist work. First, the ideology of the wage-based society was that “it doesn’t matter what work you do, as long as you get paid by the end of the month”, but even this has changed to “never mind what you’re paid as long as you have a job” (Gorz, 1999, p. 56), since those who lose their jobs in society lose everything.

Work today is presented as an asset one should be prepared to make sacrifices to possess (Gorz, 1999).

This imperative need for subsistence and thus for a stable and long work contract, that is, employment, is the main concern in today's wage-based society. The main argument is that the work available at the moment is distributed unevenly, creating an enormous inequality, but if that work were to be distributed more equally then the matter of the shortage of employment would cease to exist. To further clarify this topic, the next chapter introduces the matter of work redistribution.

## 2.3 Work Redistribution

When it comes to work redistribution many authors in the literature refer to it as work-sharing, which is often described as a redistribution of working hours between those who are employed and those who are unemployed (Gorz, 1999). The unequal way in which work and working hours are distributed has brought severe economic and social consequences to society, such as unbalanced wages and poverty, reduced well being due to unemployment, or underemployment for some and stress and overwork for others (Zwickl et al., 2016). The argument concerning mass unemployment has been the most prominent in advocacy of shorter working hours, and along with the shorter working hours, appeared the notion of work-sharing, as way to create more employment (White, 1987).

For some, working-time adjustments offer an important strategy for limiting or avoiding job losses and supporting companies in retaining their workforce in economic downturns. The concept of work-sharing originated during the Great Depression, and with it the principle of the 40-hour week was established

advocating that, owing to the widespread unemployment prevailing at that time, a continuous effort should be made to reduce hours of work in all forms of employment to such extent as possible (International Labour Organization, 2011). It is this distinct link between work-sharing and working hours flexibility that will be under analysis in the next chapters and sections of this thesis.

A few companies have resorted to work-sharing in times of a downturn in business to avoid layoffs, i.e. Volkswagen (Gorz, 1999). Workers accept reduced work-weeks and reduced pay, but the arrangement is for short periods of time only and these workers are expected to return to their previous work schemes and work-pay if business picks up, or face big layoffs if the problem persists (White, 1987). It is nevertheless important to distinguish this temporary work-sharing or job-sharing approach, which allows businesses to avoid lay-offs, from the one under consideration here; temporary job-sharing is an employment arrangement between two workers, which agree to work on reduced hours or part-time work, which would normally be performed by one employee in full-time. This arrangement could happen for numerous reasons and be requested by the employer or the employees, but would typically be for a short period of time and result in a proportional reduction in income per employee. Work redistribution on the other hand, implies a large-scale response to social and economic problems of unemployment and uses several policies, amongst which some resemble the ones of the temporary job-sharing solution whilst others cannot be put into practice for short time periods.

It is due to the imbalance of labour supply and demand, which is essentially long-term, that the policies of work-sharing such as working hours reduction, flexibility schemes and the unconditional basic income are also advocated as permanent or long-term measures. Economists and scholars also agree that once the normal or contractual working week has been reduced, it is extremely difficult to return its length to its former level (White, 1987).

Even so, work-sharing still remains to be a matter of great discussion for economists because its positive effects are usually downplayed. According to Zwickl (2016) the main neoclassical economic argument is that work-sharing increases labour costs per unit of output thus inducing a shift from labour to capital, which in turn lowers aggregate employment. On this wise, neoclassical models predict negative macroeconomic effects, however no study which argues against work-sharing can provide sufficient evidence of negative employment effects (Zwickl et al., 2016).

The permanent or long-term status of work redistribution measures is not only due to the impracticality of reverting such measures once they are put into place; besides the positive effects they can bestow on employment, their long-term application can also liberate the wage-based societies from their rigid work arrangements and from their notion of living based solely for work (Gorz, 1999).

It seems, notwithstanding, that different authors in the literature have alternative streams of thought concerning the positive effects of work redistribution and work flexibility; some believe and attempt to prove its efficiency in creating more equality and thus reducing unemployment and improving work-life balance (Gorz, 1999). Whilst others, mostly economists, advocate that the positive outcomes of such policies have no factual grounds (White, 1987). There are several arguments against work redistribution through work flexibility, besides the microeconomic implications for the employers. An example is the precariousness of flexible or temporary working arrangements, which shall be discussed in extended detail in the next chapters. Some authors pinpoint the instability of such arrangements and the power the employers have over employees' time, which may lead to unemployment spells, increase poverty risks and stress related issues (Amuedo-Dorantes & Serrano-Padial, 2010; Gorz, 1999). Many have also addressed the issue of rising employment

instability and job insecurity, productivity decline, and economic downfalls (Anxo, 1998; Dekker, 2010; Ewald & Wifo, 2016).

The majority of studies conducted to support the arguments against work redistribution and its policies of work-time reduction and flexibility all face the same problem, which is ambiguity in the results (Yaghi, 2016). This happens due to the specificity of the subject of study itself, which is usually too narrow, meaning that it does not include the effects of the policies on other matters of interest. And also because there has been a lack of agreement on the effects of work redistribution when those studies were conducted, mostly because these were conducted by different entities in different countries (Anxo, 1998).

The Netherlands Central Planning Bureau, the French National Institute of Economics and Statistics, the Ministry of Finance in Denmark, the HM Treasury in the UK and the Federal Republic of Germany all have conducted studies on work-sharing and working hours reduction, and all have come to different conclusions on their positive or negative effects (White, 1987).

The uncertainty which surrounds the effects of hours reduction and work flexibility for the purpose of work redistribution cannot be removed by better forecasting, but only by more co-ordinated policies and actions, which do not work by themselves alone (White, 1987; Anxo, 1998). Gorz (1999) additionally stated that a policy of reduction of working time can be effective only if it is an evolving measure, as it must take into account the volume of waged work available and the proportion of stable employment. Furthermore, if the goal is at the same time to distribute a decreasing quantity of work to an expanding workforce, to increase even further the proportion of stable permanent employment and to offer the possibility of workers choosing their own hours, then work must be made more discontinuous (Gorz, 1999).

Social production demands less and less work and distributes less and less in wages, which means that it is becoming increasingly difficult to obtain a

sufficient regular income from paid work, that is why the creation of an unconditional basic income is supported by many authors as a way to end the compulsory need to work as a way of subsistence. Work redistribution, in its essence strives for guaranteeing a sufficient income for all, combining the redistribution of work with the individual and collective control over time and encourages new modes of cooperation and exchange through which social bonds can be created beyond the wage-relation (Gorz, 1999).

The unconditional or universal basic income can be seen as measure which complements work redistribution, one can be put into practice without the other, but they work together towards the liberation of the work-based society, that is why this subject is reviewed in the next chapter.

### 2.3.1 Universal Basic Income (UBI)

Some scholars claim that alongside work redistribution the creation of an unconditional basic income is required to assure its efficiency. They support the establishment of an unconditional grant that guarantees sufficient regular income for all to live above subsistence level, an income that no longer depends on the permanent occupation of a steady job and the imperative need to work, freeing society from the excessive importance of work (Gorz, 1999). This does not come as a suggestion to end all forms of employment, but to offer the ability to combine various forms of discontinuous work with a culturally, socially enriching multi-active life. By providing the sufficient income one needs to survive and perform daily, it would free people from the worries of subsistence, and allow them to focus on the main aspects of life. Furthermore it could provide them the freedom to work for the construction of society, climate preservation, enhance personal and social abilities and also encourage people to work as a way of contributing towards economic growth and personal fulfilment (Van Parijs, 1992; Gorz, 1999; Tod, 2008)

The policies that aim towards work redistribution may introduce several flexible work arrangements which, as formerly stated, can take the form of fragmented work schemes, either part-time or non consecutive working hours; the introduction of a universal basic income emerges as a complement to these flexible schemes, in the sense that one's working arrangements should not determine the ability to live above subsistence level. Work redistribution policies, which allow employees to choose a more flexible work schedule and the frequency of their work, should, according to the scholars that support the implementation of UBI, be strengthened with the UBI, so as to allow every worker to live above the subsistence level and acknowledge work as one of the components of a multi-active life (Gorz, 1999). As the security of income is the main precondition for a society based on multi-activity and not on wages, granting everyone a sufficient income for life would allow society to free itself from the constraints of labour market, it should also allow people to reject poor working conditions. UBI must not be understood as a form of social assistance, leaving individuals dependent on the welfare state, but as a form of giving individuals increased resources for taking charge over their lives and enhancing their living conditions. As Gorz states: "The aim is not to enable people not to work at all, but rather to give genuine effect to the right to work: not the right to that work you are 'employed' to do, but to the concrete work you do without having to be paid for it, without its profitability or exchange-value coming into the equation." (Gorz, 1999, p. 83)

There is, however a central objection to the possibility of a basic income, which is simple: there is a widespread feeling that a basic income would be unfair because hard workers would be exploited by loafers, but in a multi-active society disposed of the imperative need for income, this would not present a problem (Van Parijs, 1992). Universal, unconditional basic income is

therefore taken to be the best instrument for redistributing both paid work and unpaid activities as widely as possible (Gorz, 1999).

It was important to showcase how the Universal or Unconditional Basic Income can support work redistribution and serve as one of its policies as it would serve as a remedy for some of the ailments brought by policies such as working time flexibilization. There is still however, a lot of political and social controversy amongst scholars when it comes to this subject. UBI has supporters and detractors from different political sectors and economic schools. However, one of its main issues of contention, even among supporters, is its feasibility, i.e., the specific details of how to finance such a policy in an economically feasible manner. Without going into the details of such a debate, we would argue that there is probably not a one-size-fits-all solution for this problem and that regardless of the theoretical merit of this idea, its success would obviously hinge in the details of how to finance and implement it in different societies and economies.

### 2.3.2 Employment

One of the goals of effective work redistribution is, as it has been formerly stated, to diminish or help eradicate unemployment. Given that argument, it is important to see what the literature holds in terms of different opinions on this matter, as well as on the conceptual relation of work redistribution and employment itself.

When it comes to solving the matter of unemployment, in theory, many will argue that the solution is to create more work, let entrepreneurship do its job and create new businesses, which will increase employment. Whilst in many instances this could be a desirable solution, since it might lead to more people being employed, we could also argue that it will not always be the righteous one, as it might lead to other problems. Creating more work may not always be

the key as it may lead to numerous business failings due to the lack of governmental support, taxes, the power of demand and current market trends. So if creating more work may not always be conceivable as it may lead to more inequality and increased unemployment, and if, like it has been established previously, shortage of work is not the problem, then it may be wise to think about redistributing the work that already exists (White, 1987). According to Nayyar (2011) only increased employment stemming not from the creation of new work but from a more equal distribution of the one already in existence can provide a sustainable solution to the crisis and, in the process, deliver growth with equity. Such rebalancing would also provide stability to society and thus promote a breakthrough from the work-based society.

By adopting a redistributive policy it would be possible to distribute optimally all the socially necessary work and all the socially produced wealth (Gorz, 1999), which in turn could lead to a society based on multi-activity and culture and unemployment could be very close to eradication.

Flexibilization of labour is, however, something that continues to expand and change employment conditions. Work nowadays, at least in some contexts, can be characterized by part-time employment, temporary contracts, reduced working hours or arrangements of sabbatical leave, all of which allow for employees to combine their private lives with their work (Gorz, 1999; Dekker, 2010).

Some authors state that temporary work schemes in flexible work arrangements may in fact increase inequality instead of diminishing it as studies show that those workers earn comparatively less and report lower job satisfaction, not to mention that in most schemes they are less eligible for unemployment benefits and social insurance (Vlandas, 2013). Notwithstanding, this only happens if the redistributive measures are not properly introduced,

which leads us to question how to better adapt these measures in order to evolve towards the society we aim for (Gorz, 1999).

The various studies analysed confirm that, in order to have a favourable effect on employment, a reduction of working time must be part and parcel of a wider context including production and work organization (Anxo, 1998). Additionally, work redistribution measures may only be effective if: they emerge from the worker itself and are not imposed by the company, or result in a significant income cut not agreed upon; and if they are associated to job security and do not impose precariousness without rights.

Paid annual leave is also very important in the regulation of working time and employment for two reasons: it protects the health and well being of workers and helps them to be more productive; it also limits working time over the course of a year. It is the period during which workers have time away to rest and recover from the accumulated stresses and strains of the workplace or help a family member regain their health. In recent years, many countries have revised their legislation on the duration of paid annual leave, often to increase the amount of time workers can take away from work. Globally, almost all countries enshrine the right to a minimum period of paid annual leave in their legislation (International Labour Organization, 2011). In chapter 2, section 2.4.3 below, it will be possible to contemplate in further detail what some countries include in their policies regarding this matter.

## 2.4 Working time Flexibilization and Working-hours reduction

Working time flexibilization is nothing but a work redistribution policy, which helps to redistribute the work available by making the working hours more flexible and/or reducing them. It is this policy and its relation towards work redistribution which shall be under scrutiny throughout this thesis, so it is important to comprehend what is the general argument concerning this topic as well as how has it been introduced in different countries.

In order to properly distribute the decreasing quantity of employment available, to increase the amount of stable permanent jobs and increase possibilities for workers to choose their own hours, it is only logical that the policies have to change the normalized workday time scheme and full-time employment and make work more discontinuous (Gorz, 1999).

In such wise, work-sharing can be put into practice through 'working time flexibilization' for instance, which means that: through flexible working hours and working hours reduction it is possible to share the work schedule with those who are unemployed. Various flexibility schemes have been introduced in the last century as some companies have been given incentives to create more jobs thus helping reduce unemployment (Anxo, 1998).

Work flexibility and the right to a fulfilled life, not only ruled by work and the need of income, is no longer defended only by philosophers and sociologists, but by companies and even entire countries. Some countries like Denmark, Sweden and the Netherlands have successfully reduced working hours and/or introduced flexibility schemes which allow their workers to have a say in their schedules and choose, from a variety of working dynamics, the one that works best for their lives and career goals (Gorz, 1999). Later, in this chapter (section 2.4.3.) it is possible to examine in more detail what each

country undertook in terms of working flexibility policies. Some policies are the rule and enforced by law, others just happen to be the ethical choice for most companies, which are more concerned with their employees' work-life balance (Van Oorschot, 2002).

The most important argument supporting work flexibility/discontinuity is that by greatly reducing the weekly or monthly or annual working hours for those in permanent jobs, stable employment can be distributed between more people (Gorz, 1999). Of course that not all authors support flexibility schemes such as temporary, part-time or tele-working jobs, as some authors believe they only lead to a decline in workers' dedication levels, employment instability and job insecurity (Dekker, 2010; Gorz, 1999). Instability or employment precariousness is perhaps the main argument against flexibility, as Gorz (1999) states. This brings us to the research question itself, of whether the flexibilization of working time in fact is the best approach towards work redistribution, and to the question Gorz (1999) poses: of how to go from something that is forced upon the employees, to giving them freedom of choice, maintaining security and still distributing work more evenly. This shall be debated in the next chapters.

Other scholars acknowledge working hours reduction as a possible solution to create employment but fear that it could massively affect productivity and are more concerned with the short and medium term consequences of those reductions such as the increment of fixed costs per employee (Nayyar, 2011; International Labour Organization, 2011).

Working time itself can be made more flexible by a variation in one or more of the following four elements: the number of hours worked each working day; the number of hours worked each week; the specific hours worked during a working day; and the specific days of the week on which work is performed. Taking into consideration these variations, a great number of work schemes are

available, but dependent on the countries' laws, the type of business and employer and of course the employees' preferences (International Labour Organization, 2011).

## Work Arrangements

Working schemes may include:

- Part-time work — which can be organized in a variety of different ways, but the most common model, at least in the EU, is the one that establishes some fixed hours of work for each working day. Other methods of organizing part-time work also exist. These methods include fixed working days with full-time hours on some days and entire days off; variable working hours on demand, with working hours fixed with limited advance notice based on establishments' needs; and other forms adapted to specific situations, such as partial retirement schemes;
- “Marginal” part-time work — which involves very short hours, which can be defined as fewer than 15 per week (in some cases, even lower thresholds are used, for example fewer than ten hours per week). Both on call working (not to be confused with on call hours, i.e. workers with regular work schedules, for example doctors, who are required to be available during specific periods to work additional hours if needed) and zero-hours contracts are working-time arrangements under which workers are not entitled to any minimum number of hours of work; in some countries, this type of arrangement is also known as casual work. These particular forms of working-time arrangements share at least two common characteristics that make them likely to be precarious: a very low number of working hours, which means that these workers also have very low earnings, and a

very high level of unpredictability regarding if and when work will be required, which makes it extremely difficult for workers to schedule their personal affairs, much less to plan for the future;

- Staggered hours — which are also called “block working arrangements”. Under staggered hours arrangements, different starting and finishing times are established for different groups of workers in the same establishment; however, once these starting and finishing times have been chosen, or fixed by the employer, they remain unchanged. Staggered hours represent one way of easing problems of traffic congestion and over-burdened public transport at certain peak hours, as well as of assisting workers with family responsibilities (e.g. with school pickup times). Instead of having all their workers start and finish work at the same time, different firms, and even different industries can adopt different starting and finishing times. In this way, traffic can flow more smoothly, public transportation is less crowded, and physical and psychological strain is lessened for everyone in the community;
- CWWs or compressed workweek arrangements — which involve the same number of working hours being scheduled over fewer days than is typical in a standard workweek, which also results in longer working days. CWWs typically extend the workday beyond eight hours, but reduce the number of consecutive days worked to fewer than five. CWWs typically extend the workday beyond eight hours, but reduce the number of consecutive days worked to fewer than five;
- Flexi-time arrangements — basic flexi-time arrangements allow workers to choose when to start and finish work, based on their individual needs (within specified limits) and, in some cases, even the number of hours that they work in a particular week. In addition to

formal flexi-time arrangements, some employers who do not have formal programmes may offer flexible hours on an informal basis. In addition, some of the more complex forms of flexi-time arrangements blur into time-saving-account arrangements (also called working-time accounts), as they may allow workers to accumulate credit hours and, in some cases, even allow them to use their “banked” hours to take full days off. Time-saving account arrangements (time banking) allow workers to build up “credits” or to accumulate “debits” in hours worked, up to a maximum amount; the periods over which the credits or debits are calculated are much longer than with flexi-time, ranging from several months to a year or even longer;

- Annualized hours and other types of hours-averaging schemes (e.g. hours averaged over a period of one month) — these allow for variations in daily and weekly hours of work within specified legal limits, such as maximum daily and weekly hours, while requiring that working hours either achieve a specified weekly average over the period within which the hours are averaged, or remain within a fixed annual total. As long as the maximum limits are respected, including the weekly average or annual total, no overtime premium is payable for hours worked beyond the statutory normal hours. Annualized hours arrangements and other types of hours averaging are particularly useful for enterprises in industries, which have strong, predictable seasonal variations in demand such as in Denmark.

Zero-hours contracts and on call working are not legal in some countries even though they are still available in some businesses, in contrast they are very common in countries like Sweden. Flexibility arrangements such as flexi-time, which grant workers the freedom to choose when to start and finish their work,

also give additional benefits to firms such as increased productivity and turnover rate, which is a big plus for those employers who are worried flexibility schemes may harm their productivity (Li, 2012). Arrangements such as CWWs and flexi-time are also suitable alternatives for part-time work in providing employees with more temporal and locational flexibility (Possenriede & Plantenga, 2014).

All these different documented work schemes aside, most authors agree that weekly working-time limits are one of the most obvious measures for reducing the negative effects of excessive working hours. Globally, a large number of countries have reduced their statutory normal working hours in full-time employment from 48 hours to 40 hours in recent decades (for further details see chapter 3, section 3.2.1).

The variety of work schedules that exists offers advantages and disadvantages for both workers and employers; some temporal flexibility is orientated towards workers' needs meeting the needs of enterprises (International Labour Organization, 2011).

Nonetheless, some scholars believe that the increment in flexibility schemes has little to do with a general need for flexibility from the workers; instead, they believe the causes for this growth range from changes in legislation to changes in supply and demand. In broad terms, they attribute it to demographical changes in the labour force, and changes in employers' hiring strategies and in the relative bargaining power of employees (Zeytinoglu et al., 2005). Others completely reproach this possibility and state that employment creation and response to periods of high/low demand is not the sole reason for advocating flexible or shorter hours, but that perhaps the most basic argument of the advocates of shorter working hours has been the important contribution to the health of workers and, more generally, to their quality of life (White, 1987).

The next chapter “Results” (chapter 3) shall return to the matter of employment schemes and present the economic indicators in the form of statistics for each country as well as a thorough assessment of the latter concerning the redistribution of work and the flexibilization of the work schedules.

The next section describes how the literature relates the flexibility of working hours to the ethical issue of work-life balance.

### 2.4.1 Work-life Balance

The wage-based society as Gorz (1999) refers to it, is mainly ruled by the need to work in order to live, instead of work being part of a multi-active life in which work is just one of its activities. Work is in fact a necessary activity for the development of human capabilities; people need to feel that they actively contribute towards something greater, whether it is the economy, culture or society. That is why this author believes that work can take many forms, and that the ultra-conservative idea of work needs to change in order for us to evolve. As Gorz states: “Either work can be integrated into a multi-active life as one of its components, or multi-activity can be integrated into work as one of its forms.” (Gorz, 1999, p. 73).

In order to effectively redistribute work, one needs to accept that work should not drive a person’s life. Instead, the day-to-day living should be filled with culturally enriching activities, either to enhance one’s capabilities, to help society through volunteer work, or to improve one’s family or social life (Gorz, 1999). Work-life balance is something every worker strives for; and it is widely agreed that having the flexibility to alter one’s starting and ending working times on a daily basis can make great inroads toward helping employees

balance or integrate their work and family responsibilities (Zeytinoglu et al., 2005).

As we stated earlier, flexible working-hours arrangements based on employer-led variability tend to show negative impacts on workers' health and well-being, while those based on employee-led flexibility typically show positive effects on a range of measures, not only related to occupational safety and health but also to work-life balance and organizational performance (International Labour Organization, 2011).

In the International Labour Organization report (2011) it is stated that work schedules with many hours worked per week or per day often involve limited opportunities for recovery during free time. In this context, several studies have suggested that there is a relationship between the impairment of recovery from the many of the health problems associated with long working hours. For example, long weekly hours (more than 48 hours per week) were positively associated with rates of mortality, cardiovascular heart disease, non-insulin dependent diabetes, risk of disability retirement, decreases in cognitive function and some specific measures of self-reported physical health and fatigue. Looking at the effects of long weekly hours on health and well-being in a broader sense, other studies (Caruso, 2006, and Caruso et al., 2004 cit. by International Labour Organization, 2011) have identified links between such long hours and decreases in neuro-cognitive and physiological functioning, illnesses, adverse reproductive outcomes, delayed marriage and childbearing, and obesity in children.

Following that line of thought it is possible to conclude that, if flexible work arrangements indeed improve the conciliation between paid work and time spent in other activities, then the adoption of such arrangements will in fact lead to a quite substantial increase in employees' overall job satisfaction, work-life balance and health (Possenriede & Plantenga, 2014).

Several studies have identified long working hours as an important predictor of work–life conflict. For example, the Third and the Fourth European Working Conditions Surveys have shown that a high proportion of men and women who work more than 48 hours per week report incompatibility between working hours and family life (International Labour Organization, 2011).

In developed countries, where long hours of work are more common among managers and professional staff than other workers, reported work–life conflict is generally also higher among those professionals. Some authors believe that although working time autonomy has been shown to buffer to a certain extent the adverse effects of longer and non-standard working hours on work–family interference, it does not fully offset their negative impact. While in general long working hours represent a source of work–family conflict and related stress and subsequent health problems like previously stated, it has also been shown that they have negative effects on work productivity, job and life satisfaction, personal effectiveness, child–parent relationships and even child development (International Labour Organization, 2011).

According to the OECD ‘Better Life Database’ on Work-life balance (OECD, 2015), it is possible to infer that the countries which have a higher rate of flexible employment such as part-time, temporary or have a reduced working schedule, have a significant higher percentage of ‘Time devoted to leisure and personal care’ and overall better work-life balance.

However, despite recent efforts to improve the quality of these jobs, part-time workers often face a penalty in terms of wages, job security, training and promotion. Furthermore, these workers have a higher risk of poverty and are less likely to have access to unemployment benefits and re-employment assistance if they become unemployed. In countries such as the Netherlands, where part-time work represents the most widespread form of employment, these problems no longer persist, and in such countries, many workers stay in

part-time jobs for long periods and only a few of them move to full-time employment (International Labour Organization, 2011).

Nevertheless, according to the OECD, the disadvantages of part-time work mentioned above appear to be offset to some degree by higher job satisfaction as a result of more family friendly working-time arrangements and better health and safety (OECD, 2015).

In terms of work–life balance, atypical, non-standard, work schedules imposed by the companies on their employees do increase work–family incompatibility, raising the employees’ dissatisfaction. Accordingly, higher satisfaction with work-life balance is found amongst workers working standard daytime schedules rather than those working non-standard schedules, long hours, shift work or irregular schedules, which have been set by the enterprises. The optimal labour supply for maximizing well-being is around seven hours a day, increasing working time further leads to a reduction in happiness (Rätzl, 2009). Workers in lower level occupations are more likely to work non-standard schedules, and less likely to have autonomy or control over their working time that could help offset the negative effects of these schedules on work–life balance (International Labour Organization, 2011).

In spite of the somewhat alternative streams of thought that are to be found in the literature, our review has shown that the overwhelming majority of authors and evidence concur in showing that a reduction or flexibilization in working hours, especially when employees have the power to choose their flexibility level or scheme, increases enormously their work-life balance. The countries under analysis in this thesis all have high work-life balance indexes, and it is proven to be due to the flexibility schemes made available for the workers in these countries (chapter 3, section 3.2).

The next section shall introduce different theoretical explanations, which study the drivers for the fluctuations of the distribution of working time throughout time.

## 2.4.2 Neoclassical Labour Market theory, Keynesian Theory of Labour Demand and Behavioural Theories of Labour Supply

The amount of hours and the distribution of the working time have been subject to change, and the drivers of change explaining their fluctuation have been under analysis for several centuries now. Since there are different theoretical explanations, which study the drivers for such fluctuations, we chose to analyse the different theories in order to see how they help to shed light on this topic and also why we instead of adopting a quantitative model based on either one of these theories, chose to adopt a qualitative, more comprehensive approach. And thus we have: The Neoclassical Labour Market theory, The Keynesian Theory of Labour Demand and The Behavioural Theories of Labour Supply.

### **The Neoclassical Labour Market Theory:**

According to the Neoclassical Labour Market theory, labour supply is determined by waged and non-waged income; individuals derive utility from the consumption of goods and leisure and face a labour–leisure trade-off (Zwickl et al., 2016). With a limited amount of time that the individual can allocate to work and leisure, it chooses the optimal labour supply that maximizes utility. Work is seen as a necessity to create income for consumption (Rätzl, 2009). Increases in non-waged income, such as unemployment benefits

and other social benefits have an unquestionably negative effect on labour supply. In this framework, cross-country differences in hours worked – such as the diverging trends in working hours of full-time workers observed between the U.S. and several European countries since the 1970s, are largely explained by differences in tax rates, labour market institutions, labour unions and household preferences or technology (Davis and Hanrekson, 2004; Prescott et al., 2004 cited by Zwickl et al., 2016).

In the neoclassical theory of the labour market, essentially, labour supply and demand generally adapt, except when market imperfections – such as labour market institutions or labour unions – increase wages above the market-clearing level or reduce the incentive to work at the market clearing wage, in which case unemployment is possible (Friedman, 1968; Johnson and Layard, 1986; Nickell et al., 2005; Siebert, 1997 cited by Zwickl et al., 2016). The neoclassical theory assumes a disutility effect at the margin since an additional working hour causes disutility. But it does not say anything about the total utility effect of work as a whole. So it could be that the entire welfare effect of work is positive, whereas at the margin the individual experiences disutility of work (Rätzel, 2009). For Zwickl et al (2016), the origin of the problem of unemployment is not insufficient labour demand, but the unwillingness of workers to work for a given wage, thus they state that unemployment is voluntary. Additionally, since this theory relies on the representative household in its micro-foundation of households' labour supply decisions, inequality in working-hours cannot be investigated systematically.

### **The Keynesian Theory of Labour Market Demand**

In the Keynesian theory of the labour market, labour demand, which is driven by effective demand, plays a crucial role. The fact that effective demand can be at a level below the full-employment equilibrium makes involuntary

unemployment possible (Keynes, 1936; Rowthorn, 1995; Stockhammer, 2011; cited by Zwickl et al., 2016). Gorz (1999) states that for almost thirty years, western governments adopted Keynesian policies, meaning that the state stimulated the growth of production and demand by fiscal and monetary measures and “redistributed an increasing proportion of the wealth produced, and created as many jobs through public expenditure as increased productivity was eliminated in the private sector.”(Gorz, 1999, pp. 11, 12).

According to this theory (Zwickl et al., 2016), monetary and fiscal policy can increase employment by stimulating aggregate demand and economic growth. Even if, however, the demand constrained variable is of the aggregate employment, and not the employment rate; the latter depends on the distribution of working hours within the labour force. This increments the importance of work-sharing under a low-growth scenario. But while the Keynesian Theory has emphasized the importance of aggregate demand in explaining changes in the labour market, including changes in standard hours, it has not paid much attention to individual labour supply decisions, and thus to the distribution of hours (Zwickl et al., 2016).

### **Behavioural Theories of Labour Supply**

Many scholars and economists attribute the fluctuations in the redistribution of work and hours worked to behavioural drivers, thus, according to Zwickl et al., (2016), behavioural economists criticize the neoclassical labour market theory for ignoring non-material considerations of individual labour supply and for neglecting positional considerations and peer effects, both of which are important for explaining trends in employment, average hours, and the distribution of hours.

A wide range of behavioural studies on this topic have been conducted and they prove the importance of nonmaterial factors such as appreciation and

recognition in the work place for well-being and happiness in terms of work-life balance, and in labour supply decisions (Zwickl et al., 2016) (see section 2.4.1 for more detailed information on this matter). As we have previously stated, unemployment has an adverse effect on happiness. However, according to some authors, it depends on the social context: Workers in areas with higher levels of unemployment, and workers in social groups where unemployment is more acceptable (such as the youth) experience less decline in happiness (Clark and Oswald 1994 cit. by Zwickl et al., 2016). However, Zwickl et al., (2016) also state that unemployment is strongly related to the level of unemployment in regions and households, and the duration of unemployment depends highly on the neighbourhood's characteristics. This conveys that nonmaterial factors of labour supply, such as the ones stated above are linked to positional considerations and peer-effects. The authors also affirm that there exists wide evidence that labour supply decisions are dependent on the social and economic context. In recent years, labour supply decisions have been discussed mainly in the context of rising income and wealth inequality. Inequality increases social distance in society, which, as formerly stated affects happiness and well-being blunderingly, since people care more for their relative income than their absolute income level. Since income growth of lower income households stagnated or declined, these households extended their labour supply, reduced savings and increased debt, in an attempt 'not be outdone by one's neighbours'. This can partly explain the relationship between income inequality and labour supply across countries and over time (Zwickl et al., 2016).

Collewet et al. (2015; as cited by Zwickl et al., 2016) distinguish between conspicuous consumption, conspicuous work, and conspicuous leisure as the positional effects on labour supply, the first two leading to an increase in labour supply through peer-effects, whereas the latter leads to an increase in leisure. In

the case of conspicuous consumption, rising labour supply is a “coping-mechanism” to increase consumption.

As an outcome, Zwickl et al., (2016) declared that it is possible that all three effects, conspicuous consumption, work, and leisure, are present at the same time, therefore positional considerations, peer-effects and higher income have lead to the desire to work longer hours; nonetheless, only some workers were successful in extending their labour supply, while the incomes and hours of others fell behind.

The Neoclassical theory is the most widely accepted and used economic theory today, but it can also be argued that is it somehow short sighted, given the theoretical assumptions under which it operates, and it is thus unfit for the purpose of this thesis given it does not cover the matters under scrutiny, neither does it offer any insight towards the drivers of work redistribution and work life balance as it is solemnly centred in the role of work in the growth of the economy. Due to the limitations of this first theory, the Keynesian theory appears as a complement to the Neoclassical theory and does take into account work-sharing and working hours distribution as a feasible and perhaps desirable set of policies, but it still does so under a ‘low-growth scenario’ with no consideration of individual factors. The behavioural theory, on the other hand, presents itself as the most suitable of the three theories as it considers behavioural factors such as appreciation and well being in the workplace as actual drivers of the fluctuation of working times and redistribution throughout history. Even though all these theories are extremely important to understand the individual and behavioural drivers that command the fluctuations of work redistribution and flexibilization, they are still, by themselves, insufficient to fully take into account the wide range of matters to be dealt with in the topic of this thesis. And this is why we resort to a historical contextualization of these

matters, clarify the main concepts and concretely analyse several examples in a qualitative manner.

The next section shall display several examples of working time flexibilization and redistribution policies, which have been carried out by the countries chosen as models and under scrutiny for the purpose of this thesis, those being: The Netherlands, Denmark and Sweden. That section will provide examples of labour market policies, which have worked both for the economy, labour market and for the workers in the countries under consideration.

### 2.4.3 The Dutch, Danish and Swedish working policies

The Netherlands, Denmark and Sweden were chosen to be under scrutiny in this thesis, since, like formerly stated, they all have high work-life balance indexes, which is proven to be due to the flexibility schemes made available for their workers, and are also the countries which many authors refer to when speaking of evolving measures in advocacy of work redistribution.

Incidentally all of the countries that we chose to analyse are part of The Northern European regime (A), which has been determined on account of the countries' labour market performances. Additionally, three other different regimes of labour market policies can be identified within the EU (B, C and D). The Northern European regime (A) includes the Netherlands, Denmark and Sweden as it is considered by Hendliowitz that: "In these countries unemployment benefits are high, but disincentive effects caused by generous benefits are counterbalanced by active policies, strict rules governing availability for jobs, and low to medium degrees of employment protection regulation." (Hendeliowitz, 2008, p. 10).

In the Netherlands Denmark and Sweden, short working hours or work schemes are widely seen as mechanisms for promoting work-family

conciliation and increase work–life balance in general. In fact, the Nordic countries model suggests that: “A flexible labour market can coexist with a generous social system, while maintaining low unemployment. In other words, this model involves reducing unemployment and applying high standards of social security for the unemployed people. But studies have shown that the success of the application depends on the Nordic model and the initial unemployment level but also the country's economic situation” (Acelandu, 2012, p. 106).

#### 2.4.3.1 The Netherlands

In the 1980s the Dutch signed the *Wasenaar* agreement, in which the trade unions committed themselves to modest pay demands in the years that followed and employers promised to create more jobs. With this agreement came the “*Polder Model*” or the “*Dutch Model*”, for overcoming mass unemployment, which states that: “(...) everyone should cooperate and make sacrifices to repel the flood of unemployment and transform Dutch society into a flourishing tranquil landscape.” (cit. by Henning & Weber, 1998, p. 1). The agreement also included, as a counterpart, a reduction in working time. Temporary jobs provisions followed these measures as additional means for providing young newcomers access to the active labour market and also a progressive increase in the differentiation of terms and conditions of employment and thus greater labour market flexibility (OECD, 1998). What followed was a restructuring of the job market, jobs considered too expensive and unproductive were replaced by part-time jobs, which demanded greater qualifications and more productivity whilst paying less. In the 1990s flexible working hours were introduced and of the 300,000 new jobs created between 1994 and 1996 half were based on flexible contracts with temporary work agencies, which only increased the already felt insecurity (Henning & Weber,

1998). For some critics including Henning and Webber, “The Dutch model turns out to be a model for the systematic enrichment of the privileged few at the expense of workers and poor people.” (Henning & Weber, 1998, p. 6). Nevertheless, despite the opinions of these and other scholars who also criticize this model, the reality is that according to the OECD report (2014), in the Netherlands, part-time work is largely based on individual free choice and reflects the flexibility of the Dutch labour market in accommodating socio-cultural values which may be oriented towards leisure and family activities. Part-time jobs, since the Act on Work and Security in 2011, get full social security coverage, and the wages depend on the amount of work workers actually provide, which has made part-time work very attractive for employers, as they can be more flexible in adjusting the workforce to fluctuations in workload or demand. Additionally, part-time work has met the needs of parents with young children and facilitated the entry of more women in the labour market, which provided many households with a second income, making wage-moderation for primary wage earners more acceptable (OECD, 1998, 2014).

The Netherlands also introduced new legislation to face the recent crisis (2008-2013). Of these, the most prominent was the Act on Work and Security “*Wet Werk en Zekerheid*” covering a number of changes in by-laws laid down in this period. The Act includes a radical reform of employment protection legislation. Its main goal is to narrow the gap between the employment protection of open-ended and fixed-term contracts. During the crisis years, employers increasingly used various methods to evade the statutory minimum wage, such as paying expense allowances instead of wages. The main statement in the Spring Accord, which replaced the optimistic Autumn Accord of 2008, was that the current situation made it imperative to prioritize employment security and training over improvement of incomes, though maintaining

purchasing power for median incomes would remain possible. The new Accord thus fitted in with the Dutch wage moderation tradition. In 2011, labour market flexibility became a major issue for the union movement, they pleaded for better rights for workers on flexible contracts, including better access to social security benefits. In 2012 and 2013, the debate on the disadvantages of the widespread labour market flexibilization for the working population intensified. In between, debates on working arrangements such as zero-hours contracts continued. Workers on zero-hours contracts have the right to refuse the request of the employer without losing their status. In particular, zero-hours contracts were debated in the care sector. In the April 2013 Social Accord, social partners had laid down the intention to provide zero-hours-contract workers with minimal income security (Tijdens, Klaveren, Beer, & Salverda, 2015).

Nowadays these principles still stand, workers can choose their own working hours in most businesses, from the two, three or four day a week to the four, six or nine month a year, most possible combinations and options are available, especially in the public sector (Gorz, 1999; Keizer, 2011; OECD, 2014). The Netherlands bursts the scale of part-time work in Europe with a surprisingly percentage 39% of part-time employment (OECD, 2015). Here short hours are seen as a mechanism for promoting family socialization and the development of human skills and of course the eradication of unemployment (International Labour Organization, 2011).

In the periodic report of the OECD 'How's Life?' (2014), compared with other OECD countries, the Netherlands performed exceedingly well in the 11 dimensions that the OECD considers essential to a good life. The country ranked above the average of the 36 countries in the dimensions of work-life balance, jobs and earnings, housing, income and wealth, education and skills, health status and social connections (OECD, 2014). This only comes to show that the flexibility schemes introduced in this country have in fact helped to

improve the life quality of workers and enormously reduced unemployment rates.

#### 2.4.3.2 Denmark

In Denmark with the labour market reforms of the 1990s in particular, there was a shift towards a more active labour market policy. Attention was increasingly paid to upgrading the skills of the unemployed in order to equip them to take advantage of new job opportunities, while equally strengthening their right to draw unemployment benefits in conjunction with their obligation to be available for work (Hendeliowitz, 2008).

The Danes adopted a law in 1993, which took them down a similar path as the one taken by the Dutch. They employ systems of annualized hours, (which is explained in further detail in section 2.4 under 'Work arrangements') and similar arrangements such as systems adopting sabbatical years (one in four, or one in seven, among others), with a corresponding increase in the numbers of permanent staff. It allows any employee to take a year's leave of absence, which may be broken up and divided out in any way the worker wishes over a period of its choice. During the period in which the workers are absent, those who are unemployed take the place of the employees in voluntary leave, who still get 70 per cent of the unemployment benefit they would get if they lost their jobs. Trade unions have managed to use this scheme to reduce the working hours in entire companies' workforces and increase the number of permanent jobs. As for the annualized hours, for example, in one case, a company increased their workforce by 25%. They increased the number of their teams, but each employee only worked three weeks out of four. This meant a 9% loss in earnings but a 25% reduction in working hours (Gorz, 1999).

At a time when large areas of Europe were experiencing persistently high unemployment, due to the Subprime Crisis in 2008, Denmark managed to

reduce its unemployment to a level which is among the lowest in Europe by reinforcing their policies. These changes coalesced around the Danish labour market model, which is often called the 'flexisecurity model' and that can be credited with the notable outcomes achieved. There seems to be a consensus that the success of the labour market in Denmark is the result of high labour market dynamism combined with a relatively high degree of social protection. The dynamics of such a system has in recent years been termed the 'flexisecurity model', which is a reference to flexibility in the form of a high degree of job mobility due to limited employment protection legislation, plus a social security system that provides generous unemployment benefits; this model also incorporates an active labour market policy. The model is based on the assumption that public interventions are necessary to ensure adaptability among both employers and employees, which is crucial for the effective functioning of the labour market. It views the flexibility of entrepreneurial decisions and the security of workers as being mutually reinforcing rather than conflicting with each other. The aim is to create an environment that is conducive to the creation of more jobs while also promoting active and universal inclusion in the labour market by helping individuals to adapt and take advantage of new opportunities (Hendeliowitz, 2008).

The main focus has been to ensure a flexible labour market, combined with generous unemployment benefits and the right and obligation to participate in activation measures which can include, as Hendeliowitz says: "(...) general and vocational guidance, job search assistance, individual job-oriented action plans, private and public job training, education, leave schemes, job rotation and the sharing of full-time jobs." (Hendeliowitz, 2008, p. 4) Regulations that impose greater activation obligations, sanctions for refusing to take part in activation measures, tougher availability rules and an upper limit for social security payments have been put into effect. All these measures have the purpose of

enabling Denmark to be able to meet the challenges of globalization and demographic change through an upgrading of the qualifications of those in employment and the motivation of the unemployed through activation measures (Hendeliowitz, 2008).

According to Gorz (1999), these various flexibility schemes only show that discontinuity of work and work flexibility does not mean greater employment insecurity, the Danish system currently being the best in terms of security as it does not resort to temporary work. Instead of subsidizing employment to reduce wage costs, it subsidizes the absence of work and increases the workers' power over their work situation. Furthermore, the older 'ideology of work' as a way to promote economic growth and insure sufficient income is discouraged whilst the idea of work-sharing is promoted and it recognizes the right to working discontinuously while at the same time acknowledging the right to a continuous income.

#### 2.4.3.3 Sweden

Such as in many other industrialized countries, working hours have decreased appreciably in Sweden over the last fifty years. One salient feature of working time policy during this period was the creation of conditions for greater flexibility in individual working time over the life course while preserving firms' productive needs and competitiveness. Sweden's working time policy involved a move towards *negotiated flexibility*. This policy aims at avoiding social exclusion and employment insecurity while also fostering equal gender opportunities. The Swedish *Working Hours Act* appears to be particularly flexible and has, since the late 1950s, also left the social partners free to negotiate and draw up industry wide agreements on working hours, but stays firm on the maximum of 40 hours per week and a general prohibition on

night work. Depending on the type of job or industry, the working hours vary from 35 to 40 hours per week as an average for full-time employment.

In 1997, the Swedish Agency for Government Employers concluded a collective agreement, which replaced entirely the Working Hours Act. The new collective agreement, which concerns about 250000 employees in the public sector, does not include any detailed regulation on arrangement of working time. The purpose of this new agreement is to create incentives for more flexible working hours at a decentralised level by favouring the conclusion of innovative local agreements. Each organisation in the public sector has nowadays not only the possibility but, in practice, the obligation to negotiate provisions regarding working hour arrangements (Anxo, 2009).

In Sweden staggered hours (see section 2.4) are widely used, their flexible arrangements involving changes to the standard workweek, but fixed work schedules. These, like mentioned before, are regular schedules but instead of having all their workers start and finish work at the same time, different firms or industries can adopt different starting and finishing times in order to improve the mobility within the community and avoid traffic complications.

On call working is also widely practiced in Sweden, in particular in hotels and restaurants and in personal care services for the elderly and people with disabilities (International Labour Organization, 2011).

However, in this country, workers have the right to more than a year of parental leave which the two parents can share as they wish and spread it over the eight years following the birth of a child (Gorz, 1999). The parental leave period is of 16 months (480 days) with full job security upon return. The level of compensation is 80 per cent of gross earnings for the first 390 days, for the remaining 90 days parents receive a flat-rate of 20€ per day. Parental leave offers considerable scope for flexibility since part of the leave can, for example, be taken over a longer period by working a shorter week with wage

compensation. Generally speaking Sweden's parental leave schemes offer considerable scope for re-arranging working time. In Sweden, the law also enables parents to take paid care leave for sick children or direct family members, 60 days per year and per child, up to the child's twelfth anniversary, at the same replacement rate as sickness benefit that is 80 per cent of previous earnings.

Since 1974, employees have been able to take career breaks to pursue training or further studies. The legislation on training leave is particularly flexible and gives individuals considerable leeway in their choice of studies. The arrangements for taking leave are also very flexible: absence may be hourly (several hours a week combined with normal work) or taken in a block. As with the other forms of statutory leave of absence, the right to training leave is backed by a full employment guarantee; the employee is reinstated to his/her job with the same working conditions and the same pay.

The large palette of individual and reversible working time options in Sweden backed with a complete employment guarantee gives large opportunities for households to adapt their working time to various situations and commitments over the life course without large income loss. Working time policy in Sweden has primarily been seen as a means to create a better balance and conciliation between paid work and other social activities rather than a remedy to imbalances in the labour market. Sweden constitutes a good illustration of a regime of *flexisecurity* and *negotiated flexibility* where the social partners are largely involved in the shaping of working time options ensuring its social legitimacy (Anxo, 2009).

During the 2008-2013 crisis, employment fell considerably in Sweden, thus several solutions were adopted by the Swedish labour market to reduce the decrease of the employment rate and improve labour market integration:

- Measures concerning labour demand: subsidizing jobs by increasing subsidies to stimulate employment at the level of the local administrations; non-salary cost reductions for employers, such as reduction for the employer`s social security contributions; postponement of the payment of the employer`s social insurance with two months and of the payment of taxes up to 12 months;
- Measures to stimulate demand for labour in the construction sector by creating a tax credit for repairs and maintenance; additional government investment in infrastructure to support employment in construction;
- Measures to help the unemployed people finding a job: job search assistance for unemployed people; search programs and job placement programs; increasing professional training programs; incentives for exporters and small firms; incentives for the development of new businesses, such as reducing the social security contributions; income support for those who lose their jobs and those with low incomes; fiscal measures to boost the net income of those with low wage;
- Measures to support professional training: professional training programs for employees and increasing access to education by increasing the number of free places at colleges and universities, increasing the financial support for students, continuing education programs;
- Other measures: the reduction of the taxation rate for most levels of income; the reduction of labour income tax.

These measures applied to the labour market in Sweden were supported by other educational, social and fiscal policies, Sweden having experience in the

coordination of macroeconomic policies and their constant support over time (Aceleanu, 2012).

The literature review on the matters of work redistribution and working time flexibilization revealed diverse and sometimes even conflicting opinions concerning the positive or negative effects of these policies. It allowed for a better comprehension of the relation of these two, the controversy behind them and the concepts involved in either. We feel that empirical research, up until now, has been extremely unsuccessful in studying to what extent work flexibility and hours reduction were successful in bringing about work redistribution. Moreover, the studies in existence are too narrow and most are interested in the general effects of working time flexibility/work-time reduction, or the singular effects on the economy, productivity, unemployment or job satisfaction. These are important fields of study but which happen to be independently studied, without taking into consideration the effects of others, which is why we consider that they are unsatisfactory and lacking grounds and that further investigation must be carried out.

The next chapter will present the results, economic data from the model countries chosen for this study and engage in some critical and ethical discussion, both used to examine the relation between working time flexibilization and work redistribution and find a positive correlation that supports our argument and allows us to assess our research hypotheses.

# Chapter 3

## Results

The preceding chapter introduced the concepts of work redistribution and the flexibilization of working time and, besides providing evidence for the importance of this discussion, it introduced the examples of Sweden, Denmark and the Netherlands as paradigmatic examples of countries that adopted policies aiming towards these goals.

In this chapter, besides studying the effects of these policies on these three countries' economies, a comparative analysis is made with the total average of the OECD's countries, as they are after all our 'peers' in terms of economic reality and allow for a broader comparison. A comparison is also established with Portugal, this thesis' country of origin as well as the country of origin of its author and because we chose to make it one of our goals to see if the policies in practice in the countries of study would be suitable for Portugal to implement.

In order to present the economic results in an organised fashion and facilitate the comparison among countries, we opted, generally speaking, to present data from 1990 to 2015, since it is a long enough period to study the evolution of the main indicators, and because the most recent data is not always available. A few exceptions were made when we had to refer to important policies prior to 1990 and their effects, when certain data was only available for later periods or when it was of specific relevance to present data more up to date.

As such, this chapter will try to assess the aftereffects of these policies on several different issues, as well as to undertake a more in-depth discussion of the overall significance of our topic.

Our research question of: Is working time flexibilization the best approach towards work redistribution? – was the organisational driver of this chapter, as

our quest to find if working time flexibilization is the 'best' approach, may have multiple possibilities and perspectives.

The word 'best', a superlative of the word 'good', indicates the evaluative character of our quest. But because there are different aspects to consider, we decided to explore the multiple meanings of the 'best'. So we see if this is the best approach in terms of economic performance (chapter 3, section 3.1), if it is also the best for the workers themselves (chapter 3, section 3.2) and the best from an ethical standpoint (chapter 3, section 3.3).

Thus in section 3.1, "Economic indicators", by looking at different economic indicators directly related to the matters, we assess the impact that the 'objective' results of work redistribution measures had on the economy of each of these societies. Section 3.2, on the other hand, aims at assessing the results from what could be called the 'subjective' side of the workers, that is, it tries to see in what manner did these policies affect the lives of workers themselves and to what extent it is possible to state that these policies, regardless of their economic efficiency, are good for the working force in terms of precariousness and work-life balance. In section 3.3 "Ethical and Critical Discussion", a critical and ethical argument is set on weighing the advantages and disadvantages of working time flexibilization policies, which we have come across so far, giving this thesis a thoughtful and ethical insight on our own query and thus providing guidance on how to best employ these practices on society while helping us to draw our conclusions. Ultimately in section 3.4 "Answer to the research question", we draw our conclusions on the results attained, present our argument accordingly and assess to what extent are our research hypotheses confirmed, thus giving an answer to our research question in its many aspects.

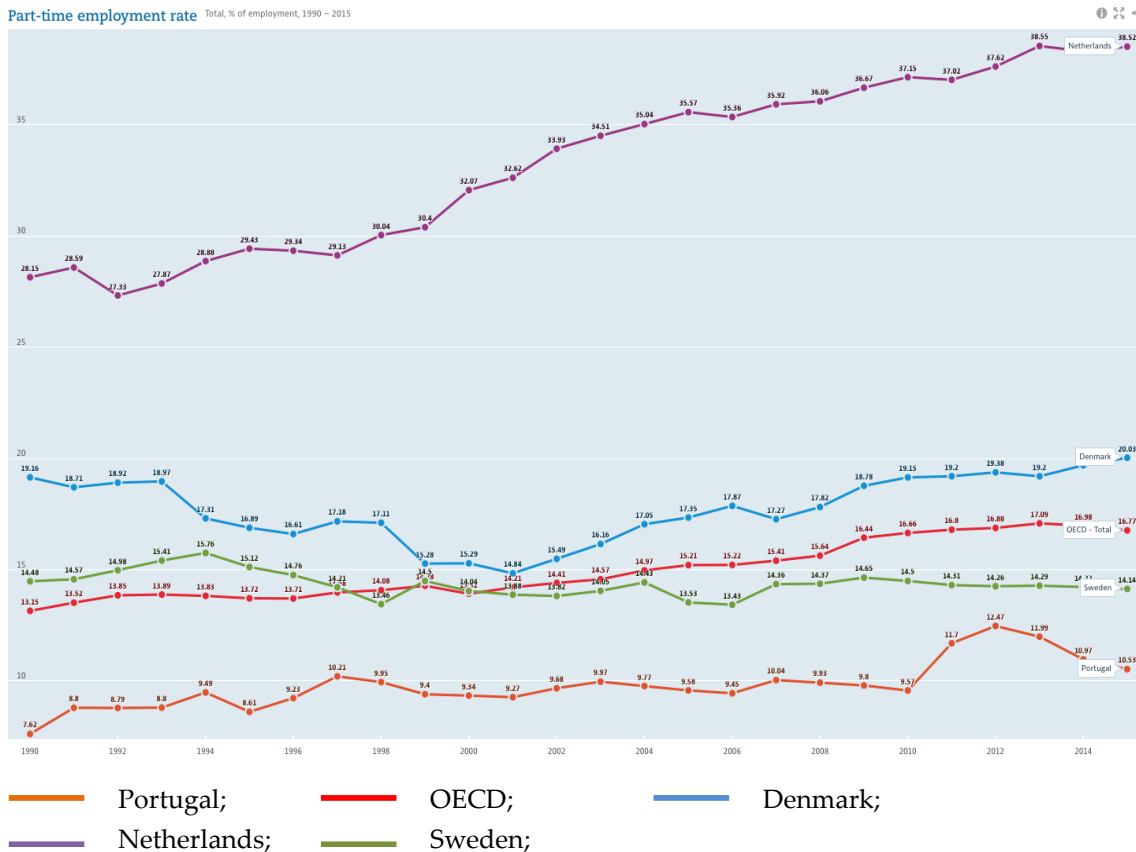
## 3.1. Economic indicators

This section includes economic indicators, which have been separated in different sub sections as to allow for a better assessment of the results and comparison of the countries considered for the study, however each section directly refers to the other indicators in order to create an integrated approach and build the grounds to answer our research question.

### 3.1.1 Part-time employment

Under ILO Convention No. 175, a part-time worker is an “employed person whose normal hours of work are less than those of comparable full-time workers.” (International Labour Organization, 2011, p.30). However, most statistical definitions of part-time work focus on the number of hours worked per week, with thresholds of less than 35, or sometimes 30 hours per week used as the basis for determining which workers are working part-time.

Based on the definition under ILO Convention No.175, with thresholds under 35 hours per week, Figure 1 indicates that part-time work has been gradually increasing in the countries of study since 1990.



**Figure 1:** Part-time Employment rate of the overall employment per year (%), 1990 to 2015. **Source:** (OECD, 2016c)

Taking these results into consideration, the Netherlands is bursting the scale with a surprising percentage of 39% of part-time employment over total employment in 2015. This should not be surprising as the policies in practice in this country support work flexibility schemes, which have been disclosed in detail in chapter 2, section 2.4.3.1. After the Dutch Model was set in place in the 1970s, businesses and governmental agencies were encouraged to reduce working hours in order to create more employment for others, thus the growth trend of part-time employment in the last 25 years. In the 1990s flexible working hours were introduced and 300 000 jobs were created (chapter 2, section 2.4.3.1). This data only validates their notion that part-time work is based on individual free choice to choose one's own schedules to accommodate family and cultural activities, and it also proves that working time

flexibilization is increasing with time as more people find it more suitable to their lifestyle.

For the Danes, the trend of part-time work is also increasing, although not as exponentially as for the Dutch. It still supports their policies of work flexibility and more employment creation, but as their approaches differ slightly from the Dutch's it is only fair that their part-time rate has not increased as much by comparison, having a rate of 20% in 2015. Denmark preferred to adopt schemes of annualized hours so that employees can exercise their free will in deciding their work arrangements, choosing to take sabbatical years, months or days over the course of several weeks, which allows them, as mentioned in section 2.4.3.2, to overcome the problems of seasonal demand and unemployment as we will prove in the next chapters.

Sweden is a notable exception to the trend of part-time jobs in Nordic countries, its rate is starting to decline in favour of full-time employment. Nevertheless, part-time work is a crucial component of women's working life. Part-time work accounts for a relatively high share of female employment in Sweden, in 2007 around 36% of the female labour force worked part-time and almost 90 % of part-time workers are women. Part-time work in Sweden may be considered more as an historical transition from married women inactivity towards a strategy, largely initiated by the state, to strengthen female labour market commitments (Anxo, 2009; International Labour Organization, 2011).

Sweden is indeed an exception to the part-time employment trend, as their part-time rate is declining to some degree but mostly faithful to their average 14% rate of part-time employment for the last 25 years. Since the 1997 Collective agreement, and even taking in consideration the Working hours Act established decades before, Sweden has had a different approach towards flexibilization

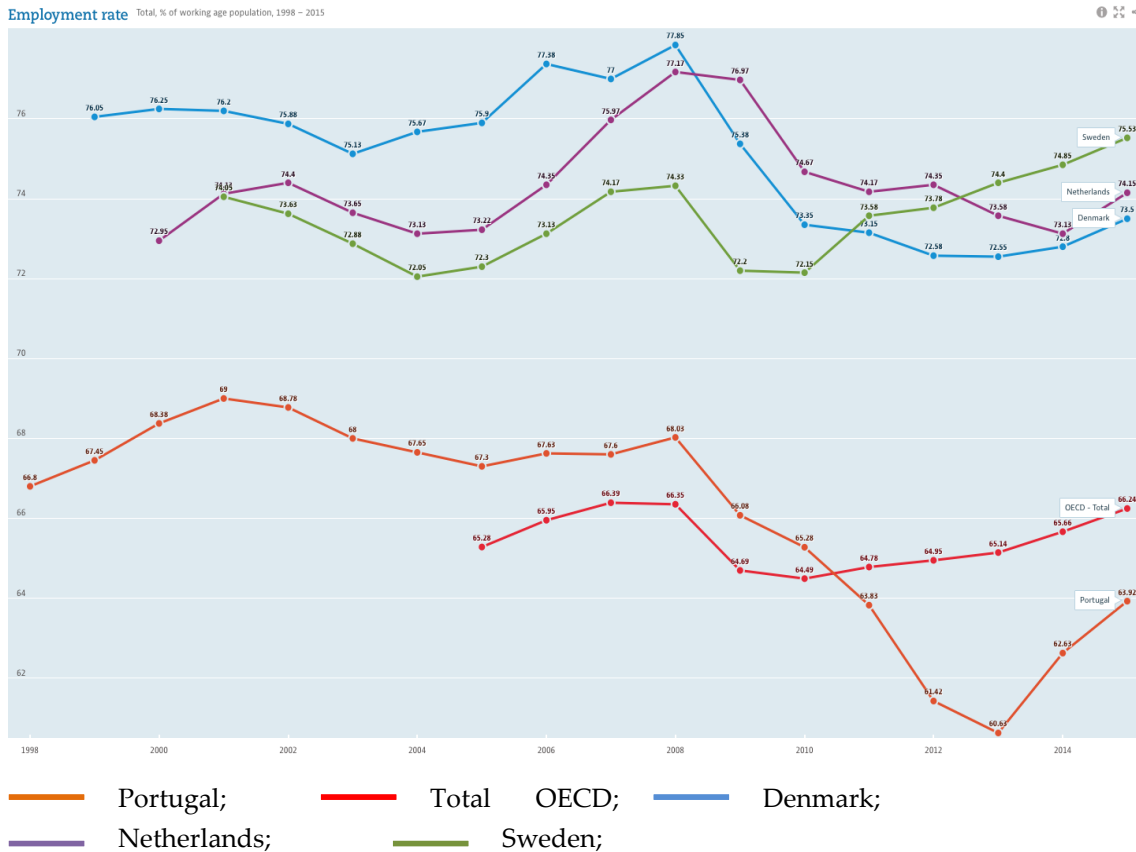
policies, choosing to decrease working hours in order to increase employment, instead of choosing to implement further part-time employment (chapter 2, section 2.4.3.3).

In comparison, the total of OECD's countries' part-time work rate has increased in the past 22 years from 13% in 1990 to 17.10% in 2012, whilst in the last years it has declined very slightly to 16.77%. This recent decrement can be due to economic reasons, women's changing role in the labour market and family care, and also due to the policies that countries like Sweden and Denmark adopted.

Portugal on the other hand has seen for a few years an increment on its rate; from the 7.5% in 1990 to the 12.5% in 2012. But since its peak it has been declining again, falling to a short 10.5% in the end of the year of 2015. Portugal is, compared to the other three countries and the total of the OECD, the country that has the lowest part-time rate. We can link this to the lack of policies promoting working time flexibility and job creation, the state of its economy, which is still recovering from its biggest downfall ever, and the low income and poor work conditions associated with part-time employment in the country.

### 3.1.2 Employment

According to the studies previously mentioned in the section above, which have been conducted by the OECD, there has been an enormous increment in part-time work in the countries of study (section 3.1.1, Figure 1) such as: the Netherlands in which part-time represents 39% of employment, followed by Denmark with 21%, Sweden with 14% and Portugal 10%. These findings can be related to an increase in employment rates (post crisis) in the countries stated above as can be seen in Figure 2 (OECD, 2016b).



**Figure 2:** Employment rate of the working age population (total % of working age population), per year, from 1998 (oldest available data) to 2015.  
**Source:** (OECD, 2017a)

This economic indicator of Employment, as well as the following, of Unemployment (section 3.1.3 Figure 3) can help us to further prove the relation between working time flexibilization policies and work redistribution and the way they contributed towards the economy of the countries involved in this study. This indicator has available data only from the year 1998 onwards. If the policies we have seen so far, adopted by the Netherlands, Denmark and Sweden would not have been set into practice, work would never have been redistributed the way it has been in those countries, and by looking at the increment of their employment rates (Fig.2) and the decrement of their unemployment ones (Fig.3) it is possible to establish a positive correlation between these policies and the creation of employment. Even though the Netherlands' distribution has followed a similar path to the Portuguese one,

and the OECD's employment rate has been increasing as well. It should be stated, however, that the Netherlands, Sweden's and Denmark's employment rate is considerably higher.

In terms of employment, the Netherlands' rate of employment, like the ones of all three of the countries that serve as the base for our analysis, has reached its peak in 2008, prior to the economic downfall, which affected countries worldwide. Notwithstanding, its levels are still high if compared, for instance, with Portugal. Furthermore, they are recovering from the loss they suffered during the crisis, in 2008 their employment rate was at 77.17%, but the following year started to show signs of the crisis' repercussions by lowering to 76.97% and continuing to decrease ever since, having reached their lowest point since 2000 in 2014 with a total of 73.13%. The employment rate is now set at 74.15% (2015) of total working age population, still a remarkably high rate, but not the recovery to be expected from the crisis as the Act on Work and Security was implemented to counter-act the repercussions. We would have expected a greater recovery to be associated with these policies. However, only in 2013 did the "April 2013 Social Accord" come into place, social partners laid down the intention to provide zero-hours-contract workers with minimal income security (chapter 2, section 2.4.3.1), and it seems as only in 2015 they were able to recover ever so slightly.

As for Denmark, in 1993 the Danes adopted a law, which employed systems of annualised hours and saw its employment rise from 71.5% in 1996 to 77.85% in 2008. Annualised hours may have been an important policy when it comes to this growth, but also during this time 70% of women were working, which helped with these high rates (Hendeliowitz, 2008). From then on it followed the same pattern as the Netherlands, reached a peak in 2008 and descended due to

the effects of the crisis. This great drop to 72.55% in 2013 was not to be expected as they reinforced their policies and *flexisecurity* model to prevent bigger repercussions, however in the last few years it has been slowly recovering to its former rate, now at 73.5% (2015) of employment over the total of working age population.

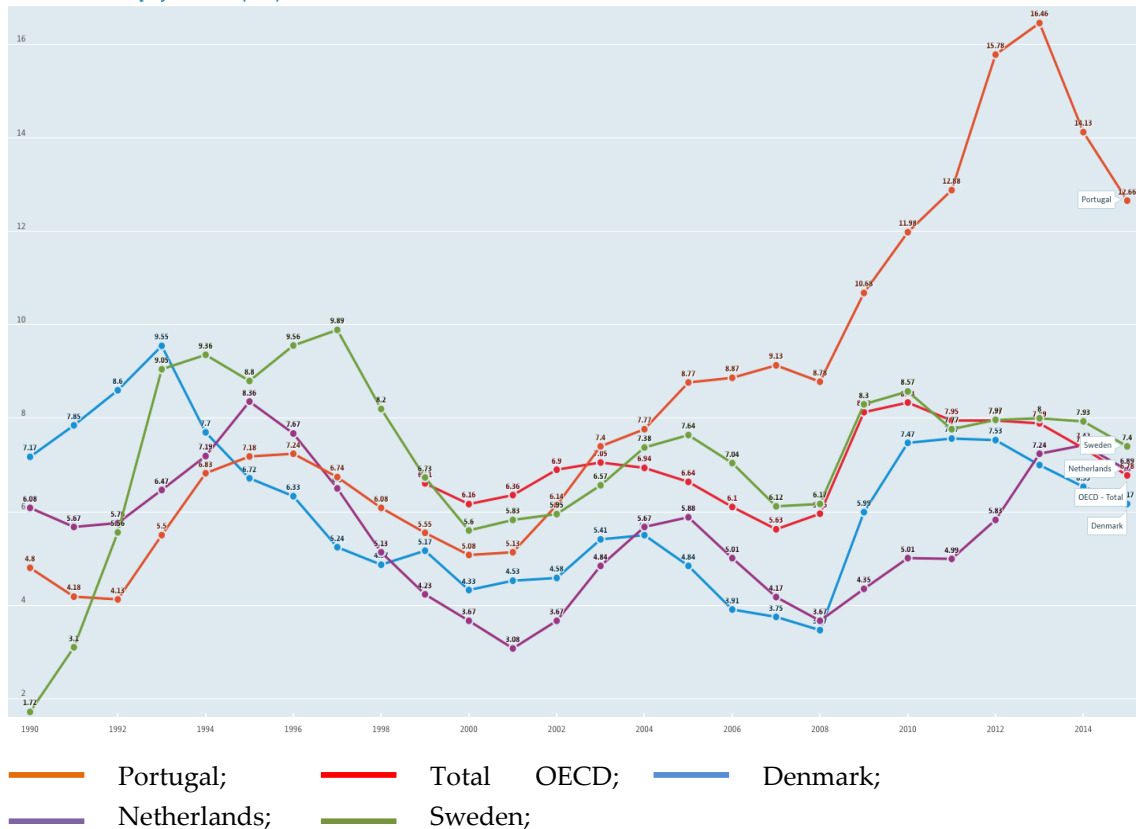
Sweden, since the implementation of the collective agreement by the Swedish Agency for Government Employers in 1997, which replaced entirely the Working Hours Act, their previous agreement, has focused on the flexibilization of the working hours and has since been increasing its employment numbers. Its recovery from the 2009's ratings fall was by far the fastest one when compared to the other three countries and can be attributed to the reinforcement of the policies from 2008-2013, a clever work redistribution through working hours' flexibilization (chapter 2 section 2.4.3.3). In 2015 it surpassed the employment rate of the other model countries by ending the year with 75.53%.

It should come as no surprise and it is common knowledge that the economic crisis has affected Portugal the most and that the figures of employment were also affected by the austerity measures imposed by the 2011 bailout. When compared to the three countries in the study, the figures are not uplifting. From 2009 until 2013 the rates were low, lots of companies declared bankruptcy and thousands of workers lost their jobs, it then reached its lowest point of 60.6%. In recent years, Portugal has implemented ambitious structural reforms to restore the sustainability of public finances, reduce external imbalances and put the economy back on a path of employment growth (OECD, 2013). It is encouraging that the rate has been slowly increasing, ending 2015 with a rate of

almost 64%. OECD's total rate has also been increasing in the most recent years, post crisis, 66.4% in 2015 is their latest rate number.

### 3.1.3 Harmonised Unemployment

As stated by the OECD: "Harmonised unemployment rates define the unemployed as people of working age who are without work, are available for work, and have taken specific steps to find work. The uniform application of this definition results in estimates of unemployment rates that are more internationally comparable than estimates based on national definitions of unemployment. This indicator is measured in numbers of unemployed people as a percentage of the labour force and it is seasonally adjusted. The labour force is defined as the total number of unemployed people plus those in civilian employment" (OECD, 2016a). An important definition to justify this indicator, otherwise we could have only considered the Employment rate, but as we can see, one does not complement the other; the harmonised unemployment rate is not the difference between 100% of employment and the current rates, instead it only considers people willing to work but not able to find a job, not those part of the working age population which for personal reasons have chosen not to work as in the employment rate. Figure 3 shows us the trends of harmonised unemployment in these last 25 years.



**Figure 3:** Harmonised Unemployment Rate of the working age population, per year, from 1990-2015, as % of labour force.

**Source:** (OECD, 2016a)

In this case of Harmonised Unemployment it seems as if all three countries and the total of the OECD follow similar fluctuations in terms of their patterns, in the past 25 years all have had periods of higher unemployment rates and of lower unemployment rates. The Netherlands has had one of the lowest rates, 3% in 2001, which may be a consequence of the 300,000 jobs which were created as an incentive to employment from 1994-1996, followed by an increment and back to the 3% average in 2008, after that it has increased but in 2014 and 2015 has finally begun decreasing, closing the year with 6,89% of unemployment. A small percentage but which should be lower if we consider the policies in practice during this period and the increment in Employment (Fig.2).

Denmark’s unemployment rate has had the same ups and downs as the other countries, but has been decreasing in these last few years, as well as Sweden’s and the Netherlands’. Since 1995 the rate of unemployment gradually declined,

reaching its lowest point in 2008 at 3.5% of unemployment of the labour force. Denmark's rate in 2015 was of 6.17%, again a low unemployment rate that can perhaps be correlated with their annualized hours policy, whose main goal has always been to distribute the work available towards those unemployed. The labour market reforms in Denmark have increased the labour force's adaptability and readiness for change, reduced the average period of unemployment. This has led to a considerable reduction in structural unemployment, and has been a decisive factor in Denmark's continued economic growth (Hendeliowitz, 2008).

Sweden has once had the lowest unemployment rate of 1.72% in 1990, but from then on unemployment rate kept increasing exponentially until 1997 when it descended once more. This descent can be attributed to the Collective agreement implemented in 1997, which created incentives towards the flexibilization of work schedules and staggered hours, thus reducing unemployment (chapter 2, section 2.4.3.3.). During the crisis the fluctuation increased mildly, but in recent years it is decreasing once more, making it closer to the other countries' rate of 7.4% (2015).

OECD's total fluctuation, as previously mentioned is very similar to our three model countries', which means that most countries in the OECD do not have high rates of unemployment, otherwise the average rate would be greater. Portugal is once more the exception to the rule; the hardships brought about by the crisis, along with the structural problems and the 2011 bailout agreed with the so-called *Troika* (ECB, EU and IMF), resulted in it having had the highest unemployment rate ever in the end of 2013, of 16.5%. This high rate was of course taken into consideration and some structural changes were made in order to decrease it. It has decreased slightly since then, and in the last two years has diminished to 12.66% (2015). Even though for the purposes of this study we are only taking in consideration the rates from 1995 to 2015 it is

important to state that in the 4<sup>th</sup> quarter of 2016 Portugal had an unemployment rate of 10.5%.

Despite the increments in the overall Harmonised Unemployment rate when compared to pre-economic crisis results, according to a more recent study performed by the Eurostat (2016), in the second quarter of 2016, 1 in 5 unemployed persons in the EU found a job. The news release states that from the 63.2% of people unemployed in the first quarter of 2016 in the EU (12.6 million), 19.5% (3.9 million) moved into employment and 17.3% (3.5 million) moved towards economic inactivity, as some workers were already discouraged and thus decided to withdraw from the labour market and quit the job hunting altogether. Economically inactive individuals are those neither employed nor unemployed, i.e. students pensioners and housewives/men not working, not available for work neither looking for work. (Eurostat, 2016)

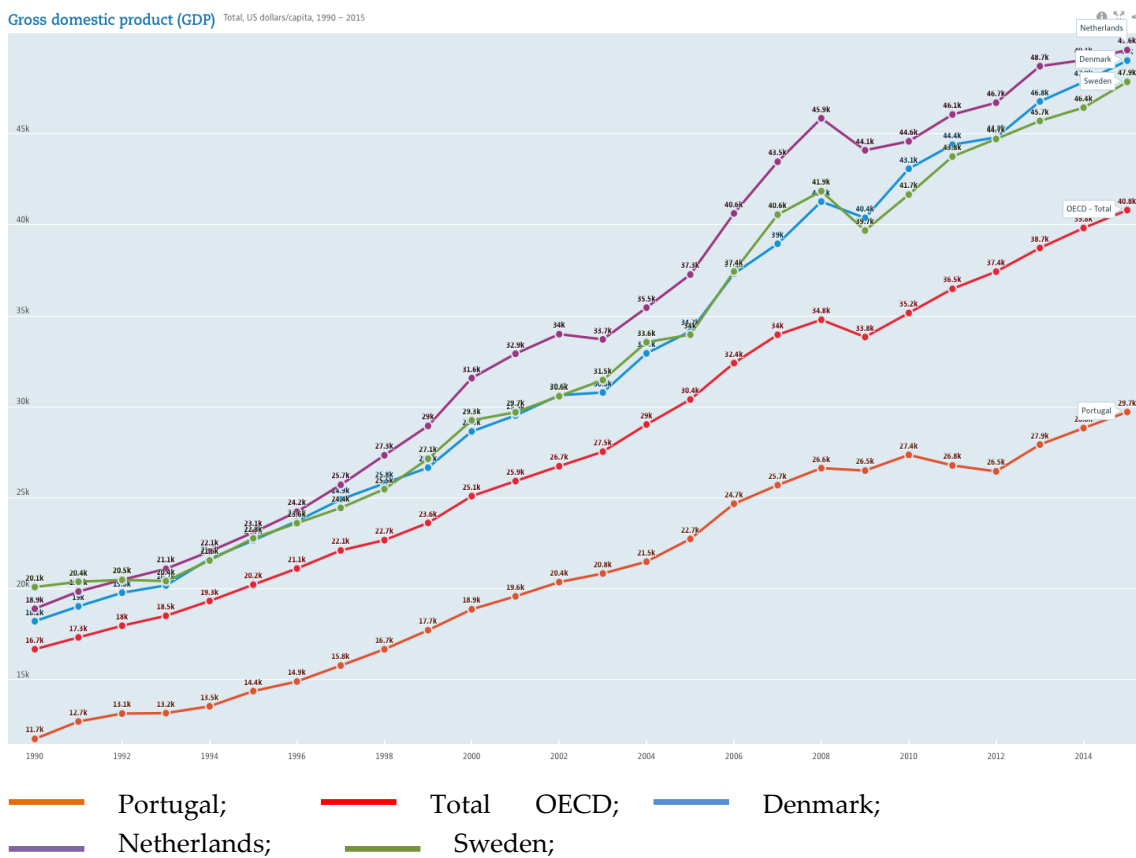
### 3.1.4 Gross Domestic Product (GDP)

Gross domestic product (GDP) at market prices can be defined as the expenditure on final goods and services minus imports, i.e. final consumption expenditures, gross capital formation, and exports less imports.

"Gross" means that no deduction has been made for the depreciation of machinery, buildings and other capital products used in production. "Domestic" means that it is production by the resident institutional units of the country (OECD, 2017c).

Growth in gross domestic product (GDP) per capita can be broken down into growth in labour productivity, measured as growth in GDP per hour worked and changes in the extent of labour utilization (section 3.1.5), measured as changes in hours worked per capita.

This is one of the most widely used economic indicators as it measures in a wider but fair scale the economic growth of each country. An increase in GDP means that there is an increment in the value of national expenditure, which translates in higher average incomes and overall better standards of living, what it does not include however is the overall population's fluctuation. What can be seen in Figure 4 is what it is to be expected in such developed countries and economies, a general and exponential increase over the last 25 years in economic growth (GDP).



**Figure 4:** Gross Domestic Product in US dollars per capita, 1990 to 2015.  
**Source:** (OECD, 2017c)

As can be observed in Figure 4, The Netherlands is once more at the top of the chain in terms of economic growth when compared with all the other countries considered for this study. It has followed a steady growth since 1990 when flexible working hours were introduced (chapter 2, section 2.4.3.1), prior to 1990 the growth was less accentuated, its GDP in 1998 amounting to 16 300

per capita. In 1990 its GDP rose to 18 900 US dollars per capita, and in 2008 reached a peak of 45 900 before declining ever so slightly in the following year. From then on its growth has continued to increase, closing 2015 with an estimated economic growth of 49 600 US dollars per capita. Making it a new apex for this country, which can most likely attribute its economic growth to the efficiency of the measures implemented and happiness of its working class (OECD, 2015), as well as to their flexible work arrangements. The productivity of this country per hour worked has also been extremely high as can be seen in section 3.1.5, confirming once more that their policies of working time flexibilization have led to great results in terms of economic growth and work-life balance.

The Danes followed anew a similar growth pattern, fluctuating between the 18 200 US Dollars per capita in 1990 to the 49 000 US Dollars per capita at the end of 2015. This growth spurt was much more accentuated since the introduction of the new reforms in 1993, introducing the annualized hours schemes and the incentive to job creation (chapter 2 section 2.4.3.2). Much like the other countries in the study, it too reached a peak in 2008 (41 500) followed by a descent in 2009 (40 400), which was once more induced by the crisis. This descent can be seen, however, as a general pattern in the graphic (Fig.4.), it is anew the consequence of the economic crisis which originated as early as 2007 in the US (the Subprime crisis) but whose repercussions were felt more directly in Europe from 2009 onwards (in the case of Portugal the more dire consequences were felt after the 2011 bailout). Denmark picked up in 2010 possibly due to the educational schemes and the '*flexisecurity* model', which were reinforced due to the crisis, further incentives for unemployed workers to adapt to the job market and companies to be more flexible and create more

employment (chapter 2, section 2.4.3.2.) and thus increase the country's GDP, which continued to grow until the end of 2015.

Sweden much like its neighbouring country, Denmark, followed the same growth path, starting with 20 000 US Dollars per capita in 1990, the highest of all the countries in this study for that year, followed by a rapid growth from 1998 onwards which can be linked, amongst others, to the introduction of the Collective agreement, its flexibilization of the work schedules and staggered hours (chapter 2, section 2.4.3.3). The growth continued until 2008 and then dropped 2 000 US Dollars in 2009 to a total of 39 700. Sweden's GDP recovered in 2010 and maintained its exponential growth, ending 2015 with a total of 47 900 US Dollars per capita. This recovery can probably be credited to the further support added by the flexible and reduced working schedules measures introduced to help diminish the hardships of the crisis on the country's economy from 2008 to 2013.

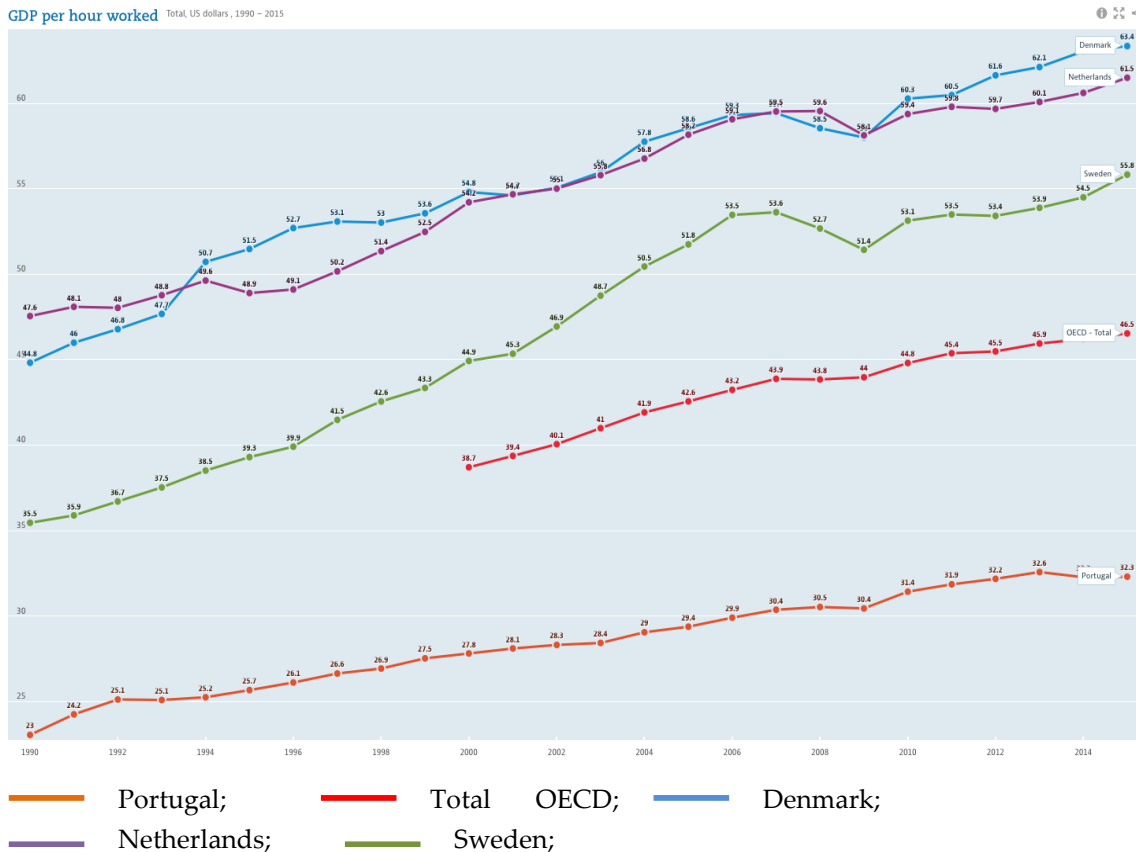
The OECD's average GDP per capita has been following an increasing stable fluctuation, ranging from 11 700 US Dollars per capita in 1990 to the 40 800 in the closing of the year of 2015. It too reflected the economic crisis which begun in 2007-2009 by falling 1 000 US Dollars from the year 2008 to the year 2009, but in 2010 it was back to its regular economic growth. Portugal is, however, the odd one out compared to the countries in this study as we are looking into GDP per capita which hides population fluctuations. Upon its adhesion to the EU in 1986, Portugal started displaying an economic growth superior to the average of the OECD. Its economy evolved from a lower point in the scale, so it had room to grow, it also benefited from structural funds and public investment, and so it had a regular economic growth starting in 1990 with 11 700 US Dollars per capita. This growth slowed down after the turn of the Century and the

adhesion to the Euro. From 2010 onwards the Portuguese GDP fell more severely, a consequence of the deal with *Troika* and the austerity measures brought by the bailout package; dropping 2 000 in the following years. A positive turning point can be seen after 2013, partly due to structural reforms and the start of the recovery. The year of 2015 ended with total GDP of 29 700 US Dollars per capita.

### 3.1.5 Gross Domestic Product (GDP) per hour worked

Gross Domestic Product (GDP) per hour worked is a measure of labour productivity and it measures how efficiently labour input is combined with other factors of production and used in the production process. Labour input is defined as total hours worked of all persons engaged in production. Labour productivity only partially reflects the productivity of labour in terms of the personal capabilities of workers or the intensity of their effort, as one cannot accurately measure human capabilities and effort, and there are many other factors, which can contribute to higher or lower productivity, such as managerial style, type of industry, sector, automation level and production level. Nonetheless, it will still help understand how productivity has been affected in these economies by the introduction of these policies.

According to the OECD: “The ratio between the output measure and the labour input depends to a large degree on the presence and/or use of other inputs (e.g. capital, intermediate inputs, technical, organisational and efficiency change, economies of scale)” (OECD, 2017b).



**Figure 5:** Gross Domestic Product (GDP) per hour worked, measured in US dollars, 1990 to 2015.

**Source:** (OECD, 2017b)

Starting with The Netherlands we can see a similar pattern to the one followed by its GDP figures, stable productive growth, starting in 1990 with 47.6 US Dollars, dropping the steady growth as is to be expected in 2009, but quickly recovering in 2010, probably thanks to their post-crisis measures to increase the flexibility of the working schedules, and ending 2015 with a total of 61.5 US Dollars.

The Danes' GDP per hour worked seem to control the upper part of the chart this time, an exponential growth from 44.8 US Dollars in 1990 to 63.4 US Dollars in 2015. The same drop seen in the GDP fluctuation is seen here in from 2008 to 2009, meaning that the crisis affected productivity before affecting the general GDP. However, Danish productivity was the highest of all the countries used in

this study, and its GDP was extremely high as well, this allows us to deduce that their policies of annualized hours (chapter 2, section 2.4.3.2.) and flexibility schemes, which besides giving employees free choice over their schedules work in par with the seasonal demand, helped to improve productivity.

Sweden's fluctuation of GDP per hour worked is somewhat positioned lower in the chart when compared to the Netherlands' and Denmark's. Still starting off 1990 with 35.5 US Dollars but rapidly escalating to 53.6 in 2007, followed by a crisis related drop (in tune with its GDP, Figure 4) until 2010. From then on the numbers were on the rise up to 55.8 US Dollars in 2015 by virtue of their post-crisis resolution measures (chapter 2, section 2.4.3.3), positioning them pretty close to the Dutch and the Danes. Their palette of working time options and their governmental support without large income loss whenever they face the need to adapt and change their schedules may have contributed towards this productivity improvement.

OECD's GDP per hour worked has available data only from the year 2000 onwards, not varying much in fluctuation, a regular clean line, which shows some small increment. It ranges from 38.7 US Dollars in 2000 to 46.5 US Dollars in the end of 2015.

Portugal is anew at the bottom of the chart, a very stable fluctuation that shows no sign of massive increment. In 1990 it started off with 23 US Dollars. During the crisis' years, the productivity seems to have remained relatively the same, dropping slightly in 2009, reached a peak in 2013 with 32.6, and has been slightly declining ever since, closing 2015 with 32.2 US Dollars. This continued decline in productivity might well be related to the withdrawal of some workers from the labour market as well as to the emigration of high skilled workers. According to the OECD report on Portugal (2013), boosting

productivity requires in particular a business environment that is more conducive to investment, innovation and job creation, as well as major investment in human capital. And according to this very same report, even though Portugal is trying to change its labour market and invest further in human capital, it is still something in need of restructuring.

So far we have seen a pattern in terms of economic indicators in the countries chosen as models: The Netherlands, Denmark and Sweden, all seem to be doing well. We were able to connect these results to the policies they adopted and their efficiency, which in turn are connected to our argument of work redistribution through working time flexibilization. What we have seen so far were countries with high employment rates, high GDPs, and considerable high productivity as well, this all leads to us concluding that the adoption of the policies stated previously have in fact been efficient in terms of schedule flexibilization and work redistribution.

From the assessment of all the charts above, we can conclude that in absolute terms, Portugal remains poorer than the Netherlands, Denmark, Sweden and the OECD's average and this can be attributed to the lack of high levels of productivity as can be seen in Figure 5. The OECD's report on Portugal (OECD, 2013) also states that Portugal should strengthen the implementation of measures to help the unemployed find jobs through: more active management of job search assistance and referrals to labour market programmes; focusing on programmes that improve the employability of participants; and maintaining and improving the system for monitoring the integration of participants into the labour market.

The working time flexibilization measures adopted by the countries we analysed (Sweden, Denmark and the Netherlands) promote part-time working and reduce working hours, all of which contribute to work redistribution. Our comparative analysis resorting to the economic indicators also concurred in showing that there is a likely strong correlation between these measures and the growth of employment. They were in fact successful when it comes to distributing work more evenly, giving the people unemployed a chance to work either part-time or full time.

## 3.2 Impact of the policies on the workforce

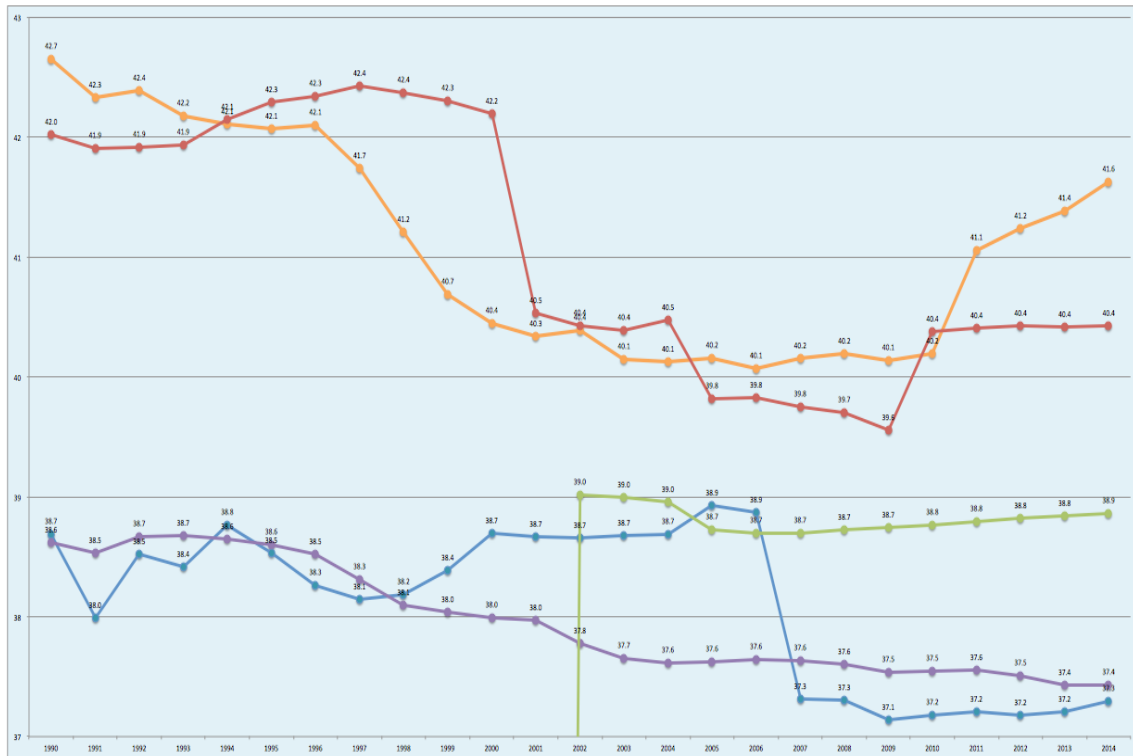
Through the economic indicators seen in the previous section we were able to prove the policies' efficiency for the economy and labour markets of each country considered for this study and in which the policies are in practice.

Nevertheless there is a crucial social indicator, which can determine the success or failure of the policies: work-life balance. These next statistics give us objective data on whether the flexibilization and redistribution policies in practice have in fact reduced the working hours of the employees, showing us what sort of impact they had in their practical life. These will allow us to build up our argument towards the conciliation of the policies with the work-life balance concept in chapter 3, section 3.2.3.

### 3.2.1 Hours worked per week

Globally, a large number of countries have reduced their statutory normal working hours in full-time employment from 48 hours to 40 hours in recent

decades. As a result, 67% of developed and European countries provide for a regular 40-hour workweek. The countries considered for this study, Netherlands, Denmark and Sweden, as shown in Figure 6, present even lower hours of work per week (International Labour Organization, 2011; OECD, 2016).



Portugal; Total OECD; Denmark; Netherlands; Sweden;

**Figure 6:** Average hours worked per week, per worker, per year, 1990 to 2015, in full-time employment.

Source: (OECD, 2016b)

In terms of the evolution of hours worked per week over the years, the Netherlands has managed to keep decreasing its absolute number. We can associate these numbers directly to the flexibility policies, which have been allowing them to lower the hours each worker works per week, not to mention the amount of part-time workers which helps lower even further the average of working hours per week from 38.6 in 1995 to 37.4 in 2015. This shrinkage in hours per worker per week can only confirm the efficiency of the work flexibility policies in practice.

Denmark has seen quite the fluctuation in the last 25 years, but in 2007 has had a substantial drop in the number of hours worked per week, making it the country with the lowest average of weekly hours worked of 37.1 hours in 2009. In 2015 (our latest available data), the numbers have raised ever so slightly to a total of 37.3 hours per week, maintaining the lowest average of working hours per week of all these countries. These numbers can be directly related with the policies set in motion by the Danes, the flexibility and freedom given to the workers to choose their own working schedules and schemes.

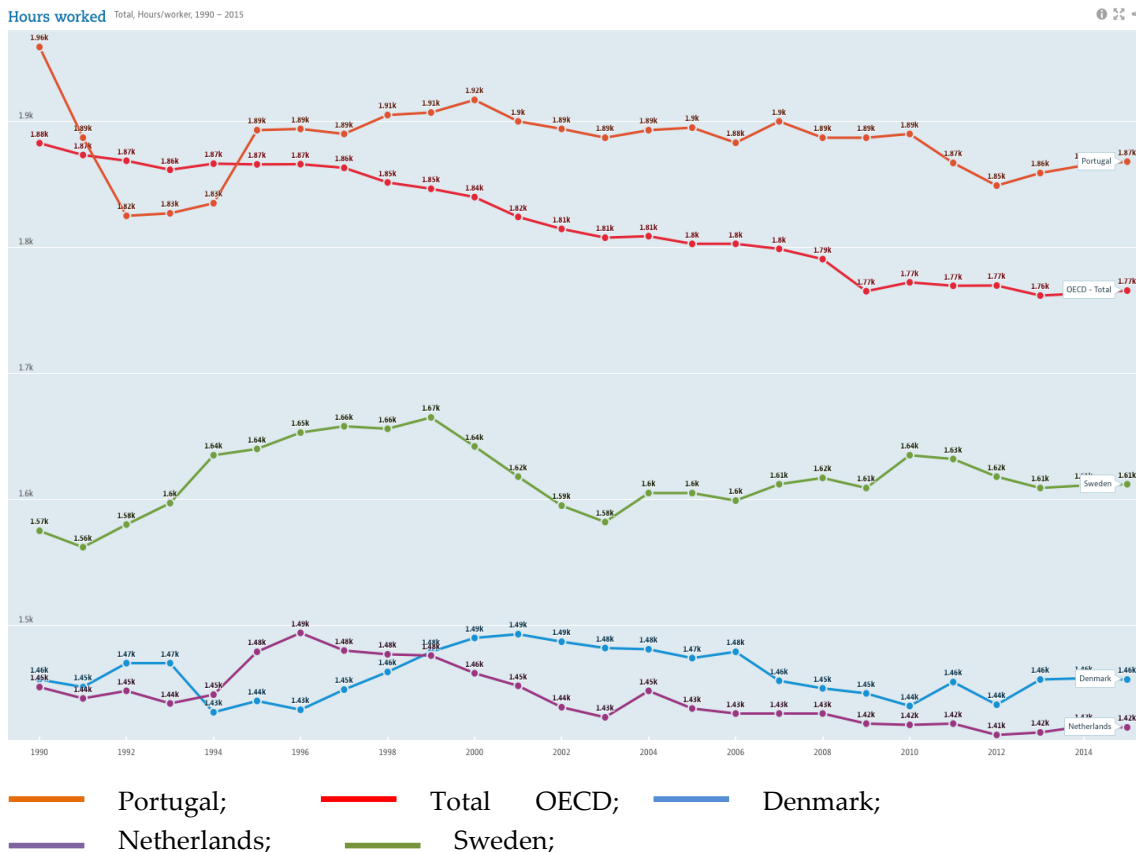
As for Sweden, there is only available data from 2002 onwards, so we cannot draw a wider picture and see how they have evolved in the last 25 years. We can however see that in the last 12 years the average has stayed quite steady in the 39 hours per week. Apart from the policies of flexibility described previously in chapter 2, section 2.4.3.3, Sweden has been trying to reduce their workday to 6 hours per day for the last 20 years, each company at a time, as a way to create more employment, balance work and life, and also increase productivity, as employees tend to be happier and more productive when working fewer hours (França, 2017).

Both Portugal and OECD seem to follow a similar pattern in terms of fluctuation in working hours per week. Both have higher numbers if compared to the Netherlands, Sweden and Denmark, but as OECD's are stabilizing in the 40.4 hours per week (2015), Portugal's values seem to be heading in the opposite direction, the figures are actually increasing, and the lack of work redistribution policies and precariousness can be considered as the primary causes. Portugal, compared to this group of countries and the OECD total, still presents on average a longer workweek of 41,6 hours in 2015. It can be argued

that employees are still afraid to lose their jobs. From the midst of 2010 to 2014, when the economic crisis was at its peak and employment at its lowest, the working force suffered an enormous pressure. With budget cuts in almost every industry and taxes at their highest, employees felt the need to work more hours to maintain their income and position in order to provide for their families and keep employers satisfied. It seems as if today, even though Portugal is somewhat recovering from the crisis, the scenario is still far from ideal and if work redistribution policies along with work flexibility policies were to be applied maybe the prospects would be different.

## 4.2.2 Hours worked per year

By the end of the twentieth century, average annual hours of work were below 2000 per worker in nearly all OECD countries, and in many such countries (e.g. the Netherlands and Denmark) average annual hours were substantially lower, closer to 1,500 hours per year as can be seen in Figure 7 (International Labour Organization, 2011) (OECD, 2016b).



**Figure 7:** Average hours worked per worker per year, 1990 to 2015.  
**Source:** (OECD, 2016b)

The Netherlands is once more at the bottom of the scale for the right reasons, with the lowest average hours of work per year in the last 15 years, reaching 1.42k in 2015. This is another indicator that we can directly associate with the working time flexibility policies they have put into practice in the last decades.

Denmark seems to follow a path similar to the Dutch, low average of working hours per year that has stayed quite stable throughout the last quarter

of a century from 1.46k in 1990 to 1.46k in 2015. Their annualized hours may once more have direct influence on these figures. If they are allowed to choose their preferred work schemes and schedules, taking months, weeks and days off work then it is only natural that their numbers per year are this low.

Sweden has seen lower figures in terms of working hours per year, like 1.56k in 1991, but probably due to the onset of the economic crisis has increased its values in the last decade, closing 2010 with an average of 1.64k. It seems however, that in the last few years the numbers are declining once more to 1.61k in 2015, very slightly but still coherent with the indicators previously analysed and the flexibility schemes in place (section 2.4.3.3).

Once more, if compared to the figures of the abovementioned countries, Portugal and the OECD appear at the top of the chain. The total of the OECD's countries' average of hours worked per year is somewhat lower than Portugal's, ranging from 1.87k in 1990 to 1.77k in 2015, and has had a steady fluctuation, meaning that most of the countries belonging to the OECD must have low averages of working hours and are continually decreasing, with a few exceptions, like Portugal. Portugal on the contrary to the average of the OECD, has had a turbulent fluctuation so far, from 1.96k in 1990 to 1.82k in 1992. Many ups and downs throughout the last 25 years seeing that even in recent years the numbers are once more increasing, reaching up to 1.87k in 2015. It is worth mentioning once more the unstable level of employment, the precariousness the workforces and the country are dealing with and the lack of social policies to support employees, which surely have contributed to the increment of this average.

### 3.2.3 Work-life Balance

The topic of work-life balance and work conditions could not possibly go unmentioned; we consider it to be directly related to this thesis' research question. The main argument here is that precariousness of employment, poor working conditions and employee dissatisfaction are factors that should not be promoted by working time flexibilization and redistribution practices. These are in fact issues that show us how, in some cases, working time flexibilization can occur and yet not be considered a good practice. In theory flexibilization policies should not be associated with these problems, they should be policies which help eradicate these issues, but that does not mean that it cannot be the case. For instance, temporary work agencies, which do allow for more flexibility and create employment but whose employees face a precariousness that is so strong that they are constantly afraid to be out of the job and work in poor conditions, and this does not give them any work-life balance. These issues which point out the advantages and disadvantages of flexibilization policies shall be further discussed in the next section of "Ethical and critical discussion" (chapter 3, section 3.3). As we have seen in the "Literature review" (chapter 2), work redistribution is not only a concept but an idea, which translates into distributing work in a more equal manner, employing more people but foremost, improving work-life balance and overall happiness and allowing for the concept of work to be enlarged to include cultural, social and personal activities as forms of labour and thus free society from its work-based limitations.

As stated in the report by the European Commission: "Good working conditions, including a healthy and safe environment, are often associated with high worker motivation, creativity and commitment, leading ultimately, to high levels of productivity." (European Commission, 2014, p.2).

In terms of working conditions a new survey by the *Eurobarometer* in the EU reveals deterioration and wide disparities in worker satisfaction in most European countries, but mostly those affected by the economic crisis. Albeit most workers are satisfied with their own working conditions, 77% on average in the EU, there is a very wide disparity across different countries, ranging from 94% in Denmark and 80% in both The Netherlands and Sweden to 32% in Portugal. Several factors can explain the discrepancy in the levels of satisfaction, such as the social and economic context, which could have been influenced by the crisis, but also the social policies of labour, which are stronger in the countries ranking highest (European Commission, 2014).

The *Eurobarometer* survey has had other findings in terms of work-life balance indicators: a number of figures confirm a massive increase in work intensity with stress emerging as a risk, moreover, dissatisfaction regarding workload, pace of work and long working days (more than 13 hours). Concerning work organisation, in relation to work-life balance, 40% of respondents declare that they are not offered the possibility to use flexible working arrangements (Eurobarometer, 2014).

Additionally: "Men are slightly more likely than women to say they were dissatisfied with working hours because they were excessive (51% vs. 45%), while women are more likely to mention being constrained by shift work (31% vs. 26%) or unable to influence their work schedule." (Eurobarometer, 2014, p. 16).

So, as we can see, work-life balance in most European countries is yet to be considered by most employers and labour organizations as an important matter. But in truth, most employees complain about the lack of working conditions, the lack of flexibility in terms of the working schedule, and in addition the long intensive hours of labour, thus translating into stress related issues, depression and poor work-life balance.

This is important to assess the results as seen from the perspective of workers themselves, given that flexibilization policies can, in some cases, produce good economic results while at the same time be damaging for the quality of living of workers themselves (as the cases of imposed precariousness we alluded to are proof of). In our perspective, however, such policies are only justified if they prove to be good both for the economy and for the lives of workers themselves.

Following that line of reasoning, we believe that work-life balance could in fact be improved if more countries adopted working time flexibilization and redistributive policies. People would work less hours, adapt their schedules to their personal needs, and allow for their off-work hours to be distributed towards more people thus reducing unemployment and poverty issues.

### 3.3 Ethical analysis and critical discussion

The policies of working time flexibilization as a means to work redistribution, which we have seen throughout this thesis, have been proven by several indicators (chapter 3 sections 3.1 and 3.2) to be quite successful in the countries in which they were implemented, not only to attain economic efficiency but also work-life balance improvements. It is unquestionable then the link between flexible work schedules and the balanced lives which employees are able to attain if they are able to choose their own work schemes. That is, if they are given any control over their schedules and are not otherwise given work schemes imposed by and controlled by their employers.

Work is such a central aspect in society, and the redistribution of work, as we have argued, such a sensitive topic that our comprehensive approach cannot refrain from also looking at it from the standpoint of social ethics. We will base our analysis in the guiding overarching principle of freedom. However, let it be

said that two other principles will be presupposed here: equality (or the lack thereof) and well-being.

Firstly, we can say that work redistribution is necessary, precisely because 1) in our societies the means of subsistence are intrinsically tied to the need to have a job and 2) we live in a situation of extreme inequality in terms of access to work and the amount of working hours. Secondly, even though the economic success of the reduction or flexibilization of working hours could justify these policies by itself, in our opinion they are only justifiable, from an ethical standpoint, if they also result in the improvement of the lives of workers, in terms of their work-life balance and general well-being. And in our opinion, this all hinges on the degree of freedom given to the worker, because imposed precarious solutions, even if they are flexible, are no solution whatsoever.

Let it be stated that all these ethical values have been widely analysed in political philosophy and ethics, as can be seen from the works, for instance of: Berlin and Honneth on freedom (Berlin, 1969; Honneth, 2015), Piketty on inequality (Piketty, 2013), or Nussbaum and Sen on well-being (Nussbaum & Sen, 2003). Following this thread, our own approach defends the 'freedom of choice' principle, and this without being at an ideal level. Because freedom is never absolute, and, in this case, it must grapple with the economic feasibility at hand.

With that in mind, 'freedom of choice' in working time flexibility is certainly something worth assessing and a matter of great importance as it may lead certain policies to success or failure in ethical terms. Take the case of working time flexibilization policies or schemes that are implemented by a company in order, for example, to reduce stress levels and employ more workers, but these same policies are controlled by the employers in such way that employees have no say in the matter of their own work schedules. Even though they may in fact help in creating more employment and redistributing work more evenly, what

they will eventually do is create even more stress derived from the instability of the employees who had no choice over their work schemes and are now facing incompatibilities between life and work and due to that are afraid of losing their jobs. Even though these policies might be well meaning, their failure to respect the freedom of choice principle, as we defend it, in the specific implementation they adopt, makes them unsuitable by our standards.

We have discussed through the course of this thesis, to what extent different working time flexibilization policies have improved several countries' employment rates, work-life balances and overall work-satisfaction levels.

A substantial body of evidence indicates that providing employees with flexibility and control over their working time is associated with positive outcomes in terms of health and well-being, as well as positive organizational outcomes such as increased productivity and reduced absenteeism. At the same time, it is evident that denying workers schedule control and imposing variability of working-hours results in negative health and well-being outcomes.

The precariousness that could come from more discontinuous forms of work was something that we have taken in consideration. As we have seen in the literature review (chapter 2), some authors believe that work flexibility and discontinuous work schemes can only lead to more instability for the employees, as more temporary jobs are created (Dekker, 2010). Nonetheless, others believe that if work were to be more discontinuous then the precariousness of work would soon cease to exist (Gorz, 1999). In the case of sole traders for whom the working week often exceeds 48h it will tend to take the form of job sharing or the formation of cooperative links between several crafts-people pooling their jobs and orders. In this arrangement discontinuity is no longer a synonymous of insecurity. The more intermittent work is, the easier it is to ensure security of employment and the workforce has greater freedom to

choose its work schedules. Contrariwise, the more labour time diminishes when distributed amongst everyone, the more discontinuous work will necessarily become (Gorz, 1999).

This controversy on precariousness is, in our opinion, dependent on the freedom of choice given to the employees when choosing their work schemes, and this dissociation between instability and liberty is crucial for the evolution of society as we know it, from a work-based to a multi-activity-based one. Withal, at some degree, instability will always be connected to freedom, as having the liberty to choose will always be less stable than having something chosen beforehand by a third party, still, our claim is that imposed instability, which strains the lives of workers, should be reduced as much as possible.

Nevertheless, some schemes already follow these principles, which we believe to be righteous, offering workers the liberty to choose between a wide variety of possibilities whilst making employers satisfied as well. For instance, Denmark and its annualized hours policy. It is however, important to note that this freedom of choice is limited to the options available, type of industry and management policy. Note that what we defend here is not unlimited freedom to come and go as we may please, because absolute freedom would never work, there are some ground rules which must be in place for this freedom of choice work for everyone without exception. There ought to be some worker, who within his/her annualized hours scheme is not able to choose a four day work-week with the exact same day off every week, because someone has already taken that day or that day was specifically assigned to him/her for some reason. That is to say that if every single worker in every company decided they wanted the same workdays, work-hours, work-schedules then eventually the company would fail its productive goals or lose all its clients. Within this freedom, and this works for society too, there is the need for some common sense to prevail. Ultimately there needs to be a compromise between the

company and its workers, making sure that the company sees to their workers' schedules' needs and the workers on the other hand are fully aware of the companies' requirements and the other employees' requirements when choosing the work-schemes which suit them best.

Redistributive policies usually try to some extent to distribute work more evenly among people, therefore reaching more people and thus reducing unemployment but also work inequalities, however, this last goal may be something they are not able to solve entirely. Through working time flexibilization policies it is possible to reduce some employees' working hours as to create a new slot for an unemployed person to fill, and to that extent it is possible to distribute work more evenly. What these policies cannot and will not do is fight corporate hierarchy when this is not possible; they will not be able to destitute people with high statuses and privileged positions in which their degree of responsibility towards the company's management is extremely high and share it with someone else, so in that sense, inequality in an organizational context will always persist.

Another thing worth considering when assessing working time flexibilization in terms of work redistribution is the reduction in income, which shall come associated with the reduction of the working hours. In a recent news article, which we mentioned previously in section 3.2.1 (França, 2017), an experiment of a working time flexibilization practice in Sweden of a reduction from 8 hours of workday to 6 hours, is said to have failed due to the enormous increment in expenditures. As they reduced the working hours of the employees they were able to increase the workforce but as they did so, they did not reduce the employees' income accordingly. A great step towards work redistribution but which was extremely criticised for the extra money spent. However, during the time through which this experiment occurred, the costumers of the service were happier and felt more cared for, there were less

sick-days from the workers and productivity increased. A parallel with a different company, Toyota, was established, which had already successfully applied the same work policy but without increasing that much their expenditures (França, 2017). We can assume then that the key to one's success was the other one's demise. By decreasing the income proportionally to the reduction of working hours, it is possible to employ more people without it resulting in an excessive amount of costs for the company in question. This decrement should only be as long as the employee agrees to the terms at hand and it is not forced to do so by the company. The Netherlands have been applying this principle ever since they began reducing working hours and having part-time schedules. The author, França (2017), also stated that the Swedish government said that they would not be trying to apply the measure to the rest of the country any time soon as it is not profitable in a short-term basis, but it might be in the long run (França, 2017). This is precisely the point we were hoping to make when it comes to the increment in costs that working time flexibilization may bring to enterprises and entire nations. In the long run, revenues shall replace all these costs of further employment; as hours are reduced, so should incomes be reduced proportionally, thus allowing an increment in the workforce, which also means additional costs. However, productivity will spike as employees are happier, and so will revenues, as more people are employed the costs with unemployment benefits will diminish and thus national economies shall rise. So, in reality in the long run it would be highly profitable for a country to put all these measures into practice, not only for its economy but also for the well being of its society.

It can be further argued that some countries cannot afford to reduce their employees' hours and their income, that being a completely different economic issue. The majority of Portuguese workers would actually rather work more hours if they were given the opportunity to get further economic compensation

and would not take well the fact that their income would be reduced in proportion with hours reduction. This is due to the fact that Portugal's minimum wage is so low that workers feel the need to work more to earn extra income as the cost of living is too high by comparison and most have dependents.

It is due to these economic limitations to work redistribution that Gorz (1999) and Marcelo (2015) defend the Universal Basic Income (chapter 2, section 2.3.1.) as it guarantees everyone an 'unconditional' income, which does not rely on pre-defined work conditions i.e. the Danish 'conditional' grant which gives employees an income whenever they are taking time off work (annualized hours scheme). Additionally, as the necessary labour time diminishes, periods away from employment will become longer than those spent in employment, activities performed for oneself will assume greater significance than paid work and the social income will have to become larger than the salary. Thus the social income from the Danish system will become less and less conditional and more like an unconditional, universal basic grant for everyone employed and unemployed. Until now, none of the countries considered has in fact implemented the universal basic income, although there are many advocates, some still see it as an unnecessary national expense. However, some countries in the OECD have been considering carrying out a pilot program of UBI. According to our sources (Haagh & Widerquist, 1986), in 2016, Finland's government has approved plans to launch a basic income experiment; following its example is also Switzerland and Canada. Countries like the Netherlands, France and the UK have discussed it in parliament but no pilot program has yet been approved. We believe that the UBI, if applied correctly, could utterly abolish the fear of instability and, furthermore, boost the employees' freedom of choice over their work schedules as the weight of working longer hours towards a necessary income would be simply lifted off.

Throughout our ethical and critical discussion, we have established that in fact the matter of work redistribution is ethically relevant as it raises several ethical concerns. The 'freedom of choice' principle is the key to an ethical work redistribution even though it needs to go through a 'reality check' and of economic feasibility. Criticizing this topic implies scrutinizing policies, which at first hand seem righteous but may lead to precarious work conditions, or that are not reasonable and therefore nonviable. Ultimately, the matters under discussion are all mutable, and the future holds many changes such as automation and job discontinuity, which will further give prominence to a common solution such as the UBI.

### 3.4 Answer to the research question

Our research question of whether the flexibilization of working time is the best approach towards work redistribution has proven throughout our thesis to be a suitable choice of query as there is a lack of comprehensive studies on this topic.

With that in mind we thus proceed to assess in more detail the answers to the research hypotheses we presented at the outset and, finally, to answer the research question itself.

H1: The flexibilization of working time is the best approach towards work redistribution if the employees are given freedom of choice;

This is the most important hypothesis for our quest since, if it is confirmed, it already contains in it the meaningful answer to the research question itself. And from what we have seen up to this point, we can now affirm that this hypothesis is confirmed.

Not only has the flexibilization of working time been proven, through several arguments and economic indicators, to be directly related with work redistribution, it has also been shown to be the best approach in economic and ethical terms. As we have seen throughout the “results” chapter, it is the best in economic terms because, if properly implemented, it boosts productivity and allows for the creation of employment. It is also the best in ethical terms because, by respecting the important freedom of choice principle, it allows for a better conciliation between the work and family lives of the workforce and is positive for its well-being. This policy can thus be said to be 'the best' in the several senses of the word because, compared with it, all the other policies we mentioned fail, either in economic (unfeasibility) or ethical terms (coercive solutions, not taking into account the will of the workforce, etc.). Therefore, we can say that the answer to our research question: ‘Is the flexibilization of working time the best approach towards work redistribution?’ is a qualified ‘yes’. It is indeed the best approach, *if* the criteria we put forward, and notably the freedom of choice principle, are applied and upheld.

H2: Work redistribution has a positive correlation with the creation of employment;

This is of course a complex matter as it depends on many factors. However, short of attributing a direct causal connection, we believe that all the studies mentioned in the “Literature Review” and the indicators on Employment and Unemployment shown in the “Results” display a strong positive correlation between work redistribution and the creation of employment. Therefore, this hypothesis is also confirmed.

H3: A reduction in working schedules stemming from working time flexibilization policies has a positive economic impact and boosts productivity;

This statement can be verified as well, through the policies adopted by the model countries of this study in comparison with the economic indicators we

were able to confirm that by adopting policies, which reduce the working hours, employees' satisfaction levels are higher, which translates into more commitment towards the job itself and thus more productivity and greater economic growth.

H4: Working time flexibilization policies, including working-hours reduction, contribute towards a better work-life balance;

The fourth hypothesis is likewise confirmed, besides the correlation with the previous hypotheses, several arguments as well as economic indicators and the chapter on "Work-life balance" confirm this affirmation. Employees working flexible and/or reduced schedules maintain a better work-life balance, as they have more time off work to dedicate to cultural, social or family activities.

H5: Working time flexibilization policies should be introduced in the Portuguese labour market.

Of all the hypotheses presented, this is the one that we feel needs more future evidence to be fully verified. Due to the specific time and space constraints of an endeavour such as a master's thesis, that always necessarily leaves something out, we did not delve into the details of the specific changes in Portuguese labour law that would be needed to introduce these policies. Also, the qualitative nature of this thesis does not allow for the hypotheses to be really 'tested', rather confirmed or refuted with the help of argumentation. Given the economic success and overall quality of life of the model countries that implemented this type of policies, and the poor indicators of Portugal if compared with those of the models countries, we do believe this is a valid hypothesis. Also, as we have seen in the "Literature Review", the redistribution of work seems to be an overall inevitability in the future and we thus believe that the sooner Portugal catches up on it, the better prepared it will be for this change. We will mention the future of work in our conclusion.

# Conclusion

The research carried out in this thesis led us to assess the importance of the redistribution of work and the feasibility of carrying it out through the flexibilization of working hours. After presenting the results, we will now put forward a few concluding remarks. These will consist of a reflection on the future of work, against the backdrop of which the need for work redistributing policies becomes clearer; some notes on the serious need for management to take these measures into account and adapt accordingly given the scenario we describe.

And finally, after a brief recall of the main claims that we are making as a result of this investigation, a few notes on the constraints and limitations of the thesis itself as well as some recommendations both for the implementation of these measures and for future studies to be developed on this topic.

## The future of work

As the redistribution of work and working time flexibilization are in order in a world where technological advances are rapidly taking over the need for human labour, it is also important to understand how these new forms of work may affect its future. Marx (1887) believed that the emergence of new technologies meant that the human workforce would no longer have any role in production. What he did not predict however was that not all machines would be able to replace human labour, such as work involving adaptive skills and judgement and that new jobs were to be created to work alongside the technological advances (Hodgson, 2016). “There are greater and cheaper possibilities for creating machines to do simple and repetitive work, compared

with getting machines to carry out sophisticated, analytical, and creative tasks” (Hodgson, 2016, p. 198).

Some authors see in automation and robotics a post-capitalist future in which human beings are freed from heavy work-loads and new jobs arise, others see the more immediate effect of technological advances such as the eradication of jobs which are no longer needed. As for the medium to long term effects they are frequently the restructuration of the work offers and the reconfiguration of the manufacturing needs, which in turn, in many countries led to many new jobs in the services’ sector (Marcelo, 2015).

The reduction in working hours is not considered to be a consequence of machinery taking over the working time of humans, but rather that working time previously spent on machines is now spent on computers and other technological gadgets, which control the heavy machinery. This means that throughout the twentieth century and forwards, in many sectors of modern capitalist economies, skill levels have increased. Evidence shows that the entire job structure is shifting towards work requiring more data analysis, more general education, and also more specific vocational preparation. Work is changing more dramatically in character than quantity, with waves of innovation in information technology having huge impacts on patterns of employment (Hodgson, 2016).

The future of work for many authors implies that the future workforce will need to be highly skilled in order to work alongside technology and to do so, each of the individuals needs to be able to have time to develop those skills, which is something only discontinuous work will allow (Gorz, 1999).

Over the last decades, the profound changes in household and demographic structure have created new needs and also new challenges. The globalization process and the intensification of competition have had a large impact on production methods and work organization. Modifications in consumer

behaviour and product diversification have meant that an increasing number of enterprises have gradually abandoned Taylorist methods of mass production. The introduction of these new methods (just in time, lean production, kaisen, etc.) has been reflected by a gradual abandonment of traditional ways of adjusting employment and by a much more flexible organisation of work and working time. These changes often make the conventional weekly standard of working time obsolete and are forcing enterprises and organisations to rethink the ways in which they regulate working time (Anxo, 2009).

This leads us to conclude that these rapid changes in work patterns, and the likely loss in the overall number of jobs available that might result from a growing automation of different tasks, will make work redistribution measures ever more needed, and these might be complemented, as some authors have argued, by a Universal Basic Income that might be the way to provide subsistence to all those utterly unable to find a job (Merrill, Bizarro, & Marcelo, 2017). Nevertheless, as we have mentioned before, these measures are frequently not taken well by managers and employers themselves, a problem we now need to address.

## Management and the redistribution of work: productivity and beyond

The work-sharing arrangements are believed to have an impact on productivity, which is why so many economists argue against those policies. However, it is not only the economists that argue against work-sharing. For employers, it is often the case that in terms of profitability, costs of labour, it is more profitable to employ one employee for a substantially higher period of time or excessive working hours, rather than share that time with another employee as it will increase company's taxes, demand twice as much wages, not to mention double the recruitment, training and health budgets; ultimately

it increases fixed costs which in turn increases costs per unit of output, reduces productivity which can lead to more unemployment (Hunt, 1999). For most employers, it is thus a matter of non-profitability and non-practicality, which is why it is of the utmost importance to make clear, even for managers themselves, the benefits of work redistribution and how it can contribute towards the sustainability and proliferation of the economy.

Additionally, some authors feel that work-sharing is only possible if the skills of the unemployed match the skills of those employed, otherwise they could jeopardise the entire purpose of the policy, meaning that those working in less skilled jobs are the ones who should share their work with the unemployed who are more likely to come from the same backgrounds and that work training is essential (White, 1987).

It has been proven however that flexible scheduling performs a potentially dual function for employers and employees as productivity-enhancing tools, employee morale, commitment and productivity may be improved in the long run, making them worthwhile for any organization to adopt for almost any job (Zeytinoglu et al., 2005).

Besides the long term effects which in fact aid productivity, employers on the other hand increasingly provide these arrangements to their employees not only to increase their own flexibility and competitiveness but also to attract and retain qualified personnel (Possenriede & Plantenga, 2014).

It is nevertheless of extreme importance that in order for employees to improve productivity on flexible work arrangements, that they adjust their production to their workforce's schedules and train their employees in accordance to their business demands (White, 1987).

Generally employers and managers strongly oppose the reduction of working hours as even a slight change in schedules may appear as a strong

inconvenience, especially in industries where line production is crucial and where all services are optimized according to the Lean philosophy<sup>2</sup>.

When hours are cut, managers have to take steps to reorganize working patterns to maintain or increase the utilization of their capacity; otherwise they need to increase the prices of their services or products in order to pass on the costs of extra labour. In such wise, the argument of the labour cost increment is no longer valid as it is being pointed out on the unreal assumption that everything else will remain the same as it was. As White (1987) very well states, no manager would allow things to stay the same when facing hours reduction, they would take various actions to minimise the effects on costs and adapt its services or operations to the new work circumstances. In fact, we have seen evidence in the “Results” chapter (chapter 3), which supports that when properly introduced these policies improve overall productivity, which in turn will help with the costs of the adaptation.

That is not to say that working-time arrangements cannot be beneficial to both workers and employers; it is only to say that both the type of working time arrangement and its structure affect the extent to which the arrangement will meet the needs of workers and the needs of companies.

As a closing statement, we shall reassert once again the main findings and claims of this thesis. Throughout it we were able to posit that the flexibilization of working time is in fact the best practice towards work redistribution, but only if certain criteria are met: the employees’ needs are taken into account and the solutions provided try to accommodate their freedom of choice over their own schedules; any solution that would, as it were, impose precariousness is to

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<sup>2</sup> The Lean Thinking philosophy first came to be in the Toyota Production System. It is a business methodology that aims to incessantly improve processes in a continuous way. It is done by valuing the costumers’ satisfaction and eliminating all sorts of waste that do not add any value to the process. It works towards creating a lean enterprise, one that values customer and employee satisfaction and offers innovative services or products with the minimum cost while producing the minimum amount of waste.

be avoided; in terms of wage policy, be sure to adapt the wages to the new amount of hours worked, not decreasing the amount paid per hour, but also not necessarily striving to maintain the exact same compensation the worker received for a longer working schedule, in order to assure that the company has sufficient funds to increase the workforce; adopt redistributive and flexibilization policies such as the ones presented throughout this thesis and adapt them according to the type of industry and sector; bear in mind the work-life balance of employees to ensure high happiness levels and productivity; make sure the skills of the new workers hired match the skills required for the job in question and provide appropriate training.

These criteria are the base to an efficient work redistribution aided by schedule flexibilization and the key to a sustainable economy in the foreseeable future. The 'work-based society', which we referred to in the beginning of this thesis, may finally evolve into a 'multi-activity-based' society if the policies and recommendations argued by many authors that we alluded to in this thesis, and to whose claims we join our own, are taken into consideration. If that is the case, maybe the pressing issues of lack of employment and precariousness may finally be mitigated as we have seen the importance of work redistribution and the appropriateness of the flexibilization of working time towards it and argued, with the help of the empirical evidence found, against the opinions of those who are against it and whose claims, in our view, are not well grounded.

## Limitations and Recommendations

Like in any study we have faced many constraints during the process of writing it, the greatest one being the lack of in-depth studies on the matters at hand and the fact that the relevant existing literature is often decades old and thus not always up-to-date. Separate literature was found on either work

redistribution or working hours flexibilization, and although at some point one might refer to the other, we haven't found any studies that studied the relation between the two concepts in all possible fields in an integrated approach.

We should also add that there is a relative difficulty in assessing the policies adopted by each of the countries whose examples we have given, since most of them are not available in official state documents. As such, we resorted to secondary bibliography, such as studies, reports, articles and books, most of all those which report current employment statuses.

Another important limitation has to do with the very nature of this thesis, whose strength is also a limitation in scope. By adopting a qualitative and not, strictly speaking, a quantitative approach, we did not put forward any study specifically stating how the sorts of policies we investigated could be introduced in Portugal. As a consequence, and even though we tried to be as specific as possible in what comes down to the economic and ethical dimensions of this topic, and even though we tried to encompass the viewpoints of both management and workers, our different recommendations stand at a somewhat general level, as we did not advance a new possible form of a labour law, nor did we say exactly how each specific industry should adapt to the new reality. We believe these are matters for further investigation. But let us now conclude with some further recommendations that add new elements to what has been said before.

In terms of academic studies, we would recommend that specific investigation be carried out in order to fulfil the gaps we just mentioned and continue to prove the efficiency and the advantages of these policies towards the economy, society and the future of work. Firstly, more comprehensive approaches on this matter are needed. Secondly, the study of how each industry could adapt to this new reality is also needed. Thirdly, a study on the

introduction of flexibilization policies in the Portuguese labour market, with further emphasis on the Portuguese economy and labour laws, would also be of high importance.

In terms of specific recommendations for management we believe that we are now in the position to make some suggestions. In terms of working time regulation and work redistribution, from a management point of view, this could be solved by trying to stabilize the demand, instead of juggling whenever there are peaks, work on flat lining the production by flat lining the demand, and that way the redistribution of work could be made without jeopardizing the production or the employees; from a social scientist's point of view, and on behalf of what would be considered best for society, the solution would be to take some of the work arrangements we have mentioned before that have worked for other countries, such as Denmark's for example, which can be applied with great flexibility in both large and small companies, by reducing the amount of hours they work off-peak. With a small reduction in pay, there would be enough work left and funding available to afford to increase the workforce to the point where whenever the demand were higher, the employees could be asked to work more hours for a short period of time, and get increased income by it, taking into account that this arrangement would have to be approved by the employees first and settled according to their preferences. There is of course a chance that the workforce would still not be enough to cover unpredictable seasonal peaks, and during those times, temporary workers working part-time would in fact be the only solution.

There is, nevertheless, another issue when trying to increase employment through the means of the reduction of working hours: the skill matching of the new employees. This is a rather imperative requirement, which may have not been considered in previous studies. We have, however, come up with two possible alternative solutions: either the new employees are accompanied by

appropriate training and redeployment policies, which help with the skill-matching of their peers, and in order to do so we can take the policies adopted by Sweden as an example, in which training leave is encouraged, meaning that the absence arrangements are in par with working hours and the training is backed by a full employment guarantee. Or, as automation tends to take over some manual labour and the employees may not be qualified to handle the newer technologies, the solution would be to employ young, higher educated employees whose qualifications and skills are more suited to work with automation and do not need extensive training. Simultaneously, find suitable positions in the ever growing services' sector for lower-skilled workers whilst training them to understand and comply with the new automation and organisational policies.

Although some countries like the Netherlands have been known for laying off the low-skilled employees to make room for the high-skilled to deal with automation and innovation (6 000 in 2016), we do not encourage this practice unless it is the workers who decide to stop working and they receive compensation accordingly, if not, we suggest that each company adopts an integrated approach and treats its workforce as a whole.



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