#### LABOUR AND SOCIAL JUSTICE

# WORKING NEIN TO FIVE

What can the UK learn from Germany about work-life balance?

Sasjkia Otto November 2023

# FABIAN SOCIETY

Poor work-life balance is bad for our health, bad for the economy and steals time we could spend with loved ones. But it is endemic in the UK. Nearly half of the workforce said they were burnt out in 2021 and increases in productivity over the last 40 years have not brought commensurate working time reductions.

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People from a range of backgrounds are ready for change. Most people, in all income bands, in 2020 indicated they want to have more free time outside work – including half (50 per cent) of low earners (<£19,999) and three-quarters (76 per cent) of high earners (£55,000+).

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A good work-life balance has been linked with better health and wellbeing, improved working relationships, reduced risk of errors and injury, and higher productivity. It can also free up time for people to spend with their families and to be active in their community.



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# **SUMMARY**

## THE UK HAS A SERIOUS PROBLEM WITH WORK-LIFE BALANCE

Poor work-life balance is bad for our health, bad for the economy and steals time we could spend with loved ones.

But it is endemic in the UK. Nearly half of the workforce said they were burnt out in 2021 and increases in productivity over the last 40 years have not brought commensurate working time reductions (Future Forum, 2023) (Stirling, 2019b).

The UK has four interrelated working time challenges:

- Overwork and a blurring of work-life boundaries: UK full-time workers have a longer work week than any European Union (EU) country, and the second highest incidence of unpaid overtime in the Organisation for Economic Co-operation and Development (OECD, 2023).
- An unfair deal for short hours workers: Pay and progression penalties for those who can't work long hours contribute to full-time workers, on average, receiving 35 per cent more in hourly pay than part-timers (ONS, 2023a).
- Lack of control over working conditions: When people were asked what they would change about their jobs if they could, they were most likely to cite workload and flexibility (Bangham and Gustafsson, 2020).<sup>1</sup>

Staff shortages and unequal labour market access: While the economy has more than a million vacancies, more than 2.5 million people are long term sick and more than 2.3 million are underemployed (ONS 2023b, 2023c, 2023d).

#### GERMANY PROVIDES SOME VALUABLE LESSONS

Germany has the lowest annual average working hours per week in the OECD (OECD, 2023). Four factors underpin its success:

- Consistent rules and cultural norms that establish a clear delineation between work and free time.
- Social security that enables time off work, promoting productivity and employment access, while recognising caring commitments and sharing them fairly.
- World leading productivity underpinned by strong institutions and tripartite action by government, business and unions.
- **Collective bargaining successes** that drive improvements and enforce rights at firm and sector level.

There are some caveats and challenges. Germany's larger manufacturing sector lends itself to productivity improvements more easily. And Germany has its challenges: work intensification and low flexibility are creating pressures, while labour market and social security reforms have pushed people towards precarious work without rooting out gender inequities. The country has also been slow to digitise, with future productivity gains in doubt. Amid these challenges, diminished trade union coverage has rendered them less able to help.

# THE UK NEEDS A STRATEGY TO IMPROVE WORK-LIFE BALANCE

The UK should combine industrial strategy and labour rights reforms to improve work-life balance, learning from our own experiences and those of Germany.

Survey question: "Given the opportunity, what, if anything, would you most like to change in your main job?" Respondents could choose up to three options from the following: A more manageable workload, Greater flexibility of the hours I work, Flexibility to work remotely/ work from home, Greater flexibility of the days I work, Ability to take annual leave / holidays when I want, Have the opportunity to work fewer paid hours each week, Have the opportunity to work work vertime, Less overtime/work outside core hours, Flexibility to take unpaid time off work, Something else, None of these.

More time off, without loss of pay, was not included as an option in the survey, so it cannot be treated as evidence for or against support of a four-day week without loss of pay.

 $<sup>\</sup>label{eq:Base} \mbox{Base} = \mbox{all UK workers or self-employed adults aged 18-75. Fieldwork conducted 15-22 January 2020.}$ 

This strategy should aim to achieve the following four, interrelated, outcomes:

- Break the link between long hours and high pay or progression, so a range of healthy working patterns become normalised.
- Support people who are 'underemployed' to work more hours to help fill vacancies – including vacancies that might arise from reducing long hours in some sectors.
- Create a virtuous cycle between productivity and work-life balance through policies that translate output gains into equitable reductions in working time, without loss of pay.
- Enhance employment protections to ensure efficient working practices do not translate into work intensification and that people can work in ways suited to their circumstances, including taking time off when needed.

Learning from local challenges and the German example, the UK should take the following approach to reducing working time:

- Enhance minimum statutory rights to tackle sharp practices and exploitation – including overwork and overcontrolled conditions.
- **Strengthen the social safety net** to create a more inclusive and sustainable labour market.
- Establish institutions to actively drive down working time, enabled by productivity improvements and guided by clear targets for the next decade.
- Empower workers through collective bargaining entitlements to negotiate additional tailored entitlements at firm and sector level.

The recommendations below set out these proposals in detail.

# INTRODUCTION

#### WORK-LIFE BALANCE IS IMPORTANT BUT OUT OF REACH FOR MANY

A good work-life balance has been linked with better health and wellbeing, improved working relationships (Friedman, 2014), reduced risk of errors and injury (Collewet and Sauermann, 2017), and higher productivity (ibid. 2017). It can also free up time for people to spend with their families and to be active in their community (Bangham and Gustaffson, 2020). Conversely, various studies have found that mental health starts to deteriorate when working hours exceed around 34 to 39 per week, and the World Health Organization has found that working more than 54 hours per week significantly elevates the risk of early death from heart disease (Wong, Chan, Ngan, 2019) (Pega et al. 2017). It is no wonder that the pandemic prompted a reevaluation of our relationship with work.

However, many people have had limited options to change their situation. Those working in healthcare and retail, for example, are prone to overwork (ONS, 2022). Moreover, we are still incentivised to work excessive hours to get on at work, which unfairly disadvantages those with extra time pressures such as caring responsibilities and disability (Bangham, 2020). ernment exploring the introduction of a four-day working week (Autonomy, 2020).<sup>3</sup>

People in different circumstances seek work-life balance in different ways. A 2020 survey asked how people would prefer to reduce their hours, and found that 'working fewer days each week' was people's top choice, with 28 per cent preferring this. However, there was also demand for alternatives: 19 per cent said they would choose more holiday; 16 per cent would save up time to retire earlier; 10 per cent preferred shorter work days; nine per cent wanted the option to take short periods off, e.g. to care for children or study towards a qualification; and six per cent wanted more public holidays (Bangham and Gustaffson, 2020).<sup>4</sup>

People across the socio-economic spectrum could benefit from the right policies. Measures to tackle extreme overwork and poor work-life boundaries may particularly benefit higher earning white collar workers, who tend to work longer and less structured hours. Greater workplace autonomy and reduced work intensity would improve conditions for low earners (such as shift workers) and those who face structural disadvantage (such as women and disabled people), who often have less control over their working day.

#### SUPPORT FOR BETTER WORK-LIFE BALANCE COULD HAVE BROAD BUY IN

People from a range of backgrounds are ready for change. Most people, in all income bands, in 2020 indicated they want to have more free time outside work – including half (50 per cent) of low earners ( $\leq$ f19,999) and three quarters (76 per cent) of high earners (£55,000+) (Bangham and Gustaffson, 2020).<sup>2</sup>

There may also be appetite for change across the political spectrum: in 2020, 57 per cent of Conservative voters and 71 per cent of Labour voters said they supported the gov-

3 Conservative voters were more polarised on the matter of a four- day week, with 23 per cent opposing government exploring its introduction vs 5 per cent of Labour voters.

This polling was conducted by a campaign group advocating for the introduction of a four-day week. The question wording contained detail which may have had a priming effect on some respondents, so data should be treated with caution. Question wording: "Some people have recently suggested that a four-day working week could help us recover from the impact of COVID-19 by sharing work more equally across the economy, with no reduction in pay for workers except for the highest earners. Supporters say it could improve wellbesing, boost the economy and reduce sick days, while some businesse argue their wage bill may increase whilst paying current wages for shorter hours. To what extent would you support or oppose the government exploring the introduction of a four-day working week?"

4 Base = all UK workers or self-employed adults aged 18–75. Fieldwork conducted 15–22 January 2020.

Question wording: "Imagine if the Government introduced a law that limited the number of hours people could spend in paid work over the course of their lifetime, what would be your preferred option?" Work fewer days each week, Have more annual leave/holiday days every year, Save up the time and retire earlier, Work shorter days, Have the option to take periods of time out of work, e.g. to care for children or study for a qualification, Have more public holidays every year.

<sup>2</sup> Base = all UK workers or self-employed adults aged 18–75. Fieldwork conducted 15–22 January 2020. Question wording: "On balance, over the next few years, would you like to have more free time outside of work hours?"

However, overall progress would benefit a broad range of people if pay and progression opportunities were decoupled from specific working patterns.

#### WE SHOULD BE FURTHER ALONG ALREADY

It has been more than a century since the world's industrialised nations accepted the International Labour Organization's call for an eight hour day and a 48 hour week, endorsing proposals from a Fabian Society pamphlet published in the 1880s (LSE Digital Library). Since then, we have seen significant improvements in productivity and quality of life, thanks to socially progressive post war reforms and technological innovation. In 1930, the promise of the latter inspired John Maynard Keynes to predict a 15 hour working week within a century.

Yet with seven years to go until the prediction's centenary, the average full time work week in the UK is 41.2 hours – worse than the OECD average of 40.7 (OECD, 2023). Average hours of paid work decreased steadily until the 1970s but progress has been slow since then (Bank of England, 2022). By one estimate, we could be working 13 per cent less per week than we did in the 1980s, had productivity gains translated into reduced working hours (Stirling, 2019b).

Where it was once possible to support a family on a single worker's wage, today, full-time working couples struggle to make ends meet. The average amount of time an *individual* works has decreased very modestly, by 2 per cent since 1970. But the average total working hours *in couple house-holds* has increased by 15 per cent, as women took on more hours while men did slightly fewer. Leisure time has decreased – particularly as people prioritise childcare and sleep – and women enjoy 36 minutes less leisure time than men per day (Bangham and Gustaffson, 2020).

#### WE ARE AT A CRITICAL JUNCTURE

Given that the UK currently has a problem with labour shortages, some might think it counterintuitive to consider shorter working hours. On the contrary, better work-life balance would help attract workers into occupations with high vacancies, and retain essential older workers: the Trades Union Congress (TUC) has warned of overwork driving a public sector exodus and, of people aged 50+ who have left the workforce early, a quarter said that they disliked their working hours, work-life balance and their commute, respectively (C.A.M, 2023) (Phoenix Group, 2022). Better work-life balance could also free people to care for their families and therefore help address the country's increasing care needs (Coote, Franklin and Simms, 2010).

There are both opportunities and threats to meeting the working hours challenge. On the one hand, a new generation of general-purpose AI technologies could relieve some of the burdens on workers in many occupations, if stewarded effectively (Susskind, 2020). On the other, the government has given itself powers to use secondary legislation to row back on rights such as paid holiday, parental leave and the (nominal) cap on the working week (Legislation.gov, 2023). Now is the time to protect those rights we have gained, and to set out the work-life balance we want in the 21<sup>st</sup> century.

#### THIS PAPER ASKS WHAT GERMANY CAN TEACH THE UK ABOUT WORK-LIFE BALANCE

First, we analyse working time in the UK, before discussing the example of Germany. Finally, we make recommendations about how to improve working time in the UK.

### 1

# **WORK-LIFE BALANCE IN THE UK**

People's experience of work-life balance is as diverse as their personal circumstances. These inequalities should be reflected in a policy package to deliver better work-life balance.

- People working more hours, on average, enjoy higher hourly pay (Bangham and Gustaffson, 2020).
- However, certain lower paid manual shift workers such as cleaners and warehouse staff – often work very long hours (associated with increased risk of death) due to financial pressure; and lower earners are more likely to be on the receiving end of 'one sided' flexibility – i.e. an expectation that they are available for work at short notice but have limited options to choose their hours (OECD, 2022) (Living Wage Foundation, 2022).
- The legacy of the male breadwinner model means women, on average, work fewer hours in paid work than men, and are more likely to work part-time. But they spend about the same amount of time 'working' as men overall, once unpaid work such as caring responsibilities are accounted for (Bangham and Gustaffson, 2020).
- Lower-earning women are more likely to shoulder a disproportionate share of total paid and unpaid work than their higher-earning counterparts, when compared to men, because they can't afford support – such as childcare, for example (Bangham and Gustaffson, 2020).
- Disabled people are more likely to work part-time or not at all, and spend more time, on average, in unpaid work, because of the pressures associated with disability (Department for Work and Pensions, 2023) (ONS, 2022).
- People towards either the beginning or end of their working lives are more likely to be excluded, because they lack the appropriate support to participate (ONS, 2023).

Below we set out four challenges with work-life balance, which affect these groups in different ways.

## FOUR WORKING TIME CHALLENGES IN THE UK

1. OVERWORK AND A BLURRING OF WORK-LIFE BOUNDARIES

UK workers tend to work more than other high income countries, and many of these extra hours are not fairly compensated.

- In 2021, 16 per cent of full-time workers more than 3 million in total – worked more than the notional 48 hours per week cap retained after Brexit (ONS, 2022b).
   Some ostensibly high earners actually have *hourly* pay that is less than the living wage (Makortoff, 2021).
- In 2019, the UK had the second highest incidence of unpaid overtime in the OECD (OECD, 2023).
- More than half (55 per cent) of workers said in 2022 that they felt pressured to respond to calls or check emails after working hours (Business in the Community, 2022).
- In 2022, two in five workers said they had not used their full annual leave entitlement (Cholteeva, 2022).
- There are nearly 1.2 million people in the UK with more than one job (ONS, 2023b). Key workers (for example, in education, health and care) and those in low paid sectors (such as retail and hospitality) are more likely to be affected (ONS, 2017).

#### 2. AN UNFAIR DEAL FOR WORKERS DOING SHORTER HOURS

Those who are unable to participate in the UK's long hours culture – for example, because of caring responsibilities or disability – face pay and progression penalties that make it difficult to get on in their career.

 Mean hourly pay for full-time workers is 35 per cent higher than for part-time workers (ONS, 2022b). This is a significant driver of gender and disability pay gaps, where around a third of workers in both groups are part-time (compared with around fifth of the overall population) (Nightingale, 2018) (Department for Work and Pensions, 2023).

- In 2015, only 25 per cent of part-time workers felt like their job had prospects for advancement – 13 percentage points less than full-time workers (Murphy, 2022).
- Some workers try to overcome this penalty by working full-time hours, despite their part-time contract, in order to retain the option of flexibility (Stovell and Besamusca, 2021).

# 3. LACK OF CONTROL OVER WORKING CONDITIONS

The UK's long hours culture has been accompanied by a trend towards work intensification (O'Connor, 2022) and one-sided flexibility. These work practices shift pressure to achieve productivity improvements and meet changing business needs onto workers who feel diminishing autonomy in their working lives.

- More than half of UK workers in 2019 said they always or often work under time pressure – higher than in any EU country (Europa.eu, 2023).
- Nearly half of those who want to work flexibly do not do so, as workers with protected characteristics fear consequences if they ask for deviations from 'standard' work patterns (Timewise, 2022) (Nast, 2021).
- Nearly a third of all workers are exposed to one sided flexibility by being given less than a week's notice of their working hours (livingwage.org, 2022).
- These conditions can drive people to reduce their working hours in order to meet personal commitments and manage their wellbeing, even if this spells financial difficulty (Murphy, 2022).

# 4. STAFF SHORTAGES AND INEQUITABLE LABOUR MARKET ACCESS

Some sectors – such as health, education and construction – are stuck in a vicious cycle: chronic staff shortages create pressure to work long and inflexible hours; this pressure pushes people out of those jobs, and creates further staff shortages and more pressure.

- There are more than a million vacancies UK wide, up from 800,000 at the start of the pandemic (ONS, 2023d).
- 8.8 million working age people are economically inactive – up more than 300,000 since the pandemic. The causes include health and working conditions, and how people are supported to start and finish their working lives (ONS, 2023a).

- 2.3 million people are underemployed i.e., want to work more hours – with those living in poverty most likely to be affected (ONS, 2023b)<sup>5</sup> (Fraser of Allander, 2021).
- An estimated 1.3 million disabled people, parents, carers and people living in rural areas may be excluded from work because of lack of flexible work access (CEBR, 2022).

#### **REFORM PROGRESS AND PROPOSALS**

Individuals, organisations and the government have sought to improve work-life balance. Progress has been mixed.

#### INDEPENDENT INITIATIVES

Some organisations have seen the benefit of improving work-life balance.

- The UK's recent four-day week trial has demonstrated there can be positive links between work-life balance and productivity. Ninety-two per cent (56) of the participating firms made the four-day week permanent for their organization (Lewis, Stronge, Kellam, Kikuchi, 2023).
- A 2022 CIPD survey found that 10 per cent of companies had reduced working time 'for a whole or significant part of the workforce', without loss of pay, in the past five years. They cited reasons that include wanting to improve employee wellbeing, retention, and productivity, as well as opportunities offered by new technologies. Fewer than a third of those which had reduced hours said they were unable to achieve the same volume/output as before (CIPD, 2022).<sup>6</sup>

<sup>5</sup> EMP16: Underemployment and overemployment. According to the Labour Force survey, employed people are classified as underemployed when they: were looking for an additional job in the reference week; or wanted to work longer hours in their current job (at their basic rate of pay); wanted to work longer hours in their current job (at their basic rate of pay) and are available to start working longer hours within two weeks, and actual weekly hours worked were 40 or less (for people aged under 18) or 48 or less (for people aged 18 and over).

<sup>6 &</sup>quot;Has your organisation reduced working hours for the whole workforce or a significant proportion of your workforce in the past five years?" Base: All employers. (n=2,000).

<sup>&</sup>quot;Which, if any, of the following best explain why your organisation reduced working hours?" To increase employee wellbeing, Demand for our products and services has reduced, To help with recruitment and retention, To increase productivity, Technology improvements means we need to use less labour in production, Employees demanded it, Other, Don't know. Base: all employers that have reduced working hours in the last five years (n=286).

<sup>&</sup>quot;Which, if any, of the following challenges has your organisation experienced as a result of implementing reduced working hours?" Unable to achieve the same volume of work / output as before. Base: all employers that have reduced working hours in the last five years (n=286).

- The same survey found that a third of all employers thought a four-day week would become a reality for most workers over the next decade (ibid, 2022).
- Flexible work is emerging as a key battleground for employers looking to attract and retain talent (Cave, 2022) (De Smet, Dowling, Mugayar-Baldocchi, Schaninger, 2022).

Some organisations are yet to be convinced of the merits of reduced working time.

- Only two per cent of organisations which have not already reduced working hours said they intended to do so in the next few years (CIPD, 2022).<sup>7</sup>
- Two-thirds saw a need for efficiency improvements and smarter working in order to reduce working time without reducing pay (ibid, 2022).<sup>8</sup>
- There are significant differences between industries, as some industries are output driven and enjoy continual productivity gains through efficiency improvements and automations; others, like social care, would require additional staff (Savage, 2017).

#### UK GOVERNMENT INITIATIVES

#### **Taylor Review of Modern Working Practices**

Government policies on working time have progressed slowly since 2010. Theresa May's government commissioned the Taylor Review of Modern Working Practices, which was published in 2017. The government accepted 51 of the review's 53 recommendations, but subsequent Conservative administrations have implemented fewer than a fifth (gov.uk, 2018) (Codd and Powell, 2022).

The most important proposals related to working time that have not been implemented to date include:

- Access to statutory sick pay from day one of illness and for people with low weekly earnings.
- The right to return to the same post after a period off sick.
- The ability to take a break from work of up to one month, without losing continuity of service.
- Allowing temporary changes to contracts to accommodate the flexibility needed for caring.

Where government has started to act, progress has been slow:

- Rather than setting out a coherent plan for change, ministers are relying on a patchwork of private members' bills, often proposed by opposition politicians – such as those allowing the right to request flexible work from day one, predictable working patterns and a right to (unpaid) carer's leave (Naylor and Hare, 2022) (Employment Relations Act 2023) (Workers Act 2023) (Carers Leave Act 2023).
- The May government committed to take forward policies under the auspices of the industrial strategy and Industrial Strategy Council, which have both since been wound up (Inman, 2021).
- Policies proposed in the Taylor Review are now six years out of date, and in need of refreshing.

#### Retained EU Law (Revocation and Reform) Act

Some existing rights are under threat from the euphemistically nicknamed Brexit Freedoms Act, which received royal assent in July 2023. Under this Act, the government can use secondary legislation to amend or revoke assimilated EU laws, including those enshrining working time protections, and the courts will no longer be bound by EU interpretations of assimilated legislation (Davies, 2023).

#### EU INITIATIVES

Since leaving the EU, UK workers have been left behind on working time, as the EU has moved forward with several new protections.

- The Work-life Balance for Parents and Carers Directive has introduced new protections to support time off when needed and to improve labour market access for those who cannot work long hours. These include paternity rights from day one, measures to encourage both parents to take parental leave, parental leave flexibility, and time off for caring duties (EU Directive 2019).
- Within the next two years, EU members with collective bargaining coverage below 80 per cent will be required to implement measures to increase coverage (Anon, 2022). Improved coverage would strengthen trade union bargaining power on a range of issues, including working time.
- In December 2021, the European Parliament passed a resolution on the right to disconnect, urging the Commission to prepare a directive enabling »those who work digitally to disconnect outside their working hours« and »establish minimum requirements for remote working and clarify working conditions, hours and rest periods« (eurofound, 2021).

<sup>7 &</sup>quot;Does your organisation intend to reduce working hours in the next three years?" Base: all employers that have not reduced working hours in the last five years (n=1,675).

<sup>8 &</sup>quot;The four-day working week will become a reality for most workers across the UK within the next ten years" Base: all employers (n=2,000).

#### PROPOSALS FROM PROGRESSIVES AND TRADE UNIONS

#### Labour party

The Labour party's New Deal for Working People echoes and goes beyond these EU initiatives (Labour Party, 2023). In addition to a right to switch off and a review of the parental leave system, Labour has committed to:

- establishing a default right to flexible working from day one of employment;
- raising statutory sick pay;
- redefining the role of the Low Pay Commission to actively drive up wages, which could relieve pressure on certain low earners to take on more hours;
- creating a single enforcement body to ensure workers are able to exercise their rights including on working time; and
- implementing sectoral collective bargaining to negotiate fair pay agreements covering issues including working time and holidays to cover all firms and workers in a sector.

Before the 2019 general election, an independent report by Lord Skidelsky (Skidelsky, 2019), commissioned by Labour, made recommendations on a strategic approach to reducing working time over the long term. The report called for an approach that improves economic security, starting with voluntary hours reductions to pave the way for future legislation.

It proposed that the government:

- Takes the lead in moving towards a 35 hour week.
- Leverages procurement powers to encourage automation, upskilling and reduced working time in firms with government contracts.
- Offers tax incentives for firms that voluntarily reduce working time.
- Introduces a statutory duty for listed firms to forecast hours and employment effects of new machinery.

Some in the Labour party have been advocating for a fourday week. In September 2022, Peter Dowd, Labour's Shadow Chief Secretary to the Treasury from 2017 to 2020, tabled the first ever parliamentary bill proposing a four-day week. The private member's bill under the 10-minute rule proposed to cap the maximum work week at 32 hours, plus an overtime entitlement of up to 1.5 times usual hours (Working Time Regulations bill, 2023).

#### **Fabian Society**

Many of these Labour policies are in line with previous Fabian Society recommendations, such as those published in December 2020 by the Commission on Workers and Technology, a joint initiative by the Fabian Society and Community union (Fabians, 2020).

In March 2023, the Fabian report In Time of Need: Building Employment Insurance for All proposed an overhaul of statutory pay schemes and social security. These proposals would maintain decent income standards where people need time away from work, and improve labour market access for those who cannot work long hours (Harrop, Reed, Sacares, 2023). Proposals include:

- Introducing paid furlough to subsidise reduced hours as an alternative to redundancy.
- Raising sick pay to 80 per cent of earnings from day one of absence.
- Implementing one week's paid carer's leave.
- Introducing a one-year carer's career break, supported by a new benefit.
- Extending maternity leave to six months' earnings-related maternity leave, followed by six months' earnings- related parental leave to be taken by either parent.

In June 2023, *Support Guaranteed: The Roadmap to the National Care Service* proposed a National Care Service 'constitution', which would improve access to work for people with caring responsibilities (Harrop and Cooper, 2023). It proposes a range of policies to deliver the following entitlements:

- Access to assistance for everybody, as early as they need it.
- Access to affordable services, whatever someone's financial circumstances.
- Better support and choice for unpaid carers.

In July 2023, the Fabian report A Good Life in All Regions: Uniting Our Country to End Poverty set out how the government could improve productivity and quality of life across the UK's regions (Raikes and Cooper, 2023). Proposals include:

- Requiring the British Business Bank and regional funds to evidence direct, indirect and supply chain impact on sustained, good quality jobs;
- Clamping down on violations to employment rights such as working time and minimum wage – by increasing funding for enforcement bodies, encouraging re-

porting, increasing the financial penalty for violations, and making larger contractors legally accountable for violations in their supply chains; and

 Introducing subsidised childcare for up to 48 hours per week, at reduced cost or free depending on income, to improve access to employment for parents of young children.

#### Trade unions and progressive think tanks

The TUC supports a move towards a typical four-day week, advocating for active measures to translate technology enabled productivity gains into working time reduction (TUC, 2018). It also wants to see further progress on flexible working, calling on employers to consider flexible working options for each job from the outset, publish these in job adverts, and give staff a day one right to take them up (TUC, 2023).

The IPPR has recommended that working hours should be reduced by increased annual leave entitlements and abolishing the opt out from the maximum 48-hour work week (Roberts, Parkes, Statham, Rankin, 2019). The New Economics Foundation has proposed the creation of an independent body to make recommendations to government on distributing additional annual leave (Stirling, 2019a).

# 2 LESSONS FROM GERMANY

Germany has the lowest annual average working hours per week in the OECD (OECD, 2022). Notwithstanding this, Germany has also experienced challenges seen in the UK, and its existing practices do not always go far enough to address them. This section sets out four foundations of German work-life balance, before looking at four challenges that might hold the country back.

#### FOUR FOUNDATIONS OF GERMAN WORK-LIFE BALANCE

#### 1. CONSISTENTLY APPLIED RULES AND CULTURAL NORMS

The German tradition of '*Feierabend*' (literally evening celebration, said when the work day is finished) favours clearly delineated work and leisure hours. The aim is to be as efficient as possible while at work, to allow workers to fully switch off once they are off the clock (Arneson, 2022). Part of this is collective time off, prized for its role in social cohesion. Trade unions, civic institutions (such as churches), and progressive social movements work together to protect and enhance free time.

German culture is underpinned by national and EU-level regulations that go beyond UK protections (Simmons & Simmons, 2015). Legislation including the Working Hours Act, Shop Closing Law, Part-time and Fixed term Employment Act, and Holidays Act do this by imposing strict limits on daily and weekly working time, with minimum enforced break periods; levying surcharges where employees work unsociable hours; requiring mandatory retail store closures on Sundays and public holidays, and on Christmas Eve after 2pm; and giving workers the right to switch to part-time and return to full-time work (Bundesministerium fuer Justiz, 1994).

Employers are incentivised to comply, including through risk of criminal liability if workers become ill following breaches. Many already keep track of working time, with 'working time accounts', which keep a record of deviations from contractual hours, to be balanced out over time. These practices will soon be formalised: a draft bill has been published to clarify employer obligations under the Working Time Directive (which also applies to the UK), following a European Court of Justice ruling that, under this Directive, working time must be recorded formally (Koops and Seeberg-Elverfeldt, 2023).

Workers have seen results from these protections:

- In 2019, the incidence of unpaid overtime was 4.7 per cent in Germany, compared with 18 per cent in the UK (OECD, 2022).
- 60 per cent of workers in Germany in 2019 said they were never contacted outside of work, compared with 50 per cent in the UK (Eurostat, 2020).

#### 2. SOCIAL SECURITY ENABLING TIME AWAY AND IMPROVING ACCESS TO WORK

Germany has a social security system that replaces a proportion of people's incomes when they need time away from work and distributes the value of unpaid work in the home more fairly. Alongside other social policies, these measures are good for the economy and public health, and have the potential to prolong working lives. They can improve access to work for those who cannot do long hours, support people to give their full attention when at work without burning out, match people with jobs best suited to their skills and interests and improve employee bargaining power. Some examples include:

#### Sick leave

- Germans are less likely than UK workers to keep working through illness. In 2021 they took, on average, 20 days off sick per year, thanks to full pay for the first six weeks of illness, followed by at least 70 per cent of pay for 78 weeks (and a further three years in some instances) (OECD, 2021) (ec.europa.eu).
- The UK has a culture of presenteeism (CIPD, 2020) (Reuter et al., 2019). Workers take only 6.4 days off sick per year (ONS, 2023d), as the current flat rate of compulsory sick pay is £109.40 per week for 28 weeks (with no requirement to pay it in the first three days of absence).

In 2022/23 statutory sick play replaced just 16 per cent of average earnings (Harrop, Reed and Sacares, 2023).

#### Leave for new parents

- Germany gives both parents the opportunity to take time to spend with their children – up to 17 months in total and the option to take leave while working parttime. Payments are linked to incomes. Mothers receive protected time off after childbirth and new fathers are incentivised to take time off through a protected 'use it or lose it' period. Working mothers have daily protected breastfeeding time (ec.europa.eu).
- New parents in the UK often must choose between spending time with their children and earning enough to support their family. Mothers are entitled to a year off in total, with part sharable with a partner through shared parental leave. However, barring an initial sixweek income-linked period for new mothers, financial support totals less than the minimum wage. It is not possible to receive financial support while continuing part-time work except through means tested universal credit (Citizens Advice).

#### Childcare support

- German parents are supported to return to work when they are ready through a legal right to childcare from their child's first birthday. Costs are regionally determined and income linked. They average only one per cent of incomes (EU Equal Treatment Office) (OECD).
- UK parents currently spend a third of their incomes on childcare costs – the joint second highest in the OECD. Outcomes will improve by 2025 if recent government commitments are implemented: working parents should be able to claim 30 hours of free childcare a week (OECD, 2023) (SKW Schwarz, 2022).

#### **Disability support**

- Germany provides for an additional five days' annual leave for people who are severely disabled, granted without any special assessment, in recognition of the additional challenges they face (SKW Schwarz, 2022). Those unable to work more than six hours per day can claim a disability pension while continuing to work parttime, with lost incomes replaced based on previous earnings and social security contributions (ec.europa. eu). Employers are incentivised to hire disabled people through quotas with financial penalties, as well as wage subsidies (International Labour Organisation, 2019).
- Disabled people in the UK have no statutory entitlement for extra time off work – although employment tribunals may consider that extra leave is a reasonable

adjustment under disability equality law (Unison, 2019). Moreover, they usually cannot earn more than £379 per month before financial support from universal credit is reduced. Limited support for organisations employing disabled people includes reimbursement for some additional costs and tax relief for reasonable adjustments under equality law, but awareness and take up of these schemes is very low (litrg.org.uk, 2022) (Disability Employment Gap, 2022).

#### **Carers' leave**

- Working carers in Germany are entitled to up to 10 days of paid carers' leave (over the relative's lifetime), at 90 per cent of their income, and up to six months' full or partial unpaid caring time, supported by an interestfree loan (Federal Ministry for Family Affairs, Senior Citizens, Women and Youth).
- In the UK, the Carer's Leave Act 2023 provides five days' unpaid leave (Carers Leave Act, 2023).

#### **Unemployment benefits**

- German workers are entitled to at least 60 per cent of their salary for up to 12 months (ec.europa.eu).
- UK unemployment benefits are not linked to prior income and are insufficient to cover essentials: In. the 2022/23 financial year, universal credit replaced just 12 per cent of earnings for a single person not paying rent. Jobseeker's allowance replaced the same proportion of income (Joseph Rowntree Foundation, 2023) (Bangham and Gustafsson, 2020).

#### Learning leave

- The Further Training Act, passed in 2023, provides for income replacement at least 60 per cent of lost earnings for employees to take off to retrain under certain conditions (Meier, 2023).
- There is no comparable entitlement to paid leave in order to study, upskill and reskill in the UK.

#### 3. WORLD-LEADING PRODUCTIVITY

If the UK were as productive as Germany, in theory we could take more than an extra half day off per week while maintaining output (ONS, 2023c). This performance has strengthened trade unions' hand when negotiating working time reductions. Germany's success is no accident: in addition to a large manufacturing sector, where productivity improvements are easier to achieve than in services sectors, Germany has longstanding institutions and policies which seek to drive up productivity. These include:

- A legal framework that mandates stronger worker representation in decision-making up to board level, which promotes business practices that are beneficial to productivity (Renaud, 2007).
- A successful track record of investing in workers' skills up to management level. According to one source, employer spending on training per employee is in the top third of EU countries. According to another, UK employers spend less than half the EU average (Evans, 2022).
- The Industrie 4.0 strategic initiative, which has brought together trade unions, business and government around the goal of becoming a manufacturing technology market leader (Santiago, 2018).
- Automation rates which significantly outstrip the UK Germany has nearly four times more installed robots per manufacturing sector employee, and a fifth more firms use advanced digital technologies (EIB, 2023).

#### 4. COLLECTIVE BARGAINING SUCCESSES

Advances in working time regulations in Germany have historically been led by trade unions. Germany forms part of a group of countries that take a 'negotiated' approach to working time. This means standards are mainly agreed through collective bargaining, generally at sectoral level between trade unions and employer associations, alongside company-level agreements and enforcement activity through 'works councils'. This contrasts with countries like the UK and US, which follow a 'unilateral' approach, where working time is agreed through contracts with limited collective bargaining coverage (Fraser of Allander Institute, 2021).

Germany's history of collective bargaining is characterised by a 'work less, work all' approach. This approach has improved work-life balance, and has also helped to protect employment during recessions or times of technological transformation, supported excluded workers into the labour market, and spread hours across working lives (for example, through sabbaticals and age-friendly working hours). These innovations have started to introduce a new 'short full-time' work trend – of 28 to 32 hours per week – that circumvents the usual career penalties associated with part-time work (OECD, 2018). Collective action has seen the following successes:

- The 'Kurzarbeit' short-time work benefit, which helped maintain employment during the 2007/08 Great Recession, supported employers to temporarily reduce working hours with limited loss of pay (Meyer, Schott, Cooper, 2017).
- In 2020, IG Metall, Germany's largest trade union, helped steward the metal industry through the challenges of digitisation and the transition to electric vehicles. It brokered a deal accepting lower pay in exchange for employers protecting jobs through reducing work-

ing hours and investing in training to meet the skills needs of the changing industry (International Labour Organisation, 2021).

- Since 2016, there has been a trend towards companylevel and sectoral collective agreements, which give workers a choice between a pay rise or more time off work – sometimes with targeted reductions for groups with particular needs, such as new parents, carers, and shift workers. Workers have generally preferred more time off (Schulten, 2020).
- Some collective agreements have provided workers with an opportunity to take sabbaticals following an initial 'saving up' phase (Juergens, Hoffmann, Schildmann, 2017).
- Some company-level collective agreements have reduced staff working hours to allow the firm to take on more excluded workers, such as apprentices (Schulten, 2020).
- German employees covered by a collective agreement typically work between 35 and 40 hours per week (Backhaus, Woehrmann, Tisch, 2020).
- Most collective agreements also guarantee six weeks' paid holiday (against a legal minimum of four) (Schulten, 2020).

#### FOUR CHALLENGES IN GERMANY

# 1. LACK OF FLEXIBILITY AND WORK INTENSIFICATION

German workers endure high levels of work intensification and a lack of flexibility. This has resulted in Germany scoring considerably worse than the UK on the OECD job strain index, derived from variables measuring how people experience demands and support received at work (OECD).

The benefits of reduced working hours are not always fairly distributed. Some employers seek to maintain productivity levels by passing the burden of efficiency improvements onto workers rather than investing in more workers or better equipment (Vogler-Ludwig, Gratz, Rambøll, Rambøll, 2006). The share of German workers saying they feel burnt out increased from 29 per cent in 2021 to 37 per cent in 2022 (Future Forum, 2023). Considering this, some of Germany's sick leave levels may be partially attributable to work pressures. Some unions incorporate minimum staffing levels into collective agreements to address some of these challenges.

Moreover, a strict, rules-based approach has made Germany less flexible than the UK, revealing some tension between worker protection and worker autonomy over their working patterns.

 In 2019, 37 per cent of people in Germany said they would find it difficult to take a couple of hours off at short notice, compared with 27 per cent in the UK (Eurostat, 2020).  96 per cent of German workers said in 2019 they would like to be able to organise their working hours freely (Berg, 2019).

Employers' associations have capitalised on this demand by campaigning to reduce Working Time Act measures, such as daily working time caps that limit options for compressed hours. Unions, however, are defensive of these protections, given abuse of the working time account system, including illegal overtime and shift patterns (Juergens, Hoffmann, Schildmann, 2017). They are campaigning to formalise flexibility rules, to protect workers from dependency on the "whim of a supervisor, or the size of a company, or on a company's culture" – including through giving workers the option to request leave in hour-long increments (Juergens, Hoffmann, Schildmann, 2017).

#### 2. DIMINISHING TRADE UNION BARGAINING POWER

The role of trade unions has been eroded in recent decades, and workers are paying the price (Le Blond, 2020).

- Firms in Germany are not required to participate in trade union negotiations or adopt rules that have been agreed at sectoral level. This is in contrast to France, where sectoral agreed working time and wages are legally binding to all (Fraser of Allander, 2021).
- Collective bargaining coverage has dropped significantly in Germany from 85 per cent in 1990 to 54 per cent in 2018 (although this remains much higher than the UK's 26 per cent) (OECD, 2023).
- Reduced union clout has seen rising trends towards company-level derogations from collective agreements and circumventing sectoral bargaining in favour of company-level agreements (International Labour Organisation, 2021).
- Some employees have been pressured to exchange job guarantees for longer working hours without commensurate pay increases (Vogler-Ludwig, Gratz, Rambøll, Rambøll, 2006).
- Germany has a two-tier system, whereby those not covered by union protection have significantly worse working terms, including average work weeks of up to 44 hours (International Labour Organisation, 2021).

#### 3. LABOUR MARKET REFORMS, AUSTERITY AND ENTRENCHED CULTURAL NORMS

Labour market and social security reforms have had some negative results. Reforms which were designed to incentivise work, introduce flexibility to the labour market and reduce government social security spending have interacted with entrenched cultural support for the male breadwinner model to create and perpetuate inequities for workers.

The Hartz reforms, implemented between 2003 and 2005, introduced stronger social security conditionality and tax incentives to take up 'mini' and 'midi' jobs with capped incomes that limit working hours in that job. Combined with active labour market policies, including training for the unemployed, alongside better support for childcare, these helped raise employment. However, poverty increased as much of this work was insecure and low-paid (Tresor Economics, 2013). These measures created several challenges when they interacted with a legacy tax system based on couples' joint earnings rather than individual earnings (Konle-Seidl, 2021):

- Enforcement and uptake of workers' rights and entitlements, such as holiday and sick pay, is low for people in more precarious work.
- Second earners particularly women have been disincentivised from raising their hours, which contributes to gender inequities in employment prospects.
- Second earners are often dependent on their partner to access certain social security protections, including full pension benefits, which could affect retirement plans.
- There has been debate about the impact on productivity, as employers have reduced incentives to invest in productivity enhancing training and retain existing skills in their workforce, while workers are pushed into unsuitable roles (Kleinknecht, 2020).

The German Social Democrats (SPD) Bürgergeldreforms, which came into force in January 2023, were intended to tackle some of the sharper edges of the system, but the reforms were watered down during the political process (Isenson, 2019) (Deutsche Welle, 2022).

# 4. PATCHY DIGITISATION EFFORTS WITH UNCERTAIN WORKER BENEFITS

The recently elected SDP-Greens-FPD coalition has made Digital Breakthrough a strategic priority, in recognition that the previous Industrie 4.0 agenda has not always translated into results (Płóciennik, 2021).

The model of gradual innovation in Germany can be a hindrance to progress. This model allows for incremental lifetime improvements in capital and skills in order to deliver quality specialised products. This stability can support innovation under certain circumstances, but a sunk cost mentality can make German firms slow to implement new technologies. Slow digitisation can put pressure on workers to maintain competitiveness and result in missed opportunities, such as Germany's transition to electric vehicle production, which was slow to take off (Kampfner, 2021).

- Germany's investment in ICT as a share of GDP is just
  0.2 per cent the lowest in G7 countries where this data is available, and lower than the UK's 2.6 per cent (OECD, 2017).
- In 2021, Germany ranked 17<sup>th</sup> on European Investment Bank's Corporate Digitalisation Index (below the EU average – though the UK performs even worse) (EIB, 2021).
- SMEs, which comprise 99 per cent of German firms, have been particularly slow to digitise, with fewer than a third sharing information electronically (Płóciennik, 2021).

# POSSIBLE SOLUTIONS

3

This paper has highlighted a need for action in the UK to improve work-life balance and productivity to keep up with international standards. A successful strategy should be careful to avoid unintended consequences such as labour shortages, reduced output, and rising inequality.

Learning from local challenges and the German example, the UK should take the following approach to reducing working time:

- 1. **Enhance minimum statutory rights** to tackle sharp practices and exploitation including overwork and overcontrolled conditions.
- 2. **Strengthen the social safety net** to create a more inclusive and sustainable labour market.
- 3. **Establish institutions to actively drive down working time**, enabled by productivity improvements and guided by clear targets for the next decade.
- 4. **Empower workers through collective bargaining entitlements** to negotiate additional tailored entitlements at firm and sector level.

The section below sets out specific options for delivering these outcomes. They are designed to complement existing commitments by the Labour party in this space.

#### 1. ENHANCE MINIMUM CROSS-ECONOMY PROTECTIONS AND ENTITLEMENTS

The government should take decisive action to tackle the UK's long-hours culture and give workers better control over work-life balance by normalising autonomy and flexibility. The government should:

# 1. SECURE AND ENHANCE EXISTING ENTITLEMENTS

The government should protect and deliver on existing rights and commitments – including by repealing the Retained EU Law (Revocation and Reform) Act and implement-

ing the Taylor Review recommendations, as a minimum foundation for continued progress.

#### 2. CAP AND LOWER THE MAXIMUM WORK WEEK INCREMENTALLY OVER THE NEXT DECADE

The government should consider legislating to implement a staged approach to lowering the maximum working week. This could start by abolishing the opt-out for the 48-hour work week (averaged over a six-month period) before incrementally lowering the cap, based on continuous monitoring and evaluation. In line with evidence on the health effects of overwork, we propose a target of 40 hours per week, to be achieved over the next decade provided certain conditions are met. This would reduce working hours for 44 per cent of employees (OECD, 2023).

#### 3. INTRODUCE A RIGHT TO PAID OVERTIME

Building on Labour's proposal to introduce a right to disconnect, the government could drive cultural change by legislating to introduce a right to overtime payment or time off in lieu where hours or responsibilities exceed those in the employment contract. Organisations should have appropriate procedures in place, with a single enforcement body, as proposed by Labour, ensuring people are able to claim their rights.

#### CLARIFY HOURS AND FLEXIBILITY OPTIONS FROM THE RECRUITMENT STAGE

The government should legislate to require job adverts and employment terms to include flexible options. This would ensure that workers and employers are on the same page from the outset and nobody is unfairly penalised or put off from applying for flexible work requirements. Job advert specifications would be reflected in employment terms. This could build on the Labour party's commitment to introduce default flexible working from day one of employment.

#### 5. IMPROVE WORKING TIME ENFORCEMENT

The government should ensure that working time violations are identified and addressed early, and that vulnerable workers are able to enjoy equal protections. As well as a single enforcement body, as proposed by the Labour party, the following approaches should be considered:

- The Equalities and Human Rights Commission or ACAS could monitor advertising output and contact employers who may be breaching the law.
- Occupational health services could be mandated to report potential breaches in working time rules to the Health and Safety Executive for further investigation.
- Employers could be mandated to submit data on actual hours worked to HMRC, which would then be able to monitor pay for minimum wage and paid overtime violations. The requirement to collect this data would also drive cultural change and support bargaining within workplaces.
- Worker representatives could monitor and escalate breaches (see below on the role of trade unions and work councils).

#### 2. STRENGTHEN THE SOCIAL SAFETY NET

The UK needs a system of social security and statutory paid leave that supports family responsibilities, recognises the pressures of disability, allows people the time to deal with life events while maintaining a decent standard of living, and improves labour market access for those who cannot work long hours.

# 6. INTRODUCE A COMPREHENSIVE INCOME REPLACEMENT SYSTEM

The government should implement a comprehensive system of income replacement – over time, as resources permit. Ministers should consult on implementing recommendations set out in the Fabian Society report In Time of Need: Building Employment Insurance for All, including sick pay, carer's leave, and maternity paternity and parental leave – with consideration for how these can be structured to improve gender equality by moving away from the male breadwinner model. This would build on the Labour party's commitment to increase statutory sick pay, and bring the UK up to the standards of other rich countries.

## 7. INTRODUCE THE RIGHT TO PAID DISABILITY LEAVE

The government should identify options to support disabled people to participate and remain healthy in work through working hours that are appropriate to their circumstances. It should provide additional support to alleviate the time burden of disability, in a similar way to how the personal independence payment (PIP) alleviates financial costs. Learning from the German example, the government could consult on options for introducing paid (non-means-tested) disability leave entitlement – for example matching the Fabian Society carer's leave proposal of five days. This would be in addition to current entitlements to request reasonable adjustments, which rely on employer discretion, or universal credit top-ups, which disincentivise steps to earn more money. These measures might need to be accompanied by better support and incentives for organisations to hire disabled workers.

#### 8. PROVIDE INCOME REPLACEMENT OPTIONS ON A FLEXIBLE BASIS

The government should explore smaller statutory leave increments to improve flexibility. This would mean, for example, moving from one-week blocks to single days, halfdays or individual hours. This might allow parents to use their parental leave entitlement in short increments, agreed appropriately in advance. As seen in Germany, parents could then work part-time in order to balance work and family until their full parental leave allowance has been used. Borrowing from German trade union campaigns, a similar principle could apply to carers, disability and parenting leave, so people could meet personal needs as they arise.

#### 9. INVEST IN THE UK'S CARING NEEDS

The government should consult on options for expanding the UK's subsidised childcare provision and establishing a National Care Service, to support more people with caring responsibilities. These are set out more comprehensively in the Fabian Society's reports: A Good Life in All Regions: Uniting Our Country to End Poverty, and Support Guaranteed: The Roadmap to the National Care Service (Raikes and Cooper, 2023).

#### 3. IMPLEMENT AN ACTIVE WORKING TIME REDUCTION STRATEGY

The next government should take an activist approach to working time reduction. It should establish the institutions that can support new rights and take action to reduce hours, without loss of pay, when appropriate conditions are met. Through this strategy, the government could set a target to reduce the typical full-time working week over a set period – and lead society in a debate on whether the ultimate goal should be an average four-day working week. This would build on Labour's proposals to implement an industrial strategy.

#### 10. SET UP A TASKFORCE TO CREATE THE CONDITIONS TO REDUCE WORKING TIME WHILE DRIVING UP QUALITY OF LIFE

To tackle the breadth of challenges presented by the changing nature of work, the government should create a new 'future of work commissioner', reporting to the Cabinet Office or Number 10. Part of the commissioner's remit could be to implement a strategy on working time by ensuring economic gains from productivity are distributed fairly. To this end, the commissioner could establish a Working Time Taskforce to do the following:

- Identify policies to create a virtuous cycle between firm-level productivity improvements and equitable working time reduction, without loss of pay – and levers such as conditions on procurement or public loans to support automation conditional on working time reduction without loss of pay.
- Work across government to ensure there is a plan to tackle staffing shortages in industries where productivity improvements are inherently challenging, such as social care.
- Work with the business department to agree criteria that would justify top-down economy-wide working time reductions – for example, certain productivity targets.
- 11. TRANSFORM THE LOW PAY COMMISSION INTO A FAIR PAY AND WORKING TIME COMMISSION, TO ADVISE ON REDUCING HOURS WORKED PER YEAR

The Low Pay Commission already plays an important role improving income equalities. An expanded Fair Pay and Working Time Commission would be well-placed to fulfil a similar role on working time, given how pay and hours are inextricably linked. The government could legislate to expand the role of the Low Pay Commission to also advise the government on options for reducing working time – for example through additional bank holidays, increasing minimum annual leave, or earmarking time that can be 'banked' for later use (for example, for study leave or a sabbatical). Ministers would set the commission's mandate and decide whether to accept its recommendations, which would be developed through social partnership between unions and employers.

#### 4. EMPOWER WORKERS TO BARGAIN COLLECTIVELY ON WORKING TIME REDUCTIONS

Collective bargaining can drive improvements beyond minimum statutory standards, as appropriate for different sectors and at firm level. It will also help ensure that existing rights are appropriately enforced. Given the UK's low trade union coverage, efforts to boost worker power would have to develop gradually from the bottom up, starting at the organisational level.

#### 12. EMPOWER WORKERS TO NEGOTIATE ADDITIONAL IMPROVEMENTS AT THE ORGANISATIONAL LEVEL

Learning from the German example, the government could empower workers to act collectively at the organisational level to enforce their rights and drive progress, where this may not be possible across the whole economy or a broad sector (for example, where it is possible to work less without loss of output, or innovate in other ways on hours and flexible work in a specific organisation). The government could legislate conditions for recognition of unions or works councils – giving employers a duty to respond to concerns raised and bargain improvements to working conditions above and beyond national or sectoral entitlements. Recognised unions or works councils should have access to appropriate information and communications functions to fulfil their responsibilities.

#### 13. ELEVATE WORKING TIME ALONGSIDE PAY IN FUTURE SECTORAL BARGAINING

To support working time reduction, social partnership dialogues – between trade unions, business and government – need to play an active role in determining hours, minimum staffing levels, and appropriate pay and conditions, so working time reflects the unique conditions of the sector and any reduction does not result in work intensification. Starting in sectors with significant labour shortages such as healthcare, adult social care and childcare, the government could legislate to implement fair pay and working time agreements, negotiated between industry and unions, to ensure that working time receives due consideration in collective bargaining activities.

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### WORKING NEIN TO FIVE

#### What can the UK learn from Germany about work-life balance?

German culture is underpinned by national and EU-level regulations that go beyond UK protections. Legislation including the Working Hours Act, Shop Closing Law, Part-time and Fixed-term Employment Act, and Holidays Act do this by imposing strict limits on daily and weekly working time, with minimum enforced break periods; levying surcharges where employees work unsociable hours; requiring mandatory retail store closures on Sundays and public holidays, and on Christmas Eve after 2pm; and giving workers the right to switch to part-time and return to fulltime work.

The next government should take an activist approach to working time reduction. It should establish the institutions that can support new rights and take action to reduce hours, without loss of pay, when appropriate conditions are met. Through this strategy, the government could set a target to reduce the typical full-time working week over a set period – and lead society in a debate on whether the ultimate goal should be an average four-day working week. People across the socio-economic spectrum could benefit from the right policies. Measures to tackle extreme overwork and poor work-life boundaries may particularly benefit higher-earning white collar workers, who tend to work longer and less structured hours. Greater workplace autonomy and reduced work intensity would improve conditions for low earners (such as shift workers) and those who face structural disadvantage (such as women and disabled people), who often have less control over their working day.

Further information on the topic can be found here: https://uk.fes.de/



