

HEALTH AND SAFETY

Working time reductions – the French experience

By Sue Milsome

Reducing the statutory working week to 35 hours in France has created jobs and increased employee satisfaction, according to Henri Rouilleault, chair of the commission 'Working time reduction, lessons and observations', who gave a UKWON seminar on the commission's findings in July 2002.

From 1 February 2000, France's statutory working week was reduced from 39 hours to 35 hours (or 1,600 hours per year), without loss of pay, for all companies employing more than 20 people. For managers and experts who have autonomy over their own working hours, the limit is 217 days per year, with the only restriction being that they must have the 11-hour rest break specified in the Working Time Directive. Overtime was already restricted to a maximum of 130 hours a year. Companies cutting hours by at least 10%, and creating a minimum of 6% new jobs, benefited from a reduction in social security contributions. This ranges from around 26% of gross pay for those earning the national minimum wage to 60% per year for those earning at least 1.8 times the national minimum wage.

The object of these working time reductions was to improve employees' living and working conditions, to increase employment and to sustain competitiveness. The commission chaired by Henri Rouilleault, who is the director of the National Agency for the Improvement of Living Conditions (ANACT) carried out an investigation to discover how far these objectives had been met at this early stage of implementation.

Its first finding is that nearly half the French workforce, and 62% of those in companies with more than 20 people, are working a 35-hour week. Around 8% of employees in organisations with up to 20 staff are also working a 35-hour week. Some 100,000 collective agreements covering the reduction of working time have been reached, although this is a condition for receipt of the subsidy, and 30,000 consultancy 'interventions' have been made to help companies reorganise their working time.

must have cut working hours by at least 10%, have reduced working hours by more than those not receiving the subsidy. The reduction is nearly 11% in the subsidy-receiving companies compared with 6.4% - two and a half hours a week - in the others.

Job creation

Employment growth is also much higher in these companies – 6-7.5% for companies benefiting from incentives, or two-thirds of the decrease in working hours. This means that 240,000 jobs were created in the private sector in the period from June 1996, when the new law was announced, to December 2000, and 325,000 by the end of 2001. It is assumed that more than 500,000 jobs will be created over the long term, on the basis of an average reduction of three hours in the working week for around 80% of the full-time workforce. It is hoped that this will lead to a reduction in the French unemployment rate (currently 9%) of 1.5 percentage points.

The commission believes that the long-term effect on employment will depend on control of labour costs, effective use of working time, and an increase in the utilisation of equipment. So far, productivity rates for companies receiving financial incentives have risen by one percentage point more than those of companies not receiving incentives. Wage increases have been at least one percentage point lower than expected in these organisations.

Although most employees seem satisfied with hours cuts, they are happier about the effect on their home lives than on their working lives. Nearly six in ten say that there has been an improvement in their lifestyle, but just 26% say that their working conditions have improved, suggesting that there may have been work intensification as a result of the hours cuts. Younger workers are more satisfied than older workers and executives are more satisfied than blue-collar workers and unskilled employees.

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* 'Reduction du temps de travail: les enseignements de l'observation', Commissariat Général du Plan, available from Laurent Duclos at the Commissariat, tel: 00 33 1 45 56 51 00 or e-mail@ lduclos@plan.gouv.fr, or see www.plan.gouv.fr.

Main findings

- Nearly half of all French private sector employees now work a 35 hour week.
- 325,000 jobs had been created as a result of the hours cuts by the end of 2001.
- 59% of those whose