



RAIJA JULKUNEN & JOUKO NÄTTI

**The Modernization of  
Working Times**

Flexibility and Work Sharing in Finland



SoPh:





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The new trends in working times have caused them to become an increasingly acute issue of social policy – and as such, an increasingly captivating topic of research. There are common trends all over the Europe, such as the debates about work sharing, the breakthrough of flexibilities and the differentiation and de-institutionalization of working times. However, there are national differences, which can be attributed to national institutions and structures. It is our contention that under such conditions, national stories are both interesting and useful. Indeed, the 1990s in Finland has been a rather dramatic decade, including deep economic and social crises, EU- and EMU-memberships. Thus, we find the social consequences, survival and adaptation processes to be an extremely interesting topic of research.

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Jyväskylä, November 1999

Raija Julkunen

Jouko Nätti



## INTRODUCTION – MODERNIZATION, POLITICS AND POLICIES

### The new landscape of working times

For more than a century, *the shortening and normalizing* of working time was *THE* working time issue. Over the past four generations (150 years) the yearly European average working hours have dropped from 3,000 to 1,700. During the same period, the production per hour has increased enormously: in 1990 it was 25 times that of 1830 (Danis 1994).

As late as the 1960s and 1970s, the reduction of working time was, roughly speaking, implemented in different European countries in much the same way: through the reduction of standard working hours, the abolition of Saturday work and the expansion of holiday entitlements. These changes tended to constitute a European model of working time, characterized at the end of the 1970s by a 40-hour week divided into five eight-hour-days, with four, five or six weeks of holiday time. Obvious differences between countries, e.g. in relation to part-time employment, did not call into question the existing standard working time (Boulin 1998). At the end of 1970s, the 35 hours work week and reduction of the retirement age to 60 were the central aims of the European Trade Union Conference.

However, this pattern of steady development began to shift in the 1980s. On average, the pace of working time reduction slowed (OECD Employment Outlook 1998), and in some countries, especially the United States, the average number of working hours even increased (Schor 1991). Instead of normalization and standardization, *deregulation and differentiation* began to infiltrate patterns of working times. Jean Yves Boulin (1998) discusses the notion that the deregulation and spread of new working time patterns have resulted in a deeply contrasted European timescape, as far as the duration, the pace and the patterns of working time organizations are concerned. The differentiation applies both between and within countries, from sector to sector, from one firm to another, and even within the same firm. It seems as if the working times were detaching themselves from the old uniform securities of the boom of industrial society. The 20-year-old objects of European unions do not appear any more realistic or attainable than they did 20 years ago.

In an industrial society, working time was mostly steered by politics, regu-

lated by laws and agreements and determined both by the growth of economic prosperity and by the power balance between organized employers and employees. Now, at the turn of the century, the *dynamics* of working times has come to be more complicated and fragmented, that is, less familiar. Patterns of working times no longer possess a specific forecastable or predictable direction.

In the 1970s and even in the beginning of the 1980s, *disputes* occurred between employers and wage workers – the most famous being the harsh struggle of German metal workers to obtain a 35-hour work week. In the beginning of the 1980s, German social scientists (Offe, Hinrichs & Wiesenthal 1982) viewed the working time policies as locked in a stalemate. Reaching a compromise between the divergent aims of companies and wage-earners seemed impossible. While both parties represented their own rational interests, the three level systems of industrial relations (law, collective national and company levels) seemed to effectively block new innovations.

The 1980s brought with it the unlocking of the deadlock and establishment of *compromises*. Beyond the idea of dispute, the power of employers was strengthened both in centralized bargaining and in the everyday operation in firms, and it seemed as if the working time had lost its political dimension and would be seen only or mainly as a question of a firm's competitiveness. The reduction of hours became a form of compensation for the concessions trade unions had been forced to make during deregulation. Boulin (1998) states that in this trade-off, the reduction of working time has forfeited its symbolic value, its dimension as an agent of social transformation, as a means of transforming an individual's way of life, well-being and quality of life.

With the 1990s came the fight over *work sharing*, which restored some of the political dimensions of working times. The national differentiation in working time regulation and policies is still valid. For example, while in Continental Europe the 1990s established the respectability of work sharing, the Nordic countries – more exactly, their economic and political elite – did not believe that working time reduction would be a cure for unemployment. In spite of the deepening economic and political integration in Europe, the differentiation in working time trends and policies seems obvious.

Or is this differentiation merely apparent upon closer inspection? It is possible to claim that there is a common direction toward *modernization*, despite the fact that it can – and in fact must – be realized through different *national routes*. Similarly, perhaps the average working hours and rules governing working time cannot deviate very widely among the countries within a united Europe. Nevertheless, the dynamics and timetables of reducing working hours and introducing more flexible and differentiated working time patterns can possess national traits.



## Modernization and working times

Today, it is quite common to discuss the “modernization” of the organization of work within the context of the European Union (EU). For example, The EU Guidelines for Member States Employment Policies 1998 invites social partners to negotiate and to make agreements to “modernise the organisation of work, including flexible working arrangements”. Gerhard Bosch (1999a), one of the leading working times researchers in Europe, positions the redistribution and modernization of working time as opposite to one another. In addition, Bosch stresses the hectic change – in itself also a fundament of modernization – in working times while stating, that:

the analysis was like taking a snapshot of a moving object. Already in a few years the actual working time structures will be regarded as a historical episode. Therefore, they tried not only to describe the actual situation but also analyse the change factors.

What is this modernization of working times and working organizations? Of course, the modernization of working times implies an adaptation to “new times”. We suggest that, first, modernization refers to *new questions*, issues and agendas as opposed to “old”, traditional and established ones. Secondly, modernization refers to new practices and arrangements, and in EU-programmes as well as in national policies, to some kind of “*best practices*”. Even in social policies, a certain “bench marking”, a belief in the “best practices”, international comparison and imitation, has become more widespread. Another question is: whose point of view determines what is the “best practice”? There is no doubt that when discussing working life, the economic perspective – that which is economically sound, effective, profitable and competitive – is the crucial perspective, although the idea of the existence of a “best practice” presupposes a certain level of the inclusion or elements of human and social considerations.

However, we choose to understand modernization more broadly, in its *sociological meaning*. Among the abundances of existing modernization theories, we have allowed ourselves to be inspired by Ulrich Beck (1986, 1996, 1997, 1998a, b). In practice, we use his thoughts selectively and critically, because we are not quite convinced about the validity of his central idea, namely, the reflexivity of modernization.

On the other hand, we have found many of Beck’s ideas useful and accomplished in our quest to understand the changing *dynamics* of working times. While speaking, for example, about the destandardization of labour,

individualization, de- and subpoliticization or new modernity, Beck has in a way named the processes which are taking place within the field of working times. Taking a sociological theory of modernization as our starting point implies that we are not going to develop or use any theory of changing capitalism. Of course, the trends toward a more flexible (Harvey 1989), disorganized (Lash & Urry 1987), informatized and networked (Castells 1996) or deregulated capitalism form the basic dynamics for changing working times. We, however, are interested in the social, institutional, political and discursive processes that produce a new social order.

Beck, however, writes a very general modernization theory without paying much attention to national diversity and difference. We, on the other hand, believe that working times, besides of their global trends, are embedded in many institutions, which still have a national character (Boyer & Hollingsworth 1997). This is why Beck provides us only with the most general outlines of thinking, and why we must add to them the *interplay of general trends and national institutions*.

The sociological vision of modernization, Beck's and other's, as opposed to equating modernity with the "best practices", refers to ambivalent and multifaceted developments. A decisive role in modernization theory is played by side-effects, hazards, uncertainties and risks of development. Also, in addition to ecological risks, a kind of ultimate threat exists: the fragility of social life (Beck 1997, 51). Although we are not overly impressed with Beck's treatment of this thesis, we consider the idea significant in the context of a discussion of working times.

Beck speaks about the first and second (or new) modernity, industrial and risk society. To *industrial society* he connects the system of standardized full employment, and to *risk society* a tendency toward a system of flexible, destandardized and pluralized underemployment (1986). The crucial question is, how the continuous tendencies of standardization and regulation can turn up to their opposites of destandardization and deregulation?

As Manfred Garhammer (1999a, b) states, an industrial time regime is a central constituent of the industrial society (see also Ellingsaeter 1999). The industrial time regime has established a normal working time with four temporal institutions guaranteeing time free from work, that is, free evenings after work, weekends, annual holidays and retirement. Within the industrial dynamics the working class (unions) struggling for normal working time has been the decisive modernization agent. But who and what shapes the post-industrial time regime, which seems to be characterized – no longer by normalization – but by deinstitutionalization, denormalization and differentiation?

In the earlier versions of his modernization theory, Beck emphasized indi-

vidualization, while more recently he has put more stress on the concept of globalization. All in all, over the course of recent years, the social sciences have been inundated with seemingly endless and contradictory literature on globalization. For Beck, individualization and globalization are two separate aspects of the same development of modernization. In our contention, the *dissolution of standard-working-hours model* is connected to both of these processes.

For Beck, the term *individualization* does not represent the first meaning that might come to mind, rather, it is understood as the disembedding of the ways of life associated with an industrial-society and the reembedding of new ones. Put in plain terms, Beck says (1997, 95) that “individualization” means the disintegration of the certainties of industrial society as well as the compulsion to find new certainties for oneself and others without them. The continuity of institutions – such as normal working time – will become increasingly dependent on individuals, not because individuals are more powerful, but because institutions have become more contradictory and vulnerable.

The concept of (economic) *globalization* is most commonly associated with transnational financial markets; multi- and transnational enterprises; new flexible production systems based on global networks; and computerized information and communication structures in “real time” as its infrastructural precondition. Adapted to working times, globalization means the formation of working times within a more united and networked world economy, under conditions of increased job competition and growing rhetorical and factual demands of “flexibility”. All of these associations and meanings, together with the new production concepts, create new time risks and time needs for firms which attempt to pass these risks on to wage earners in the new models of working and working time patterns.

One of the most controversial aspects of globalization is its tendency to limit the range and alternatives of national policies. In globalization debates, the *role of the state* is, as a rule, couched in relation to market forces (Hirst & Thompson 1996). The increasing mobility of financial and investment capital and the new transnational corporate structures are seen as constraining the actions of the state, as both their relative capacity and autonomy decrease. While another European sociologist, Pierre Bourdieu (1998), thinks that all the talk about globalization is rhetorics used in the offensive of class interests of capital, Beck (1998a) takes quite seriously the challenges facing national states between globalization and individualization. First, industrial modernity within a strong national state is called into question, even if new units of justice and democracy are not in sight. Secondly, methodological nationalism is problematized: that a society’s contours in an essential and indisputable way fall together with the national state.

We subscribe to the questioning of *methodological nationalism* and to the

concomitant fragility of the concept of “society”, although not necessarily to the thesis of the withering away of a national society or national dynamic. However, we are adamant in our conviction that the “national society” with its institutions is still a reasonable component of the working time dynamic, to the extent that is reasonable to discuss in relation to national working time regimes. Even during great social transformations, there is a great deal of continuity in the national dynamics, which is contributed to by national economic fate, institutions and policies, solidarity and distribution conflicts.

On the other hand, one of the best known and most popular ideas regarding globalization is “*glocalization*”, which implies the inseparable nature of globalization and localization. As regards working times, this interplay of global uniformity and local uniqueness is of significant interest. The nation, indeed, is representative of a form of localization, although localization tends to refer to smaller units.

Obviously, the role of the (national) state is changing. As Beck notes (1997, 140), the authoritarian action state has given way to the negotiation state, which sets up stages and conversation and “directs the show”. The ability of the modern state to negotiate is presumably even more important than its one-sided hierarchical ability to act. In the context of *social policies*, globalization is also something more than the diminishing – or at least disputed – capacity of the national state and politics. Globalization can also mean social political comparison, learning, appealing to other countries, experiences as positive or negative examples, the diffusions of examples, transnational imitation, joint programmes (as in the EU) and the search for joint European strategies.

Another of Beck’s ideas concerns *depoliticization*. According to Beck (1997, 98), it seems as if politics is losing both its polarizing and its creative, utopian quality. In fact for Beck, depoliticization, which so evidently applies also to the dynamics of working times, is not “depoliticization” but rather “*subpoliticization*” (1996, 1997). While accepting the notion of the disappearance or withering away of politics, people have found themselves searching for politics in the wrong places – in old institutions, such as parliament and labour market institutions. Subpoliticization implies the decrease of centralist cover-lever policies. Conversely, in the wake of subpoliticization, opportunities to consult and participate are expanding to include groups who have yet to participate in the substantive process of technification and industrialization. Such groups include: citizens, the public sector, social movements, expert groups and on site employees, and there are even opportunities for individuals possessing civil courage to “move mountains” in the midst of change. Politics must be reinvented within these new places and arenas, in which the formal institution of power is replaced by the real ability to form agendas and innovations.

Nevertheless, and perhaps slightly inconsequentially, Beck considers it necessary to warn against a false sense of optimism (1997, 107). What appears from below to be the sphere of influence of sub-politics results, as seen from above, in the loss of enforcement power, the shrinkage and minimization of politics. A general sense of “*relative powerlessness*” arises, which is the other side of subpolitical activism.

As authors in the field of social policy, we are interested in the mechanisms of political governance and the role of politics and policies in the dynamics of working life, and we find this theme of politics, subpolitics and “*relative powerlessness*” a captivating thought to apply to working time policies. At first glance, it appears that politics has been displaced from the working time dynamics and that working times have become depoliticized. If the old political dynamics no longer steers working times, where are the places and spaces of working time politics and policies actually located?

Is there such a thing as subpolitics and subpolicies – company management, a negotiating state, research institutions, experiments, firm-level co-operation, individual choices or protests – which are able to form and carry out new agendas? Or, is the only result a ‘general relative powerlessness’ and displacement of social policies from the dynamics of working times? Are there agents who even within flexible capitalism and the post-industrial society are able to use the transforming power of working times to set and carry out societal aims, be they the suppression of unemployment, the redistribution of working time, gender equality, the quality of social and family life, national prosperity or something else? We must point out that even “nonpoliticized” working times are a most powerful means of social transformation, although the transformation is a nonpoliticized side-effect of working time development.

## Our case: Finland

Boulin views the shift in the 1980s as a triple shift: the initiative is passed to the employer, shorter hours give way to the implementation of different patterns of working time, and the process tends to become increasingly differentiated. In a broad sense, this pattern holds true in the case of Finland, too, although it did not occur until the 1990s.

Although working times might possess a general direction of modernization, this direction is shaped in many local contexts; in a way, general modernization comprises numerous local developments. We already defended the point that the nation, nation state and “national society” continue to be



reasonable components of policy and analysis.

For example, in his review on the reduction of working time, Dominique Taddei (1998) emphasizes the broad diversity among political and social attitudes toward the reduction of working hours and national industrial relations systems. Perhaps it is possible to distinguish between *different (national) working time regimes* as it is between welfare, employment or labour market regimes, or at least between nationally differentiated working time profiles, which are connected to several institutional and historical prerequisites (e.g. Rubery et al 1998, Fagan 1999b). In his new report, Gerhard Bosch (1999a) locates the following ones as *determinants* of national working time profiles: wage-levels and wage differentials; taxes, social security and social security contributions; child care; education and training policy and industrial relations.

What type of case is Finland? It is a small Nordic country, yet a latecomer in Nordic industrial relations and its development as a welfare state. It has – at least it had prior to the stormy 1990s – a high employment rate, centrally regulated working times and social rights regarding “exits out” from work (maternity, parental, care leaves, holidays, social security etc.).

In his review, which is mainly based on five national reports on company policies, Dominique Taddei (1998) imagines a scenario in which he is asked to distribute “Oscars for the reduction of working hours” among the five countries. The roll of honour might be as follows:

- country with the best range of collective reductions: Germany
- country with the best arrangements for part-time work: the Netherlands
- country where individual reductions are most harmonized with living conditions outside the workplace: Sweden
- country with the widest range of financial incentives in the form of exemptions: Belgium
- country with the largest number of company studies (especially in relation to the number of case studies produced): France

Obviously, Finland would not have been one of the nominees in these Oscars, however, we can suggest one possible award at this point: country where the gender differences in working times are the smallest, and country with exceptionally *uniform working time lengths*.

In addition, Finland has experienced a *dramatic 1990s*, including surviving a deep recession. Sociologists have a tendency to view everything as a major change or break. However, describing the 1990s in Finland as a dramatic decade, a time of great changes, is certainly justified. The collapse of Soviet Union was the background which allowed for the rapid steps toward economic and political integration with the West (membership in the EU in

1995, joining the third phase of EMU in 1999). People's lives were, however, shaped more dramatically by the deep recession in the early 1990s. The deepness is best described by the growth of unemployment from 3-4 per cent in 1990 to 18.4 per cent in 1994. We dare to claim that Finland – a small northern periphery – in the 1980s-1990s was adapted to the open international economy in an unruly, even violent way.

This decade in Finland can be divided into *different periods*. The first period is characterized by the rush into the recession, or depression, which was accompanied by the unforeseen growth of unemployment, bank crises and public finance crises. There were two main targets in the depression policies: the competitiveness of export and halting the explosive growth of the public debt. The gross national product began to grow in 1994, however, despite steady economic growth, mass unemployment has decreased quite slowly. Nowadays, Finnish companies are ranked amongst the most competitive in the world. Finland has received a great deal of praise for its ability to sustain the conditions of economic life, (in spite of criticism of exceedingly high tax rates and too good a social security system) and for sustaining a high-ranking position on the list of human development. However, the enduring shadows of the crisis remain.

The periodization of the 1990s into clearly distinct phases – recession, recovery, a convincing level of survival despite the shadows of economic setbacks – provides us with an extraordinary arena in which to *examine the dynamics of working times and their modernization*. We are especially interested in politics and policies. We pose the following question: What are the issues and agendas and who has the power to define them during different business cycles? Have working times contributed to the Finnish survival story? What are the risks and dangers of a scenario in which working times are solely and one-sidedly tailored to the needs of firms? What potential aspects of working times as a means of social transformation will remain unused in a situation in which the sole agenda is the competitiveness of companies?

*In this book* we are interested in working time trends, continuities and discontinuities as well as in working time policy and its role within the dynamics of working times. Our aim, with the aid of the Finnish experience, is to describe and analyse the creation of working time policy, its potential and realm of possibilities within the conditions of the 1990s and the new century. Through the use of this specific national example, our aim is to shed light on the general dynamics of working times. In short, we will examine the revelations of the 1990s in Finland regarding the modernization of working times, national peculiarities and the spaces of working time policies.

## Our data

Our book leans on different kinds of data and material, as well as on our long-lasting interest and research experience on working time issues. We have been involved in working time research for two decades – if not always full time, at least in-between of other research interests. Raija Julkunen's interest in the theory of social time and the dynamics and politics of working time dates back to the mid-1970s (Julkunen 1977), Jouko Nätti's interest in part time work and labour market segmentation to the early 1980s (Nätti 1983). In the 1990s, we have published three books about working times in Finnish: the first one on flexible working times in Europe (1994), the second one on atypical employment (1995), and the third one on work sharing (1997). Sometimes, while we have examined some question more thoroughly in these earlier books, we refer on them in this book.

In this book we use sociological theory and discussion; international and Finnish working time research; documentary material (committee and working group papers, public discussion in newspapers) collected during the years we have been interested in the issues of working times; participation (and observation) in committees, working groups and seminars; Finnish and European statistical data, and the data and results accumulated in field projects led by us.

International comparisons are mainly based on the reports of European Labour Force Survey and OECD. In addition, we have analysed The Second European Survey on Working Conditions (1996), collected by the European Foundation for the Improvement of Living and Working Conditions.

The Finnish statistical data comprises Annual Labour Force Surveys between 1986 and 1997, and Quality of Work Life Surveys 1977-1997, both collected by Statistics Finland. The labour force surveys give some kind of "official" picture about working times. The longitudinal comparisons based on official statistics have the usual problems: the changes in data collecting. Fortunately they are not very disturbing in this case. When needed and possible, we compare the picture given by labour force survey to those of other surveys.

Last but not least, during the 1990s we have led research projects funded by the Finnish Ministry of Labour, European Social Fund, and the Finnish Work Environment Fund. The first of them focused on innovative working times (Hanna Liikanen), another on six plus six working time model (Timo Anttila), the third one on working time experiments in the municipal sector (Timo Anttila, Paula Tyrväinen), and the fourth one on job alternation leave (Sauli Ruuskanen, Ilkka Virmasalo). Our primary data has been collected in these projects.

## FINLAND IN THE 1990'S

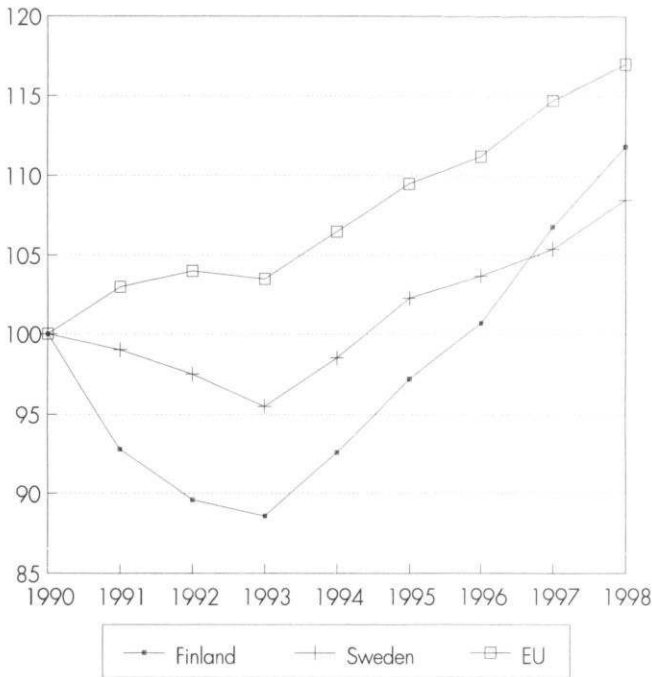
We shall question how the 1990s shaped Finnish working times and working time policies. As such, it is reasonable to provide a more accurate illustration of this decade. We will concentrate on the most significant aspects of the general background. Later, we will provide more details about the institutional and cultural context of working times.

### Economic development – from multiple crises to survival

Finland is a small northern periphery, which in many respects, for example, with regard to industrialization, has been what one might refer to as a “late starter”. On the other hand, Finland is a pioneer, for example, in the areas of women’s integration into labour markets and political life. We Finns tell our story by reminiscing about timetables with inherent imbalances, *delayed yet rapid, ungoverned changes*. One example is the rapid transformation from predominantly agrarian to urban industries which took place in the 1960s and 1970s, and another is Finland’s integration into the opening and financially deregulated world economy via a violent national economic crisis.

Following an extended period of rapid economic growth and an almost full employment, the Finnish economy sank into a *depression* in the beginning of the 1990s. Most Western European countries experienced similar situations, although the crisis was the most severe in Finland. One may even talk about a depression. During the period of 1991-1993 the Finnish GDP shrank by 12%. The unemployment rate rose from 3.5% in 1990 to 18.0% in 1994.

FIGURE 1.1. Volume of gross domestic product in Finland, Sweden, and EU 1990-1998, Ind(1990)=100. Source: OECD.



At the beginning of the 1990s there was no consensus regarding the *causes of the crisis*. Some saw the cause as an overly expanded and generous welfare state, which eroded private economy and citizens' initiatives. Despite the fact that, admittedly, the competitiveness of Finnish companies deteriorated over the course of the 1980s, nowadays, this incomprehensible explanation for the sudden change has been replaced by an *explanation which includes monetary policies*. Below, we refer mainly to Jaakko Kiander (1999, 9-15), an economist and coordinator of a research programme funded by the Academy of Finland, which focuses on studying the Finnish economic crisis of the 1990s.

The catalyst of Finland's entry into recession was a *debt-financed boom in the latter half of the 1980s*, in which asset prices skyrocketed. The credit expansion was facilitated by financial deregulation and 'great expectations'. The boom ended in 1990, when international interest rates increased and Finnish export performance deteriorated due to a lack of competitiveness and declining exportation to the Soviet Union.



The crisis was related to the politics of *fixed exchange rates*, as was also the case in many other Western European countries at that time. The fixed parity with the D-mark turned out to be unsustainable when German interest rates rose in 1989-90. However, the Bank of Finland attempted to protect the exchange rate by allowing domestic interest rates to rise. Targeted at both the sustaining of the stability of the Finnish markka and the development of a closer integration with the European Community and its monetary policy, in 1991, the Finnish markka was tied to ECU by a unilateral decision. As has been admitted afterwards, the rate was unrealistically high, which in turn led to a three-year period (1989-1992) of exorbitantly high real interest rates. In a country in which both individual households and firms had accumulated large debts, this shocking interest rate was disastrous to both enterprises and households with housing loans.

Thus the boom of the 1980s was followed by a bust – a three-year period of high interest rates, falling output and collapsing asset prices (the Helsinki stock market index fell almost 70%), debt-deflation, a financial and banking crisis as well as a currency crisis. The introduction of high interest rates into such a debt ridden economy resulted in the constraint of private demand. Investment activity all but ceased to exist, and private consumption also decreased quite significantly. Until 1992, exports suffered from an overvaluation of currency, which directly resulted in a decrease in levels of output and a significant increase in the rate of unemployment.

The problem of weak competitiveness was solved when the Finnish markka depreciated significantly after being allowed to float with many other EMS currencies. The *floating markka* enabled lower interest rates and helped to stabilize and re-inflate asset prices, thus halting the process of deflation. National production began to grow in 1994, however, as we noted above, the extensive shadows of the crisis remain with us to this day.

After the fact, in addition to such unfortunate conditions as the collapse of trade relations with the Soviet Union and the overall Western recession, the following factors have been added to the *list of causes*: the unwisely introduced deregulation of financial markets in the 1980s, the banks which irresponsibly fed the debt boom, the government's premature introduction of the fiscal policy, and the actions of the stubborn defenders of a strong and stable markka. The defence of the "strong and stable markka" can be characterized as a noticeable shift toward modernization and as a typically Finnish attempt to act. As a small periphery, highly dependent on one-sided export (forest industries), Finland has grown accustomed to manage the problem of weak competitiveness by devaluing the markka, and the national economy is characterized by regular cycles of inflation and devaluation. In a way, this monetary policy, which turned out to be so disastrous, precluded the condi-

tions of a common currency, in which the problems of competitiveness are no longer allowed to be managed by devaluation, and inflation must be controlled through wage moderation and the implementation of rigorous fiscal policies.

Roughly speaking, the *Finnish survival policies* have emphasized the competitiveness of export industries, integration into the EU and a common currency, the halting of the explosive growth of the public debt, cuts in public expenditure (including social security), wage moderation through corporatist income policies, and market oriented reforms in the public sector. As we have noted above, this combination policy has been quite successful in many respects, even in the eyes of international economic experts (in IMF, OECD, private financial institutions). Despite their criticism of “overly high taxation”, “excessively good social security benefits” and “too few structural changes”, many of these experts have hailed the resulting steady growth, low inflation, balance of payments, balanced state budget, increased level of employment, improved competitiveness, excellent infrastructures in information and communication technologies, high level of education, and reliable public institutions. However, in the eyes of ordinary citizens, the ever present huge rate of unemployment, cuts in social benefits and support to private banks were not seen in such a positive light.

It is justifiable to refer to these developments – deregulation, deflation, the doctrine of low inflation and cuts in social benefits – as a neoliberal turn. However, we find another interpretation, which is supported by Pekka Kosonen (1998) and Sakari Hänninen (1998), as more interesting and more appropriate to our discussion. We stress the *continuities in the Finnish way of action*, which Pekka Kosonen more than a decade ago (1987) identified as a “bourgeois way of action”. In his new book, Kosonen (1998) speaks about the return to the old way of action after the Scandinavization of the 1980s. These continuities consist of national security, the competitiveness of exports, the balance of public finances and the resistance of public debt, as well as the submission of social and employment related aims to these overall objects.

Sakari Hänninen (1998) has suggested that instead of a neoliberal turn, Finland's choices and lines in the 1990s can be interpreted in another way. Similarly to Finland's monetary policy in the 1990s, including the broad support of banks in financial trouble, the country's decision to join the EU is a manifestation of ‘sovereign anxiety’ and reflects the *priorities of national security policy*, the “reason of the state”, as opposed to a truly liberal inclination.

The central role of *international competitiveness* is no novelty, especially not in the Nordic countries, which tend to be small, open economies, vitally

dependent upon exportation. However, the meaning of competitiveness itself has recently changed, changed within the world of transnational capital (Kettunen & Gudmunsson 1998). Previously, it was easy to believe in national economies and their argumentative force. Nowadays, the meaning of the concepts of national economy and national competitiveness are becoming increasingly confused. Even if some globalization theoreticians are able to convince us of the fact that there no longer exist either national economies or a national economic fate, “we” within a given national or regional framework are expected to prove ourselves to be reliable, attractive and flexible to those controlling the freely moving finances, investments and jobs, and who compare different national or regional conditions from a transnational perspective.

## The state and political steering

Finland is *one of the Nordic countries*, and its social institutions share many similarities with its Nordic counterparts. In general, Nordic countries tend to be characterized by a strong state which is seen a general steering apparatus, used as an instrument of the assurance of equality and social rights. Nordic countries share a *normative tradition* which emphasizes universal social rights, a public responsibility for people’s well-being, social, regional and gender equality, as well as full employment and high labour market participation as a means of well-being (Kosonen 1998).

According to the agendas of 1980s and 1990s, on the one hand, this kind of state is *seriously threatened* by ideological attacks, economic and fiscal crises, globalization, European integration, and the contradictions inherent to a welfare state. The extreme standpoint predicts the withering away of national states. Even more moderate, and we believe more reliable, interpretations suppose that such states are less autonomic, and have lost the exclusive control of the economic and social processes of their own areas (Hirst & Thompson 1996).

On the other hand, as we have already claimed, the *Finnish state has always been submitted to the economic necessities* as such as they are interpreted by economic and government elites. That is why Pekka Kosonen (1987, 1998) describes Finland by a “bourgeois way of action” – as compared to the Swedish “hegemonic social democratic project”. Rather than the state intervening on the economy, the economy intervenes in the state.

The predicament of the state is made even worse by the fact that it is squeezed between the market and the citizens. The markets expect a corpo-

rate friendly approach from the state, while citizens expect a cushion against the dislocating forces of globalization (Väyrynen 1997).

Although with certain reservations, we share the interpretation presented by Raimo Väyrynen (1997). Instead of withering away, over the past two decades, the state has shifted from one institutional form to another, *from a social/welfare state to a competitive state* (Väyrynen 1997). There are, of course, national differences. Many small corporatist countries, the Netherlands perhaps most significantly, have carried active adjustment policies. In Finland and Sweden, the economic crisis pushed them further toward implementing political changes (Koistinen 1999). Especially in Finland, the crisis gave the government a mandate to cut back public spending and introduce other painful decisions needed in order to hurl the country more effectively into the world market. There has been a distinctly intentional shaping in the 1990s of a corporate-friendly environment. As part of this corporate-friendly environment (and the aforementioned national security), the government has purposefully “brought” Finland to the EU (1995) and EMU (1999) despite the widespread confusion of citizens.

According to the Nordic normative tradition, citizens expect the state which they inhabit to be exclusively a welfare state. Jorma Sipilä (1997) has referred to the Finnish welfare state as a “*cheap variant*” of the Nordic welfare model. The creation of the social security system of an industrial society began much later than in other Scandinavian countries, and despite catching up to some degree in the 1980s, Finland’s social security system has failed to reach the generosity levels of Sweden or Denmark. In quantitative terms, in the 1980s, the roles of public consumption, public employment and social security expenditure in Finland tended to be at an average Western European level, but to fall far behind the Swedish level (see Marklund and Nordlund 1999).

In spite of that, even prior to the recession, some economic, media and other elites had begun to *criticize the overly expanded public (or closed) sector*. The same forces also presented the overly expanded and generous welfare state as the culprit of economic troubles during the recession. However, the more common conviction is that the welfare state was not the cause of the recession, but, contrarily, its hardest hit victim. The phenomena of economic crisis were – and will continue to be – channelled into the welfare consumption.

As a consequence of output losses – and the concomitant loss of tax revenue – as well as the rise of unemployment, previously sound public finances deteriorated drastically over the period of a few years. The state of public finances was worsened by public support of banks in 1992-1993, during which time the banking crisis became evident.

The aggregate *public spending* exploded in the beginning of the 1990s. The public expenditure share of GDP rose within a period of four years (1989-1993) from 45% to more than 60%, to levels typical of Swedish public expenditure. During the same period, the share of social protection expenditure rose from 25% to 36%. Of course, this increase could only be facilitated through budget deficits and government borrowing. At its worst point, in 1993, the deficit of public finances was 8% of the gross domestic product, although the surplus of social security funds alleviated the situation by lowering the so-called "EMU debt" (Public Finances in the 21<sup>st</sup> Century, 1999).

Both central and local governments responded to the widening deficits and growing debt – after a certain lag – by *cutting public expenditures and raising taxes*. The cumulative discretionary savings accumulated by the central government between 1991 and 1997 amounted to nearly 10% of the total GDP (Kiander 1999), and public spending on social welfare in the year 2000 is expected to be 8-9% less compared to the situation without cuts (Heikkilä & Karjalainen 1999, Heikkilä & Uusitalo 1997).

Now, at the turn of a new decade, the shares of public consumption and social protection are approaching their pre-depression levels. This is due to steady economic growth since 1994, to the cuts in public consumption, as well as to a continuously tight budget policy in central and local governments. Even the political left has supported this policy, noting that a state deeply in debt is unable to benefit ordinary people.

A long continuity can be seen here, because a "sound" (non-indebted) public economy is an old tradition in Finland. The scale of welfare cuts is not easy to compare from country to country (see Ploug 1999), however, it is our assumption that Finnish cutbacks were amongst the heaviest. At the same time, Finland could achieve its position as the "model pupil of EMU", and in spite of deep economic crisis accomplish the convergence criteria of The Economic and Monetary Union. The rise of the "EMU debt" was stopped at 59% of the domestic product (while the convergence criteria demanded a maximum of 60%).

The shift from a welfare state toward a competition state is relative, of course. We insist that, on the one hand, even after the depression and the cutbacks as well as the redefinition of the state role, the state in Finland can be considered a *welfare state*, whose structure is essentially "Nordic" (see Heikkilä et al 1999). It can be considered as such despite the fact that it provides *less generous benefits* than it did before the recession, and even though we Finns have been forced to accept, or at least to prepare to accept, growing levels of poverty and exclusion.

Still, today, the distribution of incomes in Finland is the most even in the world and the proportion of the poor, the lowest. All in all, the welfare state

has proved to be quite sturdy and vital even in conditions of economic crisis and ideological attacks. (Hjerpe et al 1999)

One consequence of the policies of the 1990s is that *the reference point of Finnish social policies is shifting*. The traditional model and point of reference for Finland has been Sweden, or in a broader sense, the Nordic "model" in general. However, the comparative reference in economic, social, employment and working life policies is now focused on EU countries, or, as Finland is the only Nordic country in the economic and monetary union, even its "hard core" *Euro-area*. Of course, this is relative and includes some degree of tension, and we Finns also emphasize our "Nordic model" and our northern dimension. However, the increasing interaction in EU and the joint production of statistics, surveys, policies and programmes shifts the comparative reference to Continental Europe. In addition, some of these programmes, such as the Growth and Stabilization Pact signed in Dublin, are considered binding in Finland.

## Labour markets and working life – the long shadow of mass unemployment

The depression of the 1990s led to rapid changes in *employment*. Between 1990 and 1994, the number of the employed dropped by approximately 440,000 individuals, or around 18%. From 1994 onwards, the economy has been in recovery and employment rates have once again risen. Between 1994 and 1998, the real GDP increased by 23% whereas employment increased by 10% (or 200,000 persons). Thus, in 1998, Finns produced a much larger GDP with fewer employees as compared to the situation in 1990.

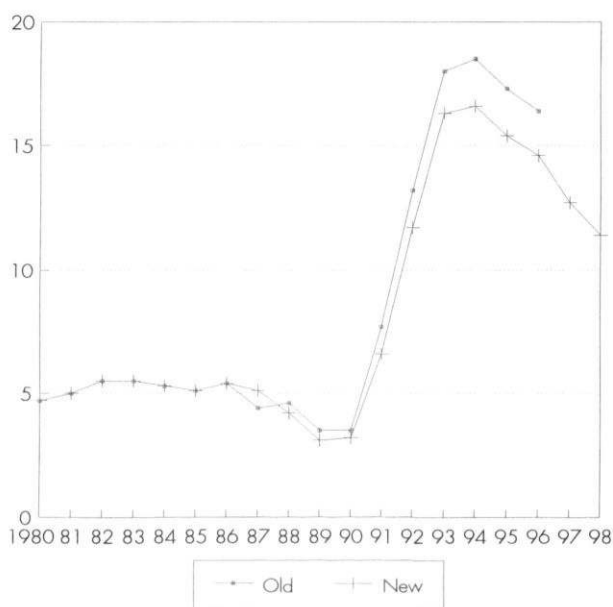
Consequently, *the unemployment rate* has fluctuated enormously throughout the 1990s. Between 1990 and 1994, the unemployment rate soared from 3.5% to 18.0%. Since 1994, the unemployment rate has slowly improved, and in 1998 it was at 11.4% (or 285,000 persons), according to figures provided by the Statistics Finland.

A comprehensive description of the development of unemployment is complicated by the fact that there are many *alternative ways of measuring unemployment*. In addition, the unemployment rate is influenced by the extent of active labour market policy measures (subsidized jobs and training) and changes in the size of the labour force (Vartiainen 1998).

The official rate of unemployment is based on a monthly Labour Force Survey conducted by the Statistics Finland. It is a repeated panel sample comprising some 12,000 respondents. There have been *structural reductions*

in the unemployment figure from the third quarter of 1997 onwards, due to changes in the criteria used to define unemployment (see also Keinänen 1999b). The present accounting system corresponds to EU standards. According to the new standard, a person is required to have actively sought work in some way during the *previous month* in order to qualify as an unemployed job seeker. In the past, this required time period has been much longer: prior to 1997 it was six months, and in 1997 it was three months. Thus, the new criterion excludes those individuals who have not sought work during the previous month, which means that the revised, internationally comparable (new) unemployment figures are lower than the previous (old) figures. This change in the definition of unemployment is a message in itself. It reveals that the concept of unemployment is being replaced by the concept of the active job seeker, both in practice and in statistics.

FIGURE 2.1. The old and new unemployment rates in Finland between the period of 1980-1998



The concept and measurement of unemployment became more confusing during the 1990s. The rate of the “broad” concept which includes hidden unemployment – in other words, those unemployed who for some reason are not actively seeking work – was in 1998 four percentage points higher

compared to the official unemployment rate (15.9% vs. 11.4%). Furthermore, about 1.8% of the entire labour force was receiving unemployment pension benefits (45,000 individuals in 1998), and were thus excluded from the official unemployment rate. Active labour market policy schemes and training programmes create further ambiguity in calculating the real unemployment rate. In 1998, some 57,000 persons participated in subsidized employment and 40,000 in training, and were thus excluded from the category of open unemployment.

All in all, in addition to those occupying the category of open unemployment (285,000 persons in 1998), another 276,000 individuals suffered from a lack of employment. Fortunately, all measures of unemployment yield a similar picture of the change for the better visible from 1994 onwards. The rate of employment has increased rapidly and the rate of unemployment has decreased, although not quite as rapidly, because the growth trend has also attracted people to employment who during the recession either entered educational institutions or remained in the household.

During the recovery period, it has become clear that the structure of unemployment is rapidly changing, with an increasing trend toward long-term unemployment, joblessness among women and rising education and qualification demands. From the 1960s to the mid-1990s, the unemployment rate was lower among women than men in Finland; since 1996, however, the situation has become reversed. For example, in 1998, the unemployment rate of women was 12.0%, while for men it was 10.9%.

*Long term unemployment* (a period of unemployment lasting more than one year) has become the main structural problem within the Finnish economy. As many earlier studies show, the longer the spell of unemployment, the lower the probability of the individual concerned finding work. Furthermore, long term unemployment is primarily a problem affecting older and less educated workers. All in all, the educational demands of new jobs are noticeably higher than the educational levels of the unemployed. In 1996, the percentage of job seekers with no education beyond the basic level was 42%, while the share of open jobs for which a basic education was sufficient was merely 18% (Suikkanen & Linnakangas 1998).

The proportion of long term unemployment within the total number of the unemployed is not particularly high in Finland (28% in 1998) when compared to other EU countries where the average is 50% (OECD 1999, 242). However, the high rate of overall unemployment in Finland implies that the number of long term unemployed (approximately 115,000 persons in 1998) is quite high in relation to the labour force (4.5%). According to Vartiainen (1999, 54), this figure can be seen as a lower limit in the decline of overall unemployment in both the long and short term.



In the 1990s the labour markets became more selective. As late as the 1980s, Finnish employers (both in private sectors and municipalities) can be described as having “hoarded” the workforce. In the conditions of a threatening shortage of manpower, employers hired on the basis of their faith in future growth prospects. In fact, employers reacted first quite slowly to the depression. However, the depression and the resulting new sense of insecurity thoroughly changed the behaviour of employers, both in the private sector and on the local governmental level. The enterprises learnt to avoid fixed costs and commitment, and instead demanded more flexibility from the workforce and other production factors (Kiander & Vartia 1998). In Finland, the depression seems to have been a lesson in how to utilize the workforce more efficiently and flexibly, and how to raise the standards regarding results and increase surveillance.

At the macro-level, two post-recession trends have been discerned in Finland: the growing competitiveness and flexibility of firms and an increased rate of employment. Finland is one of the few EU-countries that has successfully decreased unemployment and increased employment. Nevertheless, the levels of the increase in employment, and especially the diminishing of unemployment levels, have not been as significant as one might have expected on the basis of growth rates. This has given birth to a discussion of *jobless growth*, and the suggestion that the trend of “American” downsizing has also spread to Finland. However, in light of the Finnish experience, “jobless growth” is a fallacious claim. On the one hand, during the period of 1992-94, the growth rate of productivity was stronger than normal. On the other hand, following this period, the growth of productivity and effect of growth on employment rates have normalized (Sauramo 1999).

Government prognoses suppose that Finnish unemployment can in the medium term converge to its structural level. The recent estimates of *structural unemployment* (NAIRU, or equilibrium unemployment) suggest a level of approximately 6-8% within unchanged policy parameters. In order to achieve an even lower rate of unemployment it is necessary to implement structural measures, although there is no consensus as to what measures would be effective. Main stream economists suggest lowering taxes and the level of unemployment benefits, as well as increasing labour market flexibility. Some put their trust in the third sector or social economy, however, our view is that it has remained a marginal undertaking – at least so far.

The new practices of utilizing the workforce can be seen as a change toward more precarious forms of employment. Between 1989 and 1997, both the proportion of part-time (from 7% to 11%) and temporary work (from 12% to 17%) increased among Finnish wage and salary earners, according to labour force studies. In comparison to other European countries, the pro-

portion of part-time work remained quite low in Finland: the EU average was 17% in 1997. The percentage of temporary work in Finland was second only to Spain (34%); the EU average was 12% (Employment in Europe 1998). Furthermore, Finland was the only country in which temporary employment steadily increased over the course of the entire decade.

All in all, the economic crisis produced a shift toward atypical patterns of employment. Whereas in 1989 the proportion of typical forms of employment (full-time and permanent) were 81%, in 1997 that number dropped to 76%. This shift is most visible among young workers (from 57 to 32%) and in new employment contracts. It is impossible to say at this time whether these new levels have stabilized or whether the percentage of atypical employment will continue to increase, which would forecast a new kind of employment, in which the industrial relationship between employer and employee will become eroded (see also Suikkanen and Viinamäki 1999).

In the context of the subjective expectations of wage workers, the worst labour market insecurity seems to be over. At the highest point of insecurity, only 27% of employed men and 24% of women believed that they – while being unemployed – would find a job that corresponded to their occupational skills. In 1998 those numbers increased to 68% and 57% respectively (Ylöstalo 1999, Happonen & Natti 1999). In Finland, insecurity has been replaced by new worries; people now tend to feel rushed, which is reflected in the title of Lehto and Sutela's research: "Efficient, More Efficient, Exhausted" (1999).

All in all, Finnish labour markets and working life experienced a thorough restructuring – although some continuities are surprisingly strong, such as the gender divisions within the labour market. Finland's deeper integration into an open and deregulated world economy has been felt most immediately and most harshly in the sphere of working life.

## Industrial relations and labour market institutions

European industrial relations have become quite diversified. The few harmonizing moves currently being undertaken are far from giving shape to a new European social model. Continental, Mediterranean, Anglo-Saxon and Nordic countries have their own specific traits and traditions.

The common, and main, institutional features of "a Nordic model of industrial relations" include high degrees of employer and employee organization within both the public and private sectors, in both white collar and blue collar industries, and among both male and female employees. In addition,

it includes relatively centralized national organizational structures; the strong presence of trade union organization at the workplace level; a national hierarchical system of collective bargaining; the priority of collective agreements to direct statutory norms in the regulation of working life; tripartite cooperation between trade unions, employers' organizations and the government, promoted by the strong position of Social Democracy within the political system and trade unions (Kettunen 1998, 43). These labour relations can also be referred to as social corporatism (Kauppinen 1994).

Moene and Wallerstein (1999) conclude that the social democratic labour market institutions worked reasonably well for a long period of time. To a significant extent, the goals of equality and security were attained without disrupting the functioning of capitalist economies. Moreover, core social democratic policies, such as centralized bargaining and active labour market policies, benefitted and received support from employers as well as organized workers.

As Kettunen (1998) says, Nordic industrial relations have been organized in accordance with *ideological parity*. It leans on the basic assumption that the worker is the weaker party and needs protection through collective agreements. Still, these industrial relations were conducive to many societal goods, high rates of employment, the steady increase in the standard of living and the joint acceptance of rationalization, that is, the modernization of the work processes.

By the 1990s, however, all aspects of the social democratic labour market policy had come under intellectual and political attack. According to Pauli Kettunen (1998), there would be no sense in denying that the Nordic type of nationally organized labour relations face *real problems* in the world of transnational capital and under the conditions of increasing asymmetry between capital and labour. On the other hand, the *unions have not become eroded* – as they have been primarily in the Anglo-Saxon world – and their presence remains strong in social and economic policy as well as in the workplace.

In Finland, wage-earners are organized nationwide by industry. There are almost 100 different national unions, which are members of three central confederations: The Central Organization of Finnish Trade Unions (SAK; blue collar workers), The Finnish Confederation of Salaried Employees (STTK; lower white collars) and Confederation of Unions of Academic Professionals in Finland (AKAVA; upper white-collars). At the level of the workplace, branch unions and shop stewards are acting.

In Finland, the *level of unionization* among wage-earners has grown steadily during the last 30 years. In 1997, almost 80% of employed wage-earners were trade union members (Nätti et al 1999). Still, more are governed by

collective agreements negotiated by unions. The coverage of collective agreements was 95% in the 1990s, the highest rate in the Western world (Esping-Andersen 1999, 20). It is true, however, that the motives of membership have changed (Ilmonen & Kevätsalo 1995). They have become less ideological, and one of the main motives has become the unemployment insurance provided by the unions. There is recognition of a sort of official position of the unions within Finnish society, as tax deductible membership fees are collected by employers.

The 1980s and 1990s saw an upsurge of the *deregulation and decentralization* of industrial relations. This holds true for Finland, too, although with certain reservations. Since the end of the 1970s, demands for dismantling the negotiating system have been justified on the grounds of the inefficacy of the centralized bargaining system. Concrete initiatives by employers have always accelerated during recessions (Köykkä 1994). In Finland, the recession year of 1991 can be regarded as the turning point in employer strategy, the main objectives being the decentralization of bargaining relations and the promotion of deregulation. This has – and has not – succeeded. The picture is ambiguous.

The breakdown of centralized collective bargaining in Sweden in the 1980s is a phenomenon familiar to international scholars and practitioners (Stokke 1999). The same fragmentation does not necessarily hold true for other Nordic countries. Having been a relative latecomer to Scandinavian-style corporatism, Finland continued quietly, if fitfully, to practice *corporatism* throughout the 1980s. However, amidst the economic difficulties of the 1990s, the macro-level concertation was revived and expanded. Leaving aside basic wage issues, the parties focused on a comprehensive package of measures designed to alleviate unemployment (Grote & Scmitter 1999, 45).

The general conclusion of Grote and Scmitter (1999) can easily be applied to the Finnish case. The “death certificate” issued to macro-corporatist concertation in Europe in the 1980s seems to have been premature. The primary growth potential for contemporary macro-corporatism at the national level lies in the feverish efforts of their governments and employers to adapt to the EU and EMU, the policies of low inflation, wage restriction and strict budgets. The commitment of trade unions is needed, and given the failure of the EU to agree upon any significant elements of social citizenship, organized workers seem to have opted for a greater reliance on national institutions of tripartite negotiation and macroeconomic pacting.

Even if the procedures of incomes policy have remained more or less the same over the past three decades in Finland, there have been significant *transformations*. First, the contents of incomes policy agreements have changed with the changing power balance (Kauppinen 1997). While during the first

years the pacts improved the benefits of employees – in addition to wages also social benefits – in the 1990s, the tendency has leaned toward decisions which improve the prerequisites of firms.

Even the government programme of 1987-1991 contained an ambitious, labour-friendly working life reform policy. Along with the recession in the beginning of the 1990s, the offensive in labour reforms shifted to employers. Several committees prepared for deregulation and trade unions took on the obstructionist role (Köykkä 1994, 125). In spite of the new rise of centralized incomes policies, the trends toward a more decentralized and local pattern of bargaining have materialized in Finland, too. The economic crisis had an incontestable impact on the *breakthrough of local bargaining* and on the withdrawal of union resistance against it; the central organization of unions and employer organizations agreed on the extension of local bargaining in 1993, in the most crisis conscious year of the depression.

At the same time, one must keep in mind that trade unions have aspired toward workplace level participation and, however, only as far as this can increase wage-workers' power in enterprises and influence their own work. Employers' interests are another aspect (the commitment of personnel to the success of a firm or deviation from the national standard), and it has been quite difficult to locate an acting compromise. As a last resort, employers were assigned the role of promoting local bargaining, in spite of the fact that not all employers supported the idea. A compromise was only possible when national bargaining sustained its position as a framework or a fall-back standard of local bargaining.

At the local level, the traditionally separate *issues of distribution* (wages and working conditions) and *production* are combined. It is easy for the trade unions to accept, at least on the programme level, a more cooperative, "value-added" competition strategy, which is based on innovation, training and participation – or new "best practices" – as an alternative to social dumping and low-wage competition, and demand for itself a positive role in such strategies both on national and on local levels.

According to Kimmo Kevätsalo (1999), active participation in the issues of production, the content of work and the competitiveness of one's "own firm" is the only alternative to available to trade unions in order for them to maintain their justification and existence. In contemporary modernization rhetoric competence and participation are the new "Magic Key Words" (Kettunen & Gudmundsson 1998). Notions referring to equity or solidarity have been replaced by seemingly harmless and uncontroversial notions, such as "competence", "qualifications" and "flexibility" – under which, however, lurks a strongly neo-liberal message, according to Kettunen and Gudmundsson (1998).

Kettunen (1998) postulates that in Nordic countries there exist certain

prerequisites for joining the issues of work process bargaining with the collective representation of labour market interests. Although Kettunen might be right, the creation of cooperative and trustful relations on local levels is not easy to attain. It is a quite common sentiment in Finland that the culture of local bargaining and co-determination is not well-developed (Timonen 1993). There are two institutional frameworks: those of local collective bargaining and firm-level co-determination with work councils. Although they represent different channels in principle, in practice they are partly integrated with one another (Hakanen et al 1996), and the official border between collective bargaining and co-determination is often crossed. The fault is not in these institutions, but in historical and cultural burdens which create the vicious circles of mistrust.

As compared to other Scandinavian countries, Finnish industrial relations have traditionally tended to include more *low-trust elements*; namely, the long shadows of the civil war (1918), authoritarian employers, the Communist Party, and divided labour. The end result of the 1990s is greater cooperation – or at least less resistance – among trade unions against management initiatives. We are not able to conclude whether there actually has been an increase in the level of trust or any “authentic” cooperation on the firm level (for signs of this see Ilmonen et al 1998). The diminishing union resistance to local bargaining and commitment to production can be caused by other reasons, too, and it is our contention that the picture is fragmented. In some cases the power relationship is too unbalanced for there to be any resistance, and in other cases the middle class wage earners are actually interested in their work and are indifferent to any collective forms of action (Ilmonen & Kevätsalo 1995).

*The working time is a paradigmatic example of these shifts in deregulation, decentralization, local bargaining, cooperative relationships and the commitment of wage-earners to pose productive questions.* We suppose that the bargaining surrounding working times has generally tended to promote the culture and practices of local bargaining. Working times are on the borderline between the negotiable issues of working conditions and the production questions, in which the employer has had the direction right. Modern firms attempt to categorize the discussion of working times as a productive issue, as part of effective and flexible production and not only as a question of working conditions and terms. Thus, a significant redefinition of the working time agenda is under way.

## THE FINNISH WORKING TIME REGIME

### The profile of Finnish working times

Although the variation between the amount of weekly working hours is quite small in Western Europe, there are still different systems, patterns, models or profiles of working time, which attempt to capture the broad variation in the employment rate, the standard number of working hours, the uniformity or differentiation of working times, the frequency of part time employment and working time regulation (Working Time in Europe 1991, Employment in Europe 1994, 1995, Fagan 1999b). Some *working time profiles* are quite distinct, for example, the Netherlands' high rate of part time work and short working hours, or Britain's low regulation and extremely differentiated working times including long hours. What and where are the particularities of the Finnish profile in the 1990s?

It is our contention that the 1990s was a crossroads of old and new traits within patterns of working times. In this chapter we describe and stress the "old", established features of the Finnish working time regime, although we shall utilize the most recent figures available. "Large numbers" reflect the established; the "new" can be located in weaker signs, trends and tendencies.

The concept of "working time" is multidimensional. Its dimensions include duration (number of daily, weekly, yearly hours), timing, breaks, overtime, daily and weekly rest, shift and night work, Saturday and Sunday work, and holidays. For instance, the EU working time directive, which was accepted after varied phases in 1993, mainly regulates the maximum weekly hours and rest periods (see Julkunen & Nätti 1994).

The concept of working time is ambiguous even when concentrating merely on the number of worked hours or the length of working time. In international comparison and statistics, three different concepts are used. *Normal, standard or agreed working time* is the time during which the employee is primarily available to work, as established by collective agreements or by law (Charlier 1999, 54). This standard working time has been the main target in political disputes and conflicts. In international comparisons, the Finnish standard working hours have at approximately the same level as in most

European countries. In the beginning of the 1990s, the statutory maximum working week in Finland was 40 hours, while the collectively agreed normal number of weekly hours ranged from 35 to 40. The statutory minimum basic annual leave was five weeks, while the collectively agreed basic annual leave was 5-6 weeks (EIRR 227).

The same similarity applies to agreed annual working hours. In the mid-1980s in Finland, the agreed annual working time in the manufacturing industry based on a daytime schedule was (1816 hours) at the same level as in most European countries (the unweighted average was 1799 hours). Exceptions were Japan (2156), Portugal (2025) and the USA (1912) (Figure 3.1; see also Bosh et al 1992, 8). Ten years later (1997), the overall picture was similar: the agreed number of annual hours in Finland was 1716, and the unweighted EU-average was 1727 hours in the manufacturing industry. Between 1985 and 1997 the number of agreed annual hours declined 5.5% in Finland; the EU-average was 4.0%. The decline of annual hours was most remarkable in Portugal (9.8%) and in Japan (7.7%), which reveals some sort of convergence in working hours.

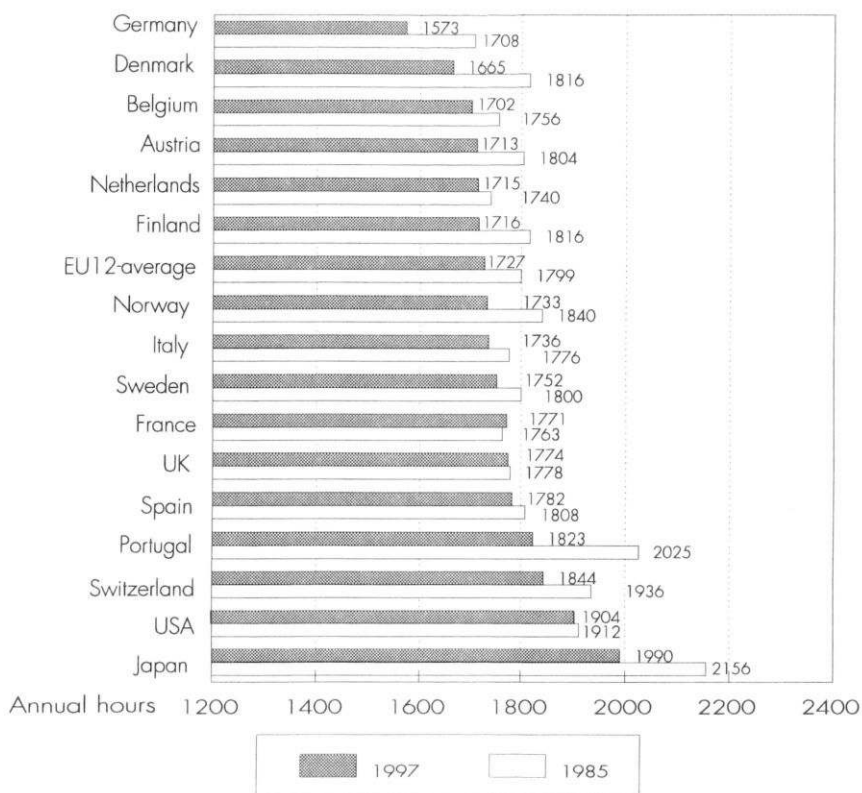
Data on *average working hours* worked per week are collected as part of the annual EU Labour Force Survey. Average working hours relate both to usual and actual hours. *Usual working time* covers all hours including extra hours, either paid or unpaid, which a person *normally* works, but excludes travel time between home and the place of work as well as the main meal breaks. Similarly, *actual working time* includes all hours worked during the *reference weeks* of respondents (Charlier 1999, 54).

In principle, actual hours should indicate how average working time changes in the short term in response to variations in economic activity (e.g., in the form of overtime or short-time work and absence from work), and data on usual hours should indicate longer-term changes in working time (e.g., due to changes in collective agreements). In practice, the difference between actual and usual hours per week has been quite small (the EU average was 0,5% for men and 1,1% for women in 1997, although there is variation among some countries).

When examining the average number of weekly working hours, Finland is quite close to the EU average. Among employed persons (total employment), the average usual work week was 38.2 hours in 15 EU countries in 1997 and 38.9 in Finland. Among full-time employees, the corresponding figures were 40.4 hours (EU15) and 39.1 hours (Finland). In addition, the average number of working hours departs from the number of collectively agreed standard hours as a consequence of many factors. When examining all employed individuals, as opposed to just wage earning employees, the long working hours of self-employed workers and entrepreneurs tend to



FIGURE 3.1. Standard annual working hours (daytime schedule, manufacturing industry) in selected OECD countries in 1985 and 1997. Source: Bundesvereinigungen der Deutschen Arbeitgeberverbände; TT:n työaikakatsaus, toukokuu 1999)



raise the averages, as does the overtime of wage earners. Conversely, part-time work, absences and leaves have the effect of lowering averages.

What then are the *special features* of Finnish working times? We want to stress two aspects. First, although the standard and actual working hours per week (and per employee) are quite the same as in most other European countries, the picture changes when we examine the working hours per person of the *working age population* (15-64 years of age). The working hours per person are affected by various factors: the labour force participation rate, the rate of part-time work, the unemployment rate etc. According to Bosch et al (1992, 8), in Finland, the average per person working hours amongst the working age population (15-64 years of age) was 1305 prior to the rise of

mass unemployment in 1987. From the OECD countries only Japan had longer working hours. Ten years later, in 1997, the corresponding Finnish figure declined to 1131 hours due to a decline in the employment rate. Among the working age population, the longest hours were worked in the USA (1445 hours) and Japan (1330 hours). The estimated EU average was 1050 hours. In spite of the high rate of unemployment, the working hours per every work-aged remained higher than the EU average.

Secondly, the working times in Finland have been *exceptionally uniform*. Both extremely short and extremely long working times are quite rare (Figure 3.2).

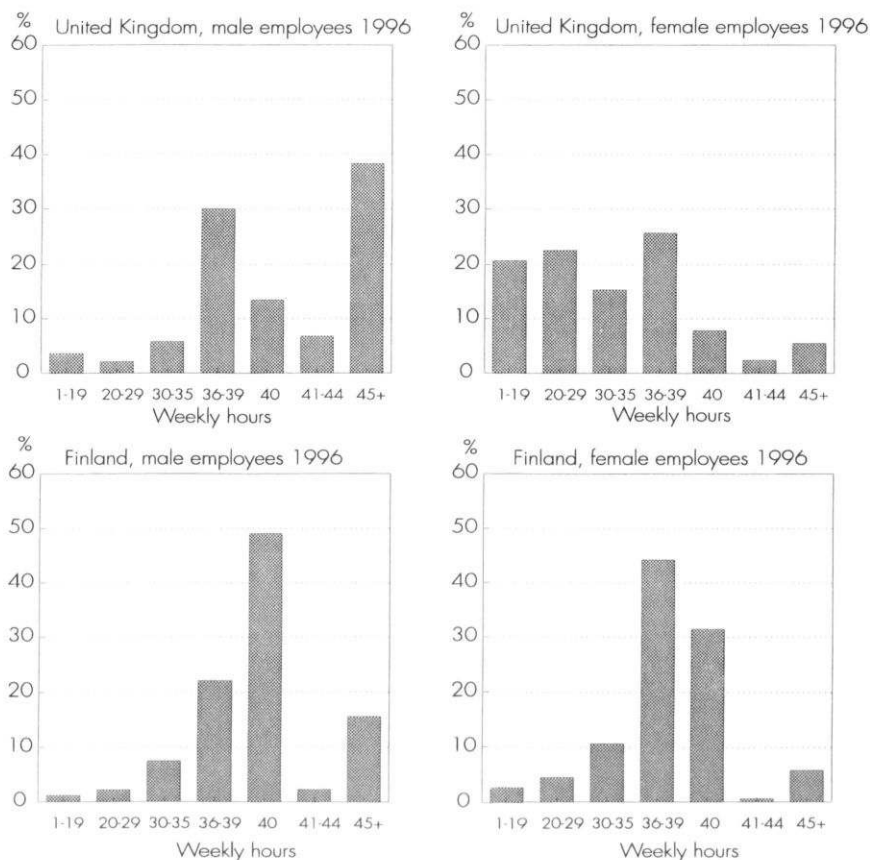
FIGURE 3.2. The proportion of short(1-20) and long (45+) weekly working hours in EU countries in 1996 (usual hours, employees). Source: Second European Working Conditions Survey 1996



In addition to their relation to regulation, both of these features are specifically related to women's labour market behaviour and the minor share of part time work. While in EU countries the difference between the average usual weekly working hours of men and women in wage and salary work was 7.4 hours (men 40.0 – women 32.6), the difference in Finland was less than three hours (38.7 – 35.9) in 1997 (European Labor Force Survey 1997, 166-167). The gender gap was largest (12.5 hours) in the UK (43.4 - 30.9).

Figure 3.3 illustrates the role of these two factors, regulation and gender difference, by comparing the distribution of usual weekly working hours by gender in Finland and the UK. In Finland, usual weekly working hours concentrate on standard working hours (36-40 hours) among both men and women. In addition, the variation between men and women is smallest in Finland and greatest in the UK.

FIGURE 3.3. Distribution of usual weekly working hours in the United Kingdom and Finland by gender. Source: Second European Working Conditions Survey 1996



Bosch (1999a) presents the similar profiles from Austria, Denmark, Ireland and the Netherlands. It is not surprising that the Danish profile is the closest to the Finnish profile, despite the fact that Danish women tend to work part time more often than Finnish women and there generally tends to be less concentration on working times.

The small variation in working time lengths does not tell the whole story about Finnish working time. Some of its other dimensions can be described as less "normal". This is obvious when examining the aspect of *unsocial hours*, which describes whether working time arrangements do or do not fit the classical model of daytime work from Monday to Friday, covering evening and night work, weekend work and shift work (Charlier 1999, 54). According to the European Labour Force Survey (1997), evening work, night work, shift work and Sunday work were almost twice as common as the EU average in Finland.

TABLE 3.1. Indicators of the diversity in working-time regimes in the EU, 1997. Source: European Labour Force Survey 1997

Persons in employment	B	DK	D	GR	E	F	IRL	I	L	NL	A	P	FIN	S	UK	EU15
% who are self-employed	15	8	10	33	21	11	20	25	9	11	11	27	15	11	13	15
% who are part-time	15	22	18	5	8	17	12	7	8	38	15	10	11	25	25	17
% of employees who are temporary	6	11	12	11	34	13	9	8	2	11	8	12	17	12	7	12
Average usual hours (full-time employees)	38	39	40	41	41	40	40	39	40	39	40	41	39	40	44	40
% of full-time employees working 46+ hours (actual)	6	9	13	18	8	13	13	10	7	6	12	10	12	12	24	14
% working shifts <sup>1</sup>	13	7	11	8	6	8	10	14	11	8	15	6	19	21	14	11
% working evenings <sup>1</sup>	12	20	18	30	-	8	12	13	9	16	13	1	26	20	17	14
% working nights <sup>1</sup>	5	8	7	4	5	4	6	5	3	2	9	1	9	7	6	5
% working Saturdays <sup>1</sup>	18	26	23	43	37	24	30	41	19	28	25	32	27	18	25	28
% working Sundays <sup>1</sup>	9	20	11	14	16	9	17	8	8	15	14	14	19	16	13	12
% working from home	10	11	4	1	1	5	7	5	6	7	10	4	11	8	2	4
% with a second job	3	7	3	4	6	3	2	1	1	5	4	6	4	8	5	3

Notes: 1 = usually, i.e. in at least half of the working time over the four weeks preceding the survey.

## Institutions and ideologies

Perhaps the most remarkable trait in Finnish working times is – or at least was in the beginning of the 1990s – the equal distribution of working times among the working age population, which consists of high labour force participation and the concentration of working times to the agreed hours. At this point we must examine what kind of ideologies and regulating mechanisms have contributed to this kind of profile.

Freeman et al (cited by Hytti 1998) have concluded that in *Sweden*, small wage differences, high taxation, the separate taxation of spouses, public social services and earnings-related social security have encouraged high labour participation with restricted hours. (We add that the active labour market policy has supported the same aims). Gerhard Bosch (1999a) has also paid attention to similar factors in the dynamics of working times. In the American judgment (Freeman et al), the small wage differences are particularly condemned. In the *normative tradition of Nordic countries* the even distribution of working time is valued: the employment rate of both sexes is high, unemployment is low, even less productive and ageing people are kept active, and working hours are reasonable so that the combination of family and working lives is possible.

Kohlberg and Uusitalo (1992) point out that Scandinavian welfare states have become virtual employment machines. However, the Scandinavian bias in favour of employment does not necessarily imply an expansion of work and working times, due to the social right to take a leave of absence from work either while maintaining the formal status of employed (sickness, maternity, parental or care leaves, part-time retirement) or while receiving earnings-related social security outside the labour force (early retirement, unemployment security).

One Swedish peculiarity is that while working time has been a key component of welfare policy, governments and social partners have consistently refused to consider the reduction of working time as an effective means of combatting unemployment (Anxo & Lundström, in Taddei 1998). Conversely, working time policy has been used as a means for the attainment of an overall welfare policy and other welfare goals; it is a major component of family and equality policies, for example.

Jorma Sipilä (1996) has examined the Scandinavian work culture. Scandinavian countries are definitely *labour societies*, but only in the sense of labour participation rates. The people who are in the active labour force do not necessarily work very long hours (especially Norway) or have very long careers (especially Finland). Participation in the labour force is the road to

the earnings-related benefits of the welfare state.

There is something very contradictory about these observations. After all, the Scandinavian countries have also traditionally offered important social-policy benefits to those who do not belong to the labour force, contrarily, for example, to Germany, where decent social security is totally dependent upon work and earnings (Esping-Andersen 1990). The provision of basic social security benefits does not deter Scandinavian people from work, nor does earnings-related social security attract Germans to the labour market or long working times. We presume, that *different gender relations* and gender policies are one explanation for this, although not the only one.

What about *Finland*? Are the same explanations and points that are relevant in Sweden also relevant in Finland? To some extent they are, although there are also differences. In Finland we have not been as committed to labour force participation and full employment; the rate of unemployment has been higher, the aged are excluded via early retirement, women's entering into the labour market has not been supported by any special women's working times, and the dispute about working time reduction as an employment policy has been more prevalent. All in all, we have been more inclined to handle unemployment by restricting labour supply and the competitiveness of companies with early retirement arrangements. When Kohlberg and Uusitalo (1992, 84-86) refer to "the massive exodus of able-bodied older workers who are leaving the labour market for early retirement", it holds true to Finland, not Sweden. Instead, the Swedish have tended to take an extraordinary amount of sick leave, until the benefits were cut back in the beginning of the 1990s.

We do not have as minor *wage differences* and as high a *gross taxation rate* as Sweden, although they are respectively small enough (wage differences) and high enough (taxation) in comparison to other European countries to promote the equal distribution of working time. In addition, after the recession (and the Swedish tax reform), the income tax rate and the effective marginal taxes have been even higher than in Sweden (Public Finances in the Twenty-first Century 1999, 70). Finland is clearly a country in which sole earners receive "little if any tax advantage" (Bosch 1999a), which should promote the even distribution of work. In addition, in Finland, small incomes (and thus, short working times) have not been "competitive" with *social security*, especially for families with children. In recent years work incentives have been "improved" even in these cases – that is, social benefits have been cut and the earned income allowance in local taxation increased.

In short, Finland has many of the institutional traits which should promote the even distribution of working time in the population, encourage labour participation and hinder very long and very short hours. However,

the working time policy (part time, long leaves) has not been used as an active means of welfare policy to the extent to which it has in Sweden.

On the other hand, Finland has a universal pension, sickness and unemployment insurance, which, according to Bosch' presumption, while minimising the significance of earnings-related social security should promote the acceptance of part-time work. Even these basic forms of insurance have not encouraged Finnish (women) to warm up to the idea of part-time work.

In addition to wages, taxes and social security, the formation of working times is directly affected by *working time regulation*. The essential part of the Nordic industrial relations model is the developed and detailed regulated system of collective bargaining. Yet, in Finland, labour law is broad in scope and extremely detailed. The historical reason for the relative emphasis of *statutory regulation* in comparison with other Nordic countries (the other extreme is Denmark) lies in the late establishment of Nordic-type industrial relations. For decades the political labour movement was stronger than the unions in Finland, and it used the law as its weapon in place of labour market agreements.

Working time law has played an important historical role in the regulation of working times. On the other hand, the experiences from the first half of this century indicate that an "overly" radical or progressive working time law can in practice be cancelled. The eight-hour working day was among the first working time laws in the world to be created, and it came about in a particularly militant situation in 1917. After the Civil War, which resulted in the defeat of the Reds, the standard working week in industry was 57 hours instead of the 48 hours prescribed in the law (Julkunen 1981).

Modern negotiation relations gained a foothold only after the Second World War, and after the late 1960s the *tripartite social corporatism* and incomes policy were established. Tripartite negotiation has become an established practice in labour market and working life issues.

Thus, a developed system of collective bargaining, as well as the detailed labour law, and a prerequisite of tripartite consensus on reforms form the institutional surroundings of Finnish working times. Leaves of absence in connection with sickness, maternity, paternity, parenthood, paid annual leave, education etc. are guaranteed social rights and are not dependent upon the wage-earners individual negotiation position.

The government has little possibilities to present such legislation or other orders about which the parties have not reached consensus (Köykkä 1994). In the case of new working time law (1996), because the social partners could not achieve a consensus, the government was compelled to make its own decision.

The *new working time law* was accepted in 1996 – the previous one was from 1946. The new law increased the flexibility of working times, and we will describe the disputes surrounding the law in greater detail a little later. Although working time law is compelling legislation, there are orders which can be agreed quite differently between an employer and employee associations. The standard working hours can be agreed upon through national bargaining, and they are generally national or industry level collective agreements, in which important issues are regulated.

The following conclusion of the EIRO Annual Review (1998) is valid in Finland, too. A strikingly new trend can be identified. Previously, the only role of collective agreements was to improve statutory provisions, mainly by reducing the length of the working week and increasing paid holidays. Thus, national bargaining could only improve the advantages and guarantees offered to workers. However, *a new logic* has been taking shape. The law now sets “fall-back” or “default” standards, which are imposed only if they are not modified by collective agreement. The law determines the negotiators’ room to manoeuvre and also indicates the permitted bargaining levels and conditions of validity for agreements.

In conclusion, in the Nordic tradition the *reduction of working hours* is seen as a broad *welfare* question and also as a means of social transformation and a means of building a socially valued way of life. This was facilitated by the Nordic belief in the political steering of social life. It is impossible to place an equation sign between the reduction in working hours and work sharing, as middle-European authors tend to do (Bastian 1994a, Boulin 1998). Trade unions have committed themselves to Keynesian macro theory and growth policies. Generally, trade unions have not believed that the unemployment is possible to eliminate by a reduction in working hours. “If the economic policy is poor, the unemployment rate will be high irrespective of whether the working time is forty or thirty hours.” Perhaps this position became increasingly fragmented in the 1990s.

## Finnish women did not disturb working time patterns

A consensus prevails in European working time literature that on the supply side of the labour market, the most significant change having an impact on working times is the increasing labour force participation of married women with children. We find this argument challenging, because women have been widely integrated into Finnish labour markets without disturbing the patterns of working time. What perhaps is *most unique* in the pattern of Finnish



working times is that the integration of married women into working life has not changed Finnish working times or caused the kind of challenge presupposed by Central European authors. In this respect, Portugal can be seen as most resembling the Finnish pattern, because Portugal also has a high rate of participation among women in the labour force and a low rate of part-time work. (see also Nurmi 1999).

Finland has led the way in women's integration into the labour market throughout the entire century. Especially during the first decades after the Second World War, Finland had the highest rate of women and married women in the labour force in the entire Western world, until other Nordic countries caught up in the 1970s and 1980s (Table 3.3). One must note that (unfortunately) the age groups of the categories of all women and married women differ quite significantly in the following table, which gives the impression that married women were less often employed than women in general. This does not hold true in Finland and Scandinavia.

TABLE 3.3. Female labour force participation rate by marital status

All women	Finland	Sweden	Norway	Denmark	EU average
1950	57	33	29	37	
1960	54 //	38 //	32 //	41 //	
1970	61	59	39	57	
1980	70	74	62	70	
1990	75	83 //	71	77 //	55 //
1998	70	76	76	75	58
Married women					
1969	58	48	42	47	
1980	67	64	58	61	
1989	69	67	..	67	
1997	63	65	..	64	48

Note: // Break in series

Source: Years 1950-60: Anttala 1986. Years 1970-98: OECD Labour force statistics. Year 1997: European Labour Force Survey.

All women: Labour force participation rate defined as total labour force divided by the working age (15-64) population

Married women: Labour force participation rate defined as total labour force divided by total population (aged 15 or more)

There are some *differences* between the working times of Finnish men and women. This is partly due to the gender segregation of labour markets. Men and women work in different sectors and occupations, women more often in

service work, where the standard number of hours is somewhat lower. In addition, women more often work part-time and men more often work overtime. However, the differences are smaller than the average in Western countries, and in fact, the gender difference is smaller in Finland than in any other EU-country (Keinänen 1998).

TABLE 3.4. Average usual and actual hours by employment status and part-time/full-time breakdown in Finland and the EU 1997

	Finland			EU15 average		
	Men	Women	Total	Men	Women	Total
<i>Total employment</i>						
Average usual hours	40,8	36,7	38,9	41,7	33,5	38,2
Average actual hours	42,0	36,2	39,3	41,5	33,0	38,0
<i>Employees</i>						
Average usual hours	38,7	35,9	37,3	40,0	32,6	36,8
Usual hours in full-time work	39,8	38,2	39,1	41,3	39,0	40,4
Usual hours in part-time work	17,3	21,8	20,7	19,0	19,8	19,7
Percent in part-time work	6,1	15,6	10,9	5,5	33,1	17,7

Source: European Labour Force Survey 1997

Due to the especially long hours of male entrepreneurs, the gender difference is wider in total employment than in the category of wage-earning employees. The difference is also wider in actual hours than in usual hours, which is obviously due to women's more frequent family leaves. The difference between Finland and EU mainly surrounds the frequency of female part-time work. The gender gap among full-time and part-time workers is quite small even in the EU in general.

In Finland, the gender differences with regard to taking *extended leaves of absence*, maternity leave (of course, the first four months apply only to mothers), parental (6-7 months) and care leave (until the child is three years of age) are greater than in the usual working hours. In principle, these leaves of absence associated with parenthood are – with the exception of maternity leave – equally accessible to men and women. In practice they are used generally by mothers. For example, in 1996, fathers used 3.6% of all parental leave days. On the other hand, the popularity of a short paternal leave (1-2 weeks) in connection with child birth has steadily grown, and now approxi-

mately two-thirds of those men entitled to it utilize it (Lammi-Taskula 1998c). Women also surpass men in their use of the sabbatical (job alternation) leave, which was introduced in 1996 (women comprise approximately 70% of users).

### *Public child day care*

How has the integration of women into the labour force been possible while maintaining reasonably equal working times? The most common explanation is public day care, which offers full time care to all in need (e.g. Bosch et al 1992). However, this is not the entire explanation. Mothers of small children had extensively engaged in urban waged work even before the public day care system was established by law in 1973. While in 1950 one third (34%) of all married women aged 15-64 years and living in urban areas were occupationally active, in 1975, when the building of public day care was in its beginning, the same proportion amounted to 65% (Jallinoja 1985, 256). In those days, only 10% of the children of those in need of day care due to the mother working or studying received a place in public day care (in detail Julkunen 1990). Thus, when the motive to engage in wage work was strong enough, mothers found ways to around the fact that they did not necessarily have access to any organised day care. On the other hand, the already established mother's waged work was the most important force behind the organisation of public day care, which actually started in Finland the establishment of Nordic-type public social services.

At the end of the 1990s, when public day care is a *subjective right* to which every child under school age is entitled, one-fifth (22% in 1996) of the smallest children, those under three years of age, exercise this right, and among three to six-years-old (that is, to school age) the rate is two thirds (63%) (Social Protection in the Nordic Countries 1996, 1998). These statistics are significantly lower than in Sweden and especially in Denmark, where 48% of the 0-3 years old, and 83% of 3-6 years old children are enrolled in day care centres or family day care. Even if unemployed families share the right to public day care, the proportion of children in organised care has decreased along with the growth of unemployment, but has begun to increase with economic recovery.

The proportion of children in public or publicly funded child-care is not high by European standards, but rather is at an intermediate level (see Reconciliation between work and family, 1998). On the one hand, even if the Finnish day care system has educational roots and targets, the main idea of day care is to allow for the gainful employment of parents. The opening times, meals and all arrangements aim toward this. Administratively, day

care is part of social services and not of the educational system. On the other hand, while school is free, parents must pay (with the exception of the poorest parents) a public social service fee, which perhaps restricts the use of day care. Almost one-sixth of children under school age are in a situation in which either their only parent or both parents work outside the home, while the child is looked after at home, without any paid home help (Sauli 1998). Arrangements are probably diverse, including care provision by grandmothers (1/10), siblings, parents in shift work and parents with irregular time tables or who work from home.

### *Continuities of dual earning*

We do not want to belittle the importance of publicly organized and guaranteed day care to working mothers, in fact, our goal is exactly the opposite. However, as we have said, it fails to provide a complete illustration of women's integration into working life with equal working times. We want to pay attention to the following points, and stress, even here, some kind of *tradition* or continuity (Julkunen 1990, 1999).

Most of the points have something to do with the *late urbanisation* of Finland. As late as 1940, the proportion of the total number of jobs that were agriculture and forestry related was 64 percent (in comparison with 30% in Sweden and 5-6% in Great Britain, Alapuro 1985). In an international comparison, high rates of women among the economically active population were mostly due to the high share of agriculture and the practice of including as "family workers" those farmers' wives and daughters taking care of cattle or fields into economically active population in a census. In Sweden, for example, the wives of farmers were first included in the active population in the 1950 population census (Nyberg 1987). (Women's work has historically been invisible, which is why women's labour force participation rates are extremely unreliable until 1970, Hakim 1995. This will be emphasised in international comparisons). In Finland, the period of rapid structural change toward urban occupations occurred in the 1960s, and women's large-scale integration to urban wage work took place concomitantly.

(a) Women entered into wage work "*spontaneously*" – based on economic necessity, historical continuity and their own will. The male breadwinner family and society never established themselves in agrarian and poor Finland. Women did not need persuasion by the existence of "female" working times. During the first half of this century, night work and maternity leave, or rather maternity insurance, because the law determined a leave but did not give any compensation for lost earnings, were the specific questions facing women (Dahlström 1993). We suppose that sexually differentiated work-

ing times are a post-industrial extension of an industrial housewife society. In Finland, neither the male breadwinner, the female housewife practice nor supporting institutions (male and family centred social insurance and taxation) were ever established deeply.

(b) For historical reasons, Finland is a *work-centered culture*. We suppose that this applies especially to women. We have a cultural heritage of hard-working women. To those generations of women engaged in a silent revolution and entering the urban wage work force, the urban double working day did not seem particularly burdensome when compared to women's work load in small-holdings in agriculture.

Finland has adapted to full-time wage work for women by reducing the amount of housework. *Less housework* is done in Finland than in most other countries covered by the time use studies (van der Lippe 1998, even less in Denmark). Finnish culture, family and everyday life have adapted to this by rationalising the home and home life. Men have increased their housework effort to some extent, but the distribution of housework between women and men has remained unequal. According to the time use studies, Finnish women do 67% of the housework, while the average in OECD countries is not much higher (69%) (Nurmi 1997).

(c) We also suppose that in the 1950s and 1960s, when married women's urban employment became prevalent, the Central European *middle-class norms of modern childhood* had yet to become fully established. In rural conditions and small-holdings, the smallest children were looked after between doing other work, and slightly older children were important members of the work force. In small post-war towns, the surroundings were safe for children to play in, and when the day care campaigns in 1960s really began, it was "latch-key children" who were considered the problem.

This tradition has its impact even today. One example of the special nature of Finland which has recently been discussed is that, in Finland, small schoolchildren tend to walk to school on their own and spend their afternoons alone (without any adults) after their short school days (Työ & Perhe 1998, 1, 8). In the rest of Europe, this would be considered child neglect. Safe environments, hot lunches served at school and a social norm that allows children to be alone or among themselves have made it easier for women to engage in full-time work. It is only very recently that solitude has been presented as a problem. Even now, part time work is not often presented as a solution, rather, more after-school services are demanded.

(d) There are *strong economic incentives toward women's employment*, such as separate taxation (1974) (Räsänen 1984), no support via taxing to single breadwinner families, earnings-related social security, and women's high level of education (in younger generations it is better than that of men) (Lilja et al

1990, Lehto 1999a).

(e) The long leaves of absence associated with parenthood meet a good deal about the time needs of the mothers of small children. *Maternity and parental leave* is quite long (43-44 weeks), even though the compensation level is not especially good, and it has suffered as a result of the cutbacks of the 1990s. Following the parental leave of absence, parents have the right to a *care leave* until the child is three years of age, in which they are able to retain whatever employment relationship they had prior to taking their leave. A small compensation is paid during the period of the care leave. Literally, it is compensation for not exercising the right to public day care.

The care leave allowance has been the target of many disputes. As soon as the day care law was enacted, the political centre and right demanded the payment of subsidies for mothers in order for them not to be forced to work. The political left and feminists have resisted systems that, although formally gender neutral, in practice only prompt women to stay at home. In 1984 a new compromise was reached in child care (Sipilä 1997). On the one hand, it guaranteed a subjective right to day care (implemented 1990-96), while on the other hand, it also provided the option of care leave and receiving care allowance until the child reaches the age of three. It was considered that supporting some form of home care would cost less in public funding than the building of new day care facilities.

The stepwise implementation of home care allowance halted the increase of women's employment which had continued for decades. For example, the Swedish (left) government rejected (after a very short period of application by a right-wing government) home care support on the basis that it attracted people away from the labour market and created traps for women. In Sweden, part time work is preferred as a solution to managing the time needs of families with small children.

The financial support of home care is a buffer in the shift from parental leave back to work. The majority of mothers remain at home for some time, generally between one and six months, after their maternity and parental leave. This practice has spread despite the lengthening of parental leave (Nikander 1992).

If women's part-time work is an extension of male breadwinner society, the long leaves compensated by social security are an extension of the two breadwinner (dual-earner) model. Women, especially less educated women, are able to remain at home for some time if social security provides them some "money of their own". In addition, the Finnish culture is not as deeply committed to labour market citizenship as the Swedish model, so policies decreasing the labour supply are more easily accepted (care allowance, early retirement). Yet, in Finland the compensation level was recently decreased,

and one specific argument in addition to the overall welfare benefits cuts was that the leave offers incentives for not-working.

(f) *Trade unions and women activists in unions* have always been very cautious regarding sexually differentiated working times. According to this view, in a sexually equal society both men and women engage in a reasonable amount of working time and equally share the responsibility of house and caring work. From the Nordic perspective of equality, it is quite reasonable to deduct that the reduction in the long hours worked by men is an incentive for men to share in housework and caring, and thus increase the similarity between the life worlds of men and women. This is why efforts are to be directed towards the reduction of the normal working week and an increase in men's rights to career breaks, and male work cultures, so that men might be more inclined to exercise their rights to engage in caring work.

Part time work is seen as a trap for women, as a source of small incomes, a catalyst of male dependency and a key to sexually divided housework and caring. Part time work is not denied under circumstances in which it is the result of a free and individual choice. However, it should not be the result of the lack of choice, in cases in which employers define women as part timers and plan jobs for part time women, or when men refuse to do their part in housework and caring.

## Issues and agendas in the 1970s and 1980s

Before examining the working time policies in the 1990s, we will provide a short review of the main issues and agendas of working time policies during the previous decades (for a long history, see Julkunen 1981). Roughly, we can conclude that three kinds of questions were prevalent in the 1970s and 1980s.

(a) First, the issues of industrial society were still predominant: the reduction of standard working hours, labour protection and job safety, and equity between different groups.

(b) In the Nordic manner, the working times were approached by a broad range of welfare and way-of-life views.

(c) The great issues of the 1990s, flexibility and sharing, were already present in the previous decades.

In Nordic countries the use of *government committees* has been an important instrument of social policy. Committees often consist of experts and corporate representatives. Committees examine societal issues, devise solutions, conciliate conflicts and pursue consensus. The committees have been

provided with plenty of research resources, most notably in Sweden.

In Sweden and Norway, interesting committee reports about working times in the spirit of Nordic comprehensive social planning were produced in the 1980s (in Sweden *Arbetstid och välfärd*, SOU 1989:53, in Norway *Arbeids-tidsreformer*, NOU 1987:9A). Working time was comprehensively connected to welfare (Sweden) and way of life (Norway).

Several committee reports regarding working time have also been produced in Finland. The most recent committee, *The Committee on Working Time*, with its comprehensive and ambitious targets within the atmosphere of social planning, was set up in 1980. The appointment of the committee reveals the existence of accumulated strains, tensions and expectations. At that particular time, one such strain was the high rate of unemployment (1.7% in 1974, 7.8% in 1978). Even at this point, the recognition of this strain spawned discussions on work sharing. In addition, social scientists discussed the future of work, time sovereignty, individual autonomy and choices, and the use of time was studied according to the time budget method, in which all the themes which they presumed might contribute to the social planning of working times were incorporated.

The task of the committee reflects the understanding of the many connections of working times. It was the responsibility of the committee to clear up whether there were needs pertaining to worker protection, family life, labour supply or demand, education or cultural policies or other possible social aspects which required changes in working times, arrangements in work sharing or more flexible working times, as well as the consequences of possible proposals.

We consider it fair to say, that the committee, despite several eminent participants, for example, from the academic world, had no other impact than to channel the unrest and to postpone the demands of unions. One function of committees is to “bury” issues for years – the argument being that “at least the government has done something”. The committee made many, perhaps competent reviews, although it failed to implement any conclusive proposals. The verdict of a stalemate, or some kind of incompetence of social planning, made by Claus Offe and colleagues (1981), seemed extremely valid in Finland. While both parties, employers and employees, represented their rational interests, they were not promoted any more than the ideas of researchers.

While the composition of the committee was heavily male-biased (only two out of 22 members were women), the political organizations of women set up an informal shadow committee with the help of the Equality Council, which produced a report entitled “*Työaika naisnäkökulmasta*” (1982) (*Working Time from the Perspective of Women*). The report and proposals of the



shadow committee are work-centered, indeed, representative of some kind of female trade unionism. Although the report discusses family, motherhood and fatherhood, the proposals concern job safety, shift and night work, vocational training, union action, anti-discrimination etc. The proposals do not make any concession towards women-specific working time in spite of the biological fact that it is women who give birth, and need to this some relief from work. Children, motherhood and family are such important questions that they must be equally addressed as men's questions, too, and they must transform and "soften" male society.

"The 1980 Working Time Committee" was the last one to function in the old comprehensive spirit of social planning: let us examine the entire working time question from all possible directions through the effort of tens of people (in addition to members, there were secretaries and members of work groups), and we shall see whether some conclusions emerge! After this time, more specific questions were addressed in committees, as was the renewal of working time legislation (in 1990-1993).

The last remarkable *collective reduction in working hours* took place in the period from 1986-1990, following negotiations between social partners (the central organizations) in 1984 and 1986. The reduction of standard hours was directed to those groups whose agreed hours were longest (40 hours a week), that is, blue collar workers. It had already been agreed upon that the working time of most white collar groups to be shorter. The equality of working hours was an important target; and most demands following the great reform of the five-day-week (1965-1970), including initiatives in parliament (Julkunen 1981), concerned the equalisation of hours of different groups. The uniform working times were seen as fair and just. The form of reduction (100 hours a year) was left to be decided by parties on branch and company levels. Finnish working time policy had received its most controversial innovation (the so-called Pekkass-days according to the National Conciliator, Matti Pekkanen), while in most cases free time was implemented as 12.5 days vacation per year in the manufacturing industry.

As far we know, this working time reduction was the only case in Western Europe in the 1980s in which working time was reduced without concomitant flexibility. The *flexibility of working times*, or new working time arrangements, had already come up in the 1970s. This was revealed in the task and workings of the aforementioned 1980 Working Time Committee. As early as the appointment phase, a metaphorical arm-wrestling match was going on over whether shortening of working time or merely working time arrangements should be mentioned in the committee guidelines. The employers used all possible arenas to redefine the working time issue and vocabulary as a question of "working time arrangements or patterns" as opposed to

one of the shortening of hours.

The employers brought their flexibility demands to the negotiations, too. A loud collision took place in the collective bargaining of 1986, when the union members, as opposed to the negotiators, rejected the demands of flexibility. Flexibility had been assigned a very negative label and tone. The employers did not sharpen the dispute, because they expected that time would work in their favour, as it indeed did, and more quickly than outside observers could have expected on the basis of the loud resistance. Either everything was not what it had appeared to be, or the economic crisis had a markedly subversive impact on the attitudes of the “masses”.

One interesting document from the early 1990s – and thus simultaneously from the early years of the recession – is the working time report of the Administrative Board of SAK (the central organization of blue collar unions) for the Trade Union Convention held from 17-20.6.1991. It is a balanced and “modern” (cf. the EU-rhetoric) review of actual questions. It underlines the individualizing and differentiating interests of wage-earners when their opinions regarding the preferred way to reduce hours are diversified. Some prefer daily reductions, some weekly leisure, others longer vacations, and some even favour earlier retirement. The flexibility to which employers strive is brought up in a conciliatory manner. The report states that unions had begun to comprehend employers needs in the late 1980s.

What is interesting, and realistic in a Finnish way, is that the report concludes that the recession into which Finland had fallen did not create possibilities for the reduction of working time. Instead, after the economic balance returns (the depth of the economic crisis was not visible at the beginning of 1991), spaces are once again opened for more active aspirations by unions.

Rather than work sharing induced by bad times, the reduction of working hours was seen as a way to make use of the growth of productivity and national production. This, of course, is historical realism. The great reductions of normal working time had taken place in periods of economic prosperity, not during recessions.

## THE ARRIVAL OF FLEXIBILITY – THE BREAKTHROUGH OF 1993

From social scientific discussion to the initiative of  
employers

The term “flexible working times” is a kind of *umbrella concept* which covers a great deal of different phenomena in the arrangement and regulation of working time. The opposite of flexibility can be characterized by terms such as “regulated”, “uniform”, “standard”, “normal”, “rigid”, “fixed”, “stable” and “inflexible”, and the different dimensions of flexibility can be described as “versatile”, “many-sided”, “adaptable”, “non-standard”, “variable”, “individual”, “differentiated”, “diversified”, “local”, or more critically as “unregulated”, “atypical”, “precarious” or “non-social”.

The breakthrough of flexibility changed the European working time agenda from the mid-1980s onwards. Before this, *social scientists* had already begun to engage in discussions about the old and new working time policies and the time sovereignty of citizens. In this discussion, “flexible” working hours or new patterns of working time were as a means of increasing the time-autonomy of wage-earners. This discussion was launched by such international organizations as ILO and OECD (e.g. Allenspach 1975, Evans 1973, Maric 1977, New patterns for working time 1973). One of the authors of this book published her first review about flexible working time some twenty years ago (Julkunen 1979). Both of the “new” issues mentioned by Boulin (1998) – the individual autonomy of time and the implementation of better social organization of time, especially in cities – were discussed and supported by a wide range of international debate.

In the early 1980s, *employers conquered the idea of flexibility* and acquired a kind of hegemony on it. The employers’ old working time interests, the length of the working day and the intensity of work (or speed) was joined by a third interest, flexibility (Adam 1995, 100-105). It was no longer sufficient to simply produce something in the shortest amount of time possible. Rather, it had to be produced “just-in-time” in relation to other processes, the demand of markets and clients.

We once again borrow Boulin's (1998, 59) summary of the triple shift in working time agendas and policies: the initiative was passed to the employer, shorter hours gave way to the different patterns of working time, and the process tended to become increasingly decentralized. Boulin continues to note that: generally, flexibilization gave rise to wide variations in individual work tempos, total hours worked, and work schedules. It involved an extension of (new forms of) shift work; differentiated employment statutes (part-time, short-term contracts and other forms of temporary work); flexible working hours and the calculation of hours worked per year (annualization of working hours); and the implementation of teams working different hours within the same firm.

This trend focuses on working time organization (instead of reduction), and especially on tailoring working times to the needs of the firm. Respectively, trade unions opposed the proposals and demands of employers. Along the 1980s, a *zone of compromises* was found between the reduction and flexibilization of working time. In a way this was astonishing, because the starting points were so far removed. The hostility of unions was eroded by high unemployment, diminishing bargaining power, the loss of members, the diversification of wage earners and their time-needs, as well as compromises between reduction and flexibility.

In the year 1990, Gerhard Bosch predicted that – after the strikes and struggles of the 1980s – the working time would not cease to create open conflicts in Germany in the 1990s. The employers had accepted the reduction of working times and trade unions had accepted that trade-offs between hours, wages, and flexibilization are unavoidable. By making compromises, unions were able to have some say on the development which would be realised in every case. Bosch was simultaneously both correct and incorrect. In Germany, employers have demanded an increasing amount of differentiation of working times and, for example, the use of Saturdays and Sundays as normal working days, which have incited repeated disputes, although no major battles resembling the ones which took place during the 1980s.

Boulin (1998) concluded that there were two different types of compromise. First, there were those in which working time reduction remained the impetus of the change, while unions were progressively compelled to agree to negotiate on the basis not only of moderation in wage increases, but also of increasingly flexible arrangements. A classic example of such an evolution can be found in the case of the successive agreements (1984, 1987, 1990, 1995) concluded in the German metal engineering industry. This case has resulted in negotiated, collectively agreed provisions on new forms of the flexibility and differentiation of working times (Zühlke-Robinet & Lehdorf in Taddéi 1998).

Secondly, there are those compromises in which working time reduction

became, at best, a form of compensation for flexible arrangements, as was the case in France. In those countries in which the government intervenes industrial relations, they played an important role in the process which reversed the relationship between working time reduction and working time reorganization (in France the Debarre Law 1986, the Seguin law in 1987).

As the EIRO comparative study states, *the differences between employers organizations* from one EU-country to another were catalysts in the agenda of change, however:

the offensive on the introduction of flexibility has been launched earlier or later, vigorously or not so vigorously, according to the constraints imposed on companies by law and collective agreements in this area, and depending on the pace at which new forms of flexible organisation (such as "just in time" or "lean production") have caught on. In Greece and Portugal, for example, the predominance of traditional forms of organisation of production explains why the issue of flexibility in working time has only recently surfaced and is still only relevant on a small scale. (EIROOnline, May 15, 1998: *The Flexibility of Working Time in Europe*)

Following its inception, employers have shown sustained interest in enhancing flexibility. This has almost always been a part of negotiated reductions in working hours. On the one hand, increased flexibility has been viewed as a means of reducing costs, for example, by matching labour input more closely with the need for production and the avoidance of overtime payments. On the other hand, flexibility has also been seen as a part of more wide-reaching changes in working arrangements, which are designed to increase the capacity of firms to innovate and adapt to rapid changes in product markets – as a part of the more modern production concepts (OECD Employment Outlook 1998).

The *role of government and working time legislation* varies from one EU-country to another. All in all, the working time laws were revised throughout the 1980s and 1990s. The regulation of working times was loosened, and the laws allowed for longer daily and weekly hours than before, more possibilities to engage in Saturday and Sunday work, as well as a shift in women's night work and the use of longer equalization periods. Flexibility has also been increased by allowing for the deviation from laws by industry-level or local bargaining. Gerhard Bosch (1993) presumes that laws were co-ordinated between the governments of EU-countries as part of the European economic integration and the strategy of gaining economic strength in a situation in which European labour markets were – and continue to be – accused of subscribing to old-fashioned rigidities. The co-ordination of laws sounds a bit paradoxical in light of the statement that the actual development in working times and policies has diverged.

In spite of many institutional and political factors which explain the variation in the timing of flexibilization, *economic crisis* seems to have played an indisputable role in introducing flexibility. A European comparison indicates that flexible practices and flexibility bargaining are weakly developed, both in those countries in which the entire modernization process of production has been postponed, and in those countries in which unemployment is not problematic (Austria, Luxembourg, Norway) (EIROOnline, May 15, 1998: The Flexibility of Working Time in Europe).

Below, we examine how the process of flexibilization has proceeded in Finland, where the working times are unusually uniform in comparison to other European countries, but where the economy fell into an especially violent economic crisis in the early 1990s.

## Towards negotiated flexibility

As far we know, Finland is the only country in Europe in which the standard working time was reduced *in the 1980s* without concomitant flexibilization. The reductions were bargained collectively in 1984 and 1986 under the threat of a general strike of unions. All in all, the 1980s were an economically and politically deviant decade in Finland, as compared with other countries in the Western world. The economic situation had been reasonably prosperous – partly due to trade with the Soviet Union – and with the end of the 1980s came a debt-induced boom with full employment.

The decade was curiously dichotomous and contradictory. On the one hand, the welfare state and social corporatism were deepened and established. While the welfare backlash, neo-liberalism and the public financial crisis especially punished Anglo-Saxon welfare states, reform after reform was carried out in Finland, and social benefits were broadened and improved. In working life, too, the decade was one of *the employee-friendly reforms*. The historical left-right government of 1987-91 planned an ambitious programme of working life modernization in a wage earner-friendly spirit, which also included new working time legislation.

On the other hand, the opposite *market orientation* was carried out, especially on finance markets and in the public sector. Thus, the developments of the 1980s opened the doors for the market orientation of the 1990s. Kosonen (1998, 180-181) speaks about a hidden conflict between these two streams, which openly and visible emerged along with the recession.

Even though trade unions rejected flexibility in connection with working time reduction, the late 1980s witnessed a change. Some industry-level agreements

brought flexibility to the Finnish labour markets. The pioneering role was taken particularly by lower white collar workers in the industry sector (STTK) and The Metalworkers' Union and Trade Union for Municipal Sector (SAK).

In the national agreement for incomes policy for the years 1990-91, the parties agreed to establish a committee, which was then appointed by the government on 11.4.1990 (The Working Time Legislation Committee). The previous Finnish working time legislation was from 1946 (entered into force on 1.1.1947), and was later complemented by various branch-specific laws (such as opening times in retail trade). The task of the committee was to outline the clarification and unification of laws, the individualization and multitude of working times, the influence of employees on their own working times and the possibilities of local bargaining. In addition, the committee had to take into account European integration and its impact on labour law.

The committee completed its work in February 1993. Up until this point, the *economic and political climate had changed radically*. The new government (1991-95) consisted of Centre and right-wing parties, with no representation of labour parties. The Prime Minister from the Centre Party (former Agrarian Party) had several confrontations with trade unions, first and foremost regarding unemployment benefits.<sup>1</sup> The committee could not reach an agreement or make proposals on the most important questions. It prepared two alternative suggestions, which both more or less supported the demands of employers. The renewal was finished during the new rainbow-government (1995-1999), including practically all the parties ranging from the Left League to Conservatives, except the Centre Party. The labour market parties remained unable to reach a consensus, and the government was forced to make decisions itself, against the rules of the tripartite consensus. The legislation on the new working times entered into force on 23.11.1996.

Simultaneously, while the quarrelsome committee was working, the "final" *breakthrough in local bargaining* took place in the income-policy bargaining in the autumn of 1993 and in the joint recommendation of the central organizations. The adaptation area of local bargaining is wider than that of

<sup>1</sup> In Finland we have three big parties, Social Democrats, Conservatives and Centre, which has agrarian roots and which is used to be seen as a representative of farmers' interests. For decades deep interest conflicts prevailed between farming and wage working populations. Of all parties the Centre Party is seen most remote to trade unions, and even the Conservative Party – traditionally the representative of employers, economic and cultural elites – is seen more close to wage-earners. Thus it is not surprising that the right-left government (1987-91) with a conservative Prime Minister (and Centre in opposition) took a working life modernization in its programme. Instead, trade unions are worried that if Centre had enough power, it would weaken the position of unions.

working time, although the questions of working time were the most significant and the most typical issues in which the range of local bargaining was broadened in 1993. This relieved the pressure against the preparation of law. Although the social partners could not reach a consensus within the committee preparing new law, they took the initiative in all cases of *bipartite agreements*. In the climate of deepening recession and right-wing ideological streams, some branch employers demanded much greater possibilities to agree locally, below the minimum standards of national agreements. In this situation, any agreement of local bargaining, where the most radical demands of employers (also concerning wages) and plans of the government had been withdrawn, seemed to be a partial “victory” (Rusanen 1994). The concessions were small as compared to employers’ desire to exclude unions from working time negotiations, and right-wing ideas that were publically introduced (for example, the industrial relations reform in New Zealand). In fact, in the mid-1990s, the confederations of Finnish employers associations changed their stance toward decentralization from a principal and ideological one toward a pragmatic one (Niemelä 1999). It is important to notice that the enlargement of local bargaining has taken place within a system of centralized collective agreements.

Even the new working time legislation contains detailed rules regarding every aspect of working times (Työaika, Työaikalain uudistus 1996). The *Finnish disputes* primarily concerned the question of who is in a position to agree in a way deviating from the law, and if it is possible for this to be done only by national branch-level agreements as unions wanted, or by local and individual agreements as employers required. Employers wanted to bypass the unions and give the right to agree about working time directly to employees themselves. One dispute – perhaps a typical Finnish one – concerned the right of unorganized employers to utilize the deviations from the law, which have been agreed upon by the organized partners.

Other disputes were related to the maximum number of daily working hours, the equalization or the reference period for average hours, the maximum amount and rate of overtime. All in all, both parties left a long differing opinion to the committee report (Työaikalainsäädäntökomitean mietintö, 1993). The wage earners’ representatives claimed that the committee had made a biased attempt to provide the employer with the right to increase the number of daily working hours to 10 or 12. The short-sighted recession policies and the exploitation of the political atmosphere had prevented the committee from taking its task seriously; namely, the potential possibility for employees to influence their own working times.

However, the new law fulfilled the central demands of unions. On the one hand, in accordance with unions’ demands, the law in itself does not allow room for much flexibility, because the maximums in law are nine hours a



day, 45 hours a week, and an equalization period of four weeks. Instead, it gives *social partners at the national sector level* the right to agree about broader flexibilities, thus enabling them to regulate the limits of local bargaining. As such, the law supports the national negotiation system. The unions successfully negotiated their demand regarding the restriction of the amount of overtime: the hours of regular overtime were decreased from 320 to 250 hours in a calendar year, and the locally agreed extra overtime hours went from 160 to 80 hours a year. Some estimations (The Employment-Group of the President of the Republic 1994) about the effect that the restriction of overtime would have on employment were quite optimistic. On the other hand, what was important to employers, that even unorganized employers could use the deviations agreed upon by national organizations, provided that there was a generally binding agreement within that sector.

Since 1993-94, the possibilities for local bargaining have been broadened. Many branches have agreed that the number of daily working hours can rise to 10 or 12 hours, so that the number of hours will be equalized to the average (usually 36-39 weekly hours) over the period of a year or six months.

Thus, *the recession was decisive in the breakthrough of flexibility*. This is true both at the collective and plant levels. The recession – and the joint struggle for jobs – changed the attitudes on the plant level, too (Liikanen 1997). Co-operation in questions of productivity began anew, which can be characterized as a crucial step in the redefinition of working time not only as a matter of distribution, but also as a matter of productivity.

Although the recession was decisive in the reaching of a compromise, other, *long-term modernization changes* obviously contributed some to the retreat of unions. For example, wage earners relied on their own negotiation power. According various surveys conducted during those years, a great deal of wage earners would have been willing to pass the decision about working times to themselves, to individual negotiations between the employer and employee, without “intervention” by local unions, that is, the shop-steward (Liikanen 1997, Julkunen & Nätti 1994). Although these surveys may have been biased, and although different surveys produced conflicting results – conducting a Gallup poll with leading and goal-directed questions was one example of the struggle surrounding the new legislation – results still reveal something about the widening indifference toward the protection given by unions.

However, throughout these “hanging by a thread-years”, Finland sustained its basic model of being a negotiation-based society. National collective agreements form a central element of Finnish labour market institutions, and this institutional continuity was strong even during the economic and social crisis. Thus, the Finnish case neatly fits such notions as “organized decentralization” or “centrally co-ordinated decentralization” (Niemelä 1999, 4).

## Local bargaining – the (g)localization of working times

What do employers really want when they want flexibility? The first demand is the *decentralization of bargaining*. Since the 1980s, employers in Finland have also aimed at shifting the bargaining from the national to the local level, even though the attitude of employers has differed some from one branch to another. On the one hand, negotiation at the plant level has its costs, too. It causes working conditions to become fragmented, it requires time and resources, it might rise to conflicts, and thus it also has emotional costs (Liikanen 1997, Julkunen & Nätti 1994). In Finland, as also tends to be the case elsewhere, the cultures and practices of localized negotiation are underdeveloped.

On the other hand, employers expect that negotiating at the firm level makes it easier to take the needs of the firm and, in principle, the needs of personnel into consideration. For example, it is easier to adapt working time patterns to prevalent and actual production constraints. The employees do not have the same power resources and access to expertise at the local level as they have at the national level. Nevertheless, the high unionization rate and local network of shop-stewards provides collective resources to the plant level, too. In practice, it emphasizes the position and power of shop-stewards and other union activists. In many cases, these groups are quite closely identified with the success of the firm (Ilmonen et al 1998). However, generally speaking, the supposition that the extension of local bargaining directly increases the power of employers is over simplified. This assumption underestimates the ambiguities and contradictions of decentralization.

It seems that the employers have succeeded quite well in their aspiration to expand local bargaining. Employers' organizations refer to the widening of local bargaining with a great deal of satisfaction. However, the national collective agreements in different sectors vary with regard to the orders concerning standard weekly and daily working hours, the maximum number of daily working hours, the equalization period of average hours, free days and yearly vacation. Thus, they provide a different framework for local bargaining. For example, the maximum number of daily working hours varies between 9, 10, or 12 hours, while some sectors have no daily maximum (blue collar metal industries, public administration and services). In 1997, the equalization period was typically 12 months; in this sense, working time has become annualised (Table 4.1). The change in the rules has been extremely rapid. There are some deviations with no industry-level modifications to the law. We suppose that these cases, such as the food industry, can be explained by both the political tradition of the union (communist tradition) and the peculiarities of the branch.

TABLE 4.1. Working time regulation in collective agreements and usual weekly working hours by industry 1997 (employees)

Industry	Employees (Thousands)	Normal annual working time: min-max	Maximum daily/weekly working hours	Equalization period	Average usual weekly working hours	
					All Mean (std.dev.)	Full-timers Mean (std.dev.)
Agriculture and forestry	39	1703-1716	12h /50h		37.7 (8.8)	40.0 (6.1)
Manufacturing	432	1619-1716	12h /50h	12 months	39.1 (5.3)	39.6 (3.8)
- white collar	153	1619-1716			39.6 (6.2)	40.1 (5.2)
- blue collar:	279				38.7 (4.5)	39.2 (2.5)
- metal	116	1645-1716	no limits	12 m.	39.1 (3.5)	39.5 (2.2)
- food, beverage	28	1716			39.0 (4.5)	39.8 (2.1)
- paper	27	1619-1716			37.4 (4.3)	37.8 (2.5)
- chemical	22	1640-1716	12h /50h	12 m.	38.8 (2.1)	38.9 (2.0)
- graphical	22	1672-1696	12h /54h	12 m.	36.4 (8.6)	38.3 (5.1)
- energy	23	1645-1716	10h /50h	12 m.	38.9 (2.1)	38.9 (2.1)
Construction	92				38.6 (5.9)	39.8 (3.7)
- public	18	1555- 1737	no	12 m.	37.0 (5.0)	37.0 (5.0)
- private	74	1703-1728	12h /50h	12 m.	39.3 (6.1)	40.4 (3.0)
Wholesale and retail trade	202	1607-1718	10h /48h	18-26 weeks	36.4 (8.7)	39.5 (4.8)
- wholesale	70	1703-1718			38.6 (8.0)	40.3 (4.8)
- retail	103	1607-1718			34.2 (9.3)	38.8 (4.7)
- motor vehicles	29	1695-1716			39.4 (5.0)	39.9 (3.8)
Hotels and restaurants	56	1688	10h per day/ 135h per 3 weeks	18 weeks	33.4 (10.2)	39.1 (5.3)
Transport	137	1542-1746	no	12 m.	38.8 (9.5)	40.3 (7.4)
Finance, insurance	47	1579-1712	10h /48h	2 m.	37.5 (7.2)	39.2 (4.1)
Business services	157	1555-1737			35.6 (10.1)	39.2 (5.5)
- public	48	1555-1737	no	12 m.	37.4 (3.9)	37.5 (3.6)
- private	111	1555-1737	9h / 50h	8-12m.	35.0 (11.4)	39.9 (5.9)
Public administration	110	1551-1737	no	12 m.	37.1 (5.0)	37.9 (3.2)
Education	138	1541-1737	no	12 m.	34.7 (10.0)	37.6 (6.5)
Health and social work	289				36.5 (7.5)	38.5 (4.4)
- public sector		1551-1728	no		36.7 (6.8)	37.5 (3.9)
- private sector		1645-1714	10h / 48h	12 m.	35.4 (10.8)	39.0 (6.6)
Religious activities	21	1548-1735			34.6 (14.0)	41.2 (6.5)
Other services	56	1529-1740			34.9 (10.8)	38.8 (6.1)

Source: Working time report of social partners 1998, 14; LFS 1997

Local agreements on working times have become increasingly widespread year after year. Of the member-enterprises of TT (Industry and Employers), 28% had agreed on working times locally in 1994, 35% in 1995 and 50% in 1996. After this point, different studies provide slightly different pictures of the generality of local agreements; perhaps the concept of "local agreement" itself is somewhat ambiguous. According to Antila's (1998) research, 43% of industrial enterprises and 47% of all private sector enterprises (employing ten or more persons) used local agreements. Local bargaining over working times is much less common in the public sector. In a quite representative and more recent study about the private sector made by Jukka Niemelä (1999), the great majority (86%) of the establishments covered in the survey, which included all sizes of enterprise, utilized local agreements in the establishment of working time norms. In another recent study by SAK (Helin 1999), local agreements were found in all the workplaces studied. However, the most common of these were agreements on the time and length of the lunch break or other routine issues concerning hours of work, which the activists (shop-stewards) often do not even regard as "local agreements". The legislation and national collective agreements offer a broader framework for local agreements than has been used thus far. Nevertheless, the issue of working times is simply the area in which local agreements are most common, and in which the staff representatives (mostly shop-stewards) most clearly saw the influence of unions/personnel. All in all, the working time issues covered by local agreements were:

flexitime	52 %
the replacement of overtime compensation with free time	50 %
the length of meal and rest pauses	45 %
sabbatical leave	43 %
the regular length of daily working time	40 %
the regular length of weekly working time	34 %
the maximum number of overtime hours	35 %
partial care leave	32 %

In all of these studies (Antila 1998, Helin 1999, Niemelä 1999) the enterprises that were examined were classified as more and less modern. The exploitation of local agreements was strongly associated with more modern and/or flexible action strategies. The purpose of employers' organizations and envoys has been local agreement, although not all employers are able to utilize the opportunities created by local bargaining, or are simply not interested in them. In the joint "Työaikaraportti" (Working Time Report, 1998) of the social partners, central organizations painted a positive picture of local bargaining.

Through local agreements it has been possible to create solutions which serve the functional demands of the work place, and to which the personnel is ready to commit. For their part, new, often gradually implemented working time solutions have increased production, improved service and strengthened competitiveness. (Työaikaraportti 1998, 11)

Thus, in spite of unavoidably slow implementation, working times are going to become localized – perhaps we might refer to this trend as “*glocalization*”. The deregulation or tailoring of working times to the needs of firms and, thus, their adaptation to a global competition economy, is a *global* trend, which, however, presupposes *local* accomplishment. The new “best practices” must be embedded within local social relations. Thus, this trend cannot occur in the blink of an eye, but rather must happen in steps, pioneered by the most modern branches and firms.

## Categorizing the interests of firms

New working time patterns are a crucial part of new, modern production concepts. The different meanings of “times” to firms (operation times, opening times, delivery times, production times, going-through times, rush hours, idle hours, speed) have grown in importance along with the notions of flexible specialization, lean, market- and customer-steered, “just-in-time” production with minimum stocks and other buffers. The tightly regulated notion of “full time” does not adapt to these needs particularly well. It adapts upwards with expensive and regulated overtime, and downwards with tightly regulated part time and layoffs.

Most of these “times” can be better controlled by combining new practices in work and working time organization. The *four basic types of new working time patterns*, as seen from the point of view of firms, can be illustrated as follows. Both in Finland and elsewhere, the first two patterns are presented by the industry itself, while it argues for the differentiation of working times (in more detail Julkunen & Nätti 1994). However, Finnish employers’ organizations do not use the term “flexible”, but rather speak of “many-sided” or “versatile” working time patterns. Although we cannot be sure, we sense that this might be due to the very negative label assigned to the term “flexible” in the 1980s. It is also our contention that the term many-sided describes the content of new working time patterns as well as the term flexible does.

In the first place, flexibility might primarily be a response to the *irregularity and fluctuation* of the company’s level of activity, either because of seasonal

variations (tourism, food-processing industry, construction), daily or weekly fluctuations (retail trade), or due to unpredictable variations in demand. Although evenly divided loading would be most favourable to all, it is not always possible in the turbulent markets and with new production concepts (minimum stocks, customer-steering).

Adjustment is possible by varying and fluctuating hours from day to day or week or week, and equalizing (averaging) them over a longer period of time (weeks, months or a year). As we mentioned above, in Finland, the period of equalization in branch-level agreements is often a year. It is also possible to implement other new innovations, such as personal time banks or accounts, including saving and borrowing possibilities.

The regular daily or weekly peaks in service demand can be answered by part-time or split-up work schedules. To some extent, the use of flexible working times and precarious forms of employment are alternative. In all likelihood, the need for fixed-term contracts and temporary employment can be avoided partly by introducing flexibility into the working time of already employed staff.

Secondly, another main area of interest is related to the *operation and opening times* of production and services and the use of productive equipment for longer periods, that is, the *economy of fixed capital*. This point has gained more significance with the increase of expensive fixed capital and new production concepts. With "normal" working hours, one shift a day, five days a week, the operating time (1700 hours a year) is a little more than 20% of the potential maximum (8760 hours a year) (Alanko 1999, see also Stille 1999). In Finland, about a half of all industrial workers work on daytime schedules. By prolonging the capital operating time the productivity of capital can be improved, the running-through times of production can be curtailed and in a situation of growing product markets, new investments in fixed capital can be avoided.

In principle, prolonging the operation time opens possibilities for new employment (new shifts) and shorter hours, because the increasing productivity of capital can contribute to financing the reduction. In practice, new employment depends on markets and the demand of products.

There is some pressure towards prolonging the service times in public as well as private services. Some public services work 24 hours a day (such as health, emergency and police). In municipalities and the state sector, about 30% of personnel works in these around-the-clock services. In recent years the issue of the opening times of retail shops has turned toward prolonging weekday-times of operation and expanding Saturday and Sunday times (see Kajalo 1999).

The means of using longer operating and opening times, in addition to

traditional shift work, are staggered hours, compressed hours (e.g., 4 x 10; 3 x 12), weekend-shifts, part-time and the special Finnish innovation, "six plus six", as well as varying combinations of all of the above.

The third aspect deals with the *cutting of expenses*. Of course, both of the aforementioned strategies are cost reductive via several mechanisms: the allocation of working time in a more effective manner intensifies working, expensive overtime can perhaps be turned into basic paid annual time, the costs of fixed capital can be lowered etc. Nevertheless, we would once again like to stress that often, and especially in labour-intensive services, working time arrangements have only one aim, cutting labour costs. The means for accomplishing this goal are part time and split day schedules, zero hours, and on-call workers.

Our fourth point deals with the *socialization of personnel* to new, more flexible and responsible attitudes as a necessary precondition for new working patterns. This means a shift from the industrial wage-worker attitude – in which work is done by the clock, and the given hours are exceeded only by highly regulated overtime – to a post-industrial attitude of orientating, not toward a fixed working time, but rather toward tasks, projects, results and aims, and thus toward a pattern in which the lines between a worker's own and paid time erodes. This kind of orientation is naturally inherent to many managerial and professional positions, which are also outside any formal working time regulation, within a sphere of "total work time" – including concomitant rewards.

Today, this kind of orientation tends to diffuse into a broader range of layers. Through the use of an already slightly old-fashioned concept it can be referred to as "*responsible autonomy*". As early as 1971, Andy Friedman described the managerial tendency from direct and detailed Taylorist control to responsible autonomy. The management can buy or persuade flexibility (responsibility) by tendering more autonomous working patterns, either at the individual or group/team level. By giving employees more autonomy on working time, that is on deciding when to come and go and how many hours to work each day, employers attract an increased amount of commitment, which is accompanied by elevated effort, creativity, a tendency toward exceeding the standard working hours etc. (Liikanen 1997, Anttila 1997).

Conversely, the rhetoric of the 1980s and 1990s speaks about "entrepreneurship". The employee becomes an "entrepreneur", not only ideologically in order to enhance his motivation, but also in real working life through profit and cost centres, through outsourcing, individual contracts, project teams etc. (Garhammer 1999a, 13). The emerging type of the use of manpower no longer aims at *control* over presence at the workplace, but over the *output of work* regardless of where and for how long the work has been per-

formed. Thus, trust is certainly not the only mechanism in self-responsibility; new organizational and surveillance technologies, whose emergence in itself is dependent on the new information-technologies, are also working.

Autonomy in working time often implies a tendency to expand the amount of working hours. In Finland, most academically educated workers regularly engage in overtime, half of them receiving no compensation in the form of either money or time. More than 80% of those who worked overtime made the decision to do so themselves; only 2% were instructed to do so by their bosses (AKAVAn työaikalinjaukset, 1999). There is a notable class variation in the practice of overtime work. Blue collar workers (mainly) engage in paid overtime, while white collar workers are engaging in an increasing amount of unpaid overtime in addition to paid overtime (Liikanen 1997, AKAVAn työaikalinjaukset 1999).

## Diffusion of flexibility

It is quite difficult to paint a clear picture of the diffusion of flexible or many-sided working times in Finland (see also Keinänen 1999). The same holds true for the entire EU region. Countries provide only incomplete, disparate and piecemeal information on the procession or implementation of forms of the flexible organization of working time, as well as on their content and result (EIROnline, May 15, 1998: The Flexibility of Working Times in Europe).

It is our contention that it is quite difficult to even determine which working time arrangements are “flexible”, “new” or “innovative” and which are not. While studying advanced industrial workplaces, Liikanen (1997) found that shift work and overtime work – very traditional working time patterns – were the most significant means of flexibility. We ourselves (Julkunen & Nätti 1994, 1995) and other researches have located numerous different *forms*: staggered hours, flexi-time, time-autonomous working groups, shift working, compressed or extended work weeks, weekend shifts, working time corridors, shortened weeks, the six plus six-pattern, annualization, working time banks, part time schedules, zero hours and on-call working. In the everyday functioning of enterprises the *labelling* of working time patterns is often impossible.

How to change these (working time practices) to certain formal patterns is another thing, because we don't think in terms of a working time system. We just think the operation. (A representative of management, Liikanen 1997, 64)



The Finnish Ministry of Labour has funded a *study on flexible enterprises*, which covered private sector establishments with more than nine workers (Antila 1998, Antila & Ylöstalo 1999a, b). The aim of the study was to recognize enterprises that function “in a modern way”, that is, by utilizing the internal, functional flexibility in contrast to so-called “external flexibility” (varying the number of labour force and using cheap labour). In the research, flexibility was defined by two dimensions: responsibility (the task autonomy of employees, the decentralization of decision making) and job training. On the basis of these two criteria, enterprises were divided into categories of flexible and traditional. By this definition, the *proportion of flexible workplaces* varied widely from one sector to another (%):

Finance/insurance	68
Real estate/business services	38
Other services	32
Hotels/restaurants	22
Trade	18
Industry	18
Transport	16
Construction	9

The research also examined the use of eight new working time practices, which are listed below in order of frequency: individually negotiated working times, flexi-time, adjusted periods, time banking, sabbaticals, compressed working times and part-time work subsidized by public funding. Not surprisingly, these flexible patterns were more often used in flexible than traditional enterprises. Individually negotiated arrangements were especially widely used. However, based solely on the material, it was impossible to discern what “individual arrangements” mean in practice. In other words, whether they meant the same thing in different workplaces and what was the number of people involved in such arrangements.

In addition to the flexible/traditional division, the adaptation of variable working times took place more often in large than small workplaces. An intensification of competition also affected the application of new working time arrangements. Obviously, considerable intensification of competition produces new forms of working time arrangements conditioned by the market. They aim at cutting costs, and can be described as “deregulatory”. In situations in which there was stable competition, new arrangements varied more by context and motive.

In any case, private sector workplaces that had made individual working time arrangements had succeeded better than workplaces in which no such

arrangements existed. The researchers formed “a cluster of the most successful workplaces”, a heterogeneous group including workplaces of all sizes in all lines of business. In addition to individually tailored working times, they were characterized by co-operative relations – they had developed their activities jointly with customers, consultants, educational institutes, the public sector and other enterprises. On the other hand, a prototype of a successful – or proactive – enterprise was impossible to present, and enterprises were able to succeed with different kind of working time arrangements, too.

If it is difficult to provide a reliable picture of the occurrence of variable or flexible working times in Finland, even more difficult is a *comparison* with the other EU-countries. Although with some reservations, there are hints that flexible working times are more common and have increased more rapidly in Finland than in most other EU-countries. This was the result in an international comparison carried out in thirteen countries, concerning large organizations (employing more than 200 persons) (Price Waterhouse Cranfield Project 1995, cited by Liikanen 1997). In Finland, annualization, weekend shifts and shift working were more common than anywhere else (as in Table 3.1). All in all, only Swedish companies used more flexible working times than Finnish companies.

The fact that Sweden and Finland took the European lead reveals the advantage of high unionization, established local bargaining and a network of shop-stewards in the diffusion of the modern practices. This is a paradoxical conclusion because, in neoliberal theory, flexibility and modernization are linked with deregulation and the absence of unions from workplaces. However, if local unions have faith that the success of the enterprise means jobs and equity, and thus commit to the success of the workplace, they provide an established channel through which to introduce renewals and acquire consent.

## The realities of flexibility

The laws and agreements do not tell the whole story about working time flexibility. In practice, flexibility or many-sided working time patterns are multi-dimensional, and quantitative international comparisons, although they are interesting for many reasons, are not easy to make due to shortages of statistics and surveys (see Fagan 1999b). In this section we continue to shed light on various Finnish realities.

In fact, Finnish working times are not quite as uniform as we presented earlier. The number of working hours varies, for example, according to eco-

*conomic branch* and occupational groups among employees. According to sector-level agreements, the normal weekly working time in a daytime schedule is usually between 37.5 and 40 hours, and the annual working time is usually between 1600 and 1700 hours. Thus, the difference between the lower and upper limit of standard working hours is approximately 6%. In practice, the average number of usual weekly working hours varies more significantly (see Table 4.1). In 1997, the average weekly working hours were lowest in the hotel and restaurant industry (33.4) and highest in the manufacturing industry (39.1). However, the low number of hours in hotels and restaurants was mainly due to the relative high proportion of part-time work in that sector of the economy. Among full-time workers, the variation between different industries was less significant.

The number of weekly working hours varies even more by *occupation*. According to the labour force survey (1997), *full-time workers* worked long usual hours (44 hours or more, including regular overtime) in the following occupations: enterprise and organizational executive work; religious work; veterinary work; environmental and health protection work; real estate and business services, and ship work. Short usual hours (36 or less) were common in the following occupations among full-time workers: library, archive, museum and information service work; dental work; personnel and employment affairs work; air transportation work, and pulp and paper production work. If *part-time* employees are also taken into consideration, the variation of working hours is much larger: in almost 40% of occupational groups (in two-digit classification), the average number of usual working hours is 36 or less (see also Keinänen 1998a, 36). By mechanisms of self-regulation, paid and unpaid overtime, part-time, precarious and atypical employment, the seemingly uniform working times diverge and adapt to the deviating demands of different occupations and economic branches.

Working hours vary according to the *level of education*, too. Long working hours are common among the highly-educated members of AKAVA (Confederation of Unions for Academic Professionals; see AKAVAn työaikalinjaukset 1999). Whereas the average number of hours for all white collar employees was 39.7, the average for members of AKAVA was 42.9. Furthermore, there were significant differences among the members, ranging from 48.6 hours for upper management to 40.6 for teachers and 40.5 for lower-level employees holding administrative and clerical positions. Statistically, the higher the educational level of AKAVA members, the longer the working hours. Perhaps surprisingly, the working hours were slightly longer in the state government (44.1 hours) and parishes (44.7) than in the private sector (43.9), although longest hours (47.5) were worked by self-employed persons.

Highly educated managers and experts work longer than average hours in all European countries (AKAVAn työaikalinjaukset, Background Report 1999, 3), although the difference is not always as large as it is in Finland. In Denmark and France, the difference in the number of working hours of managers and foremen as compared to other wage-earners is even greater at 7-9 hours, while in the Netherlands it is 2-3 hours. In the Netherlands, even female managers and foremen work short hours (28.0 hours!). We must note that, although they do not necessarily work long hours, white and blue collar workers do, however, have to endure their own inherent flexibility difficulties (involuntary part time work, shift work etc.) (European Labour Force Survey 1997, 172).

*Overtime* is a very traditional means of flexibility. One aim of new working time arrangements is to change the system of extra paid overtime into average hours, which equalize over a longer reference period, or other non-paid flexible time. In addition, in the name of work sharing, official overtime was restricted by the law of 1996. These factors should serve to decrease the amount of paid overtime, although there is no clear trend of this happening. Conversely, growing flexibility and self-regulation seems to increase unpaid overtime. According to the Quality of Work Life Surveys (Lehto & Sutela 1999, 39), the proportion of employees engaging in unpaid overtime has increased from 20% in 1984 to 30% in 1990 and 34% in 1997. In contrast, the frequency of paid overtime increased only slightly: from 62% in 1984 to 67% in 1997.

Among the members of AKAVA, overtime is still more common: in October of 1998, 76% of the members reported having done overtime, on average about seven hours a week (i.e. one normal working day) (AKAVAn työaikalinjaukset 1999). About half of those employees who reported doing overtime told that they did not receive any compensation. This was most usual among those working in the state sector (61%). Most of those individuals who did receive compensation received it in the form of free time, although one third were unable to use the free days.

One indicator of the flexibility of working time is the *difference between usual and actual working hours*. Päivi Keinänen (1998a) has compared the normal (usual) and the actual working hours in EU-countries in 1996. In Finland, the actual working hours deviated from the normal number of hours in both directions more often than average, so that the number of actual working hours were both longer and shorter than the normal hours of employment more often than average.

TABLE 4.2. *The actual hours of employed as compared to the usual hours in Finland and the EU in 1996 and 1997*

	Finland		EU15	
	1996	1997	1996	1997
Full-time employed				
- same	43	61	72	74
- shorter	26	10	14	12
- longer	21	22	8	9
(no hours during the week)	10	7	6	5
Part-time employed				
- same	39	49	71	72
- shorter	21	13	11	11
- longer	28	30	8	8
(no hours during the week)	12	9	10	9

Source: Keinänen 1998a, 35; European Labour Force Survey 1997, 198.

In addition to Finland, shorter than usual working weeks (including no hours during the week) were typical in Denmark and Sweden. The plausible reason for this trend is the agreed right to leaves of absence (maternity, paternity, parental, sickness, education, care of sick children) within the Nordic countries. However, in 1997, the shorter than the usual working week was most common in the UK, probably an indication of the way in which actual working hours adapt to business cycles.

Furthermore, in Finland, the working times adapt in the other direction, too, which holds especially true for part time workers – or at least it did in 1996 and 1997 during the rapid growth of production. In Finland, part time working is often involuntary, and part time workers obviously tend to be prepared to flex upward.

One reality of flexibility is *shift work*, which is growing in significance along with longer operation hours of business. The majority of wage-earners work on a regular daytime schedule. According the Quality of Work Life Surveys (Lehto & Sutela 1999), this proportion has decreased from 76% in 1984 to 70% in 1997. Instead, three-shift work and “other forms of working hours” became more frequent in the 1990s, which reflects the tendency toward prolonging operation times.

## Whose flexibility?

### *Social costs and satisfaction*

For employees, the market-induced differentiation of working times does not necessarily mean universally improved or weakened effects on well-being. The flexible arrangements vary, as do the life situations of employees. One problem in evaluating the change is the fact that varying working times affect each worker group and individual differently.

Nevertheless, typical “new” forms of working time are accompanied by inherent typical *social costs* and social prices. The major social costs employees have to pay in each occasion are as follows (we examine these costs in greater detail in chapter 8).

a. *Annualization* and other working times with longer reference periods lead to variable working time and thus to *less predictability* in life, and possibly also in income. Occasional periods of long work days may risk both health and safety.

b. *Extended operation and opening times increase “unsocial hours”* – shift work, working at night and on weekends, compressed work weeks – intervening in the rhythm of social and family life; the result is the diversification of work and life rhythms, and the erosion of old (partly religious) traditions of Sunday and holy days. In addition, increased night work has health impacts, and the long days inherent to compressed work weeks risk both health and safety.

c. *Cost-strategies produce the most adverse effects*: involuntary part time, irregularity, insecurity and small incomes.

d. *“Responsible autonomy” or “entrepreneurship” can lead to the prolonging of working times*. This can be a real problem in the context of more interesting middle-class jobs.

These are the social costs which, in addition to pure industrial mentalities and traditions, initially caused unions to become hostile. Gerhard Bosch (1993) notes that the forms and consequences of flexibility – or the prerequisites for compromises between employers and employees – differentiate from one sector to another. The *capital intensive enterprises*, which lengthen the operation time, have good prerequisites for attractive compromises. Disadvantages (new shifts, night work, less regularity) and advantages (longer vacations, increased group autonomy, wage compensations) compensate one another. Antila and Ylöstalo (1999a, b) found that in those service sectors in which there was no significant change in competition, the differentiation of working times had primarily been applied in order to increase employees’ options.

The situation is different in labour intensive and/or highly competitive sectors, first and foremost in *personal services*. New working time arrangements are usually straightforward attempts to replace more expensive working time patterns (regular full time) with cheaper ones (part time, call workers, zero agreements, split days, subcontracting, outsourcing). In service industries, new working time patterns are linked with the trend toward *precarious forms of employment*, for example, in hotels and restaurants, cleaning services and in retail trade. Atypical employment is a growing trend in blue collar positions within the private service industries (SAK, Luottamusmieskysely 1999).

Clearly, once implemented, new working time patterns will quickly become routine, an established part of everyday life with their pros and cons. It is our contention that other organizational renewals will also follow this trend, which first give birth to resistance and suspicions (Liikanen 1997). Working times, whether they be old or new, rigid or flexible, have not caused any great wave of enthusiasm; most wage earners report that they are content with their present working times (Liikanen 1997, Anttila 1997).

What is true is that the majority of wage-earners do not like unsocial hours, shifts and night work. Working during the day and going to work in the morning is preferred significantly. In addition, small steps toward autonomy, through influencing the daily starting and finishing time and being granted free time when needed, were considered especially satisfying.

In the Quality of Work Life Survey (1997), employees were asked whether different factors in working conditions, working time among others, decrease or increase their well-being. Examined in conjunction with the prevalent working time arrangement, the results were quite obscure at some points (Table 4.3). In the following categories the results were indisputably clear: regular day work, standard or even shorter working hours, rarely done overtime and everyday autonomy (in starting and finishing the workday, taking breaks) increased well-being at work. Working in three shifts or working long hours seemed to most significantly decrease well-being. The table indicates that those whose life situation allowed working short hours were especially satisfied.

TABLE 4.3. Features of working times decreasing or increasing well-being at work in 1997

Features of working times	Working times decrease well-being (%)	Working times increase well-being (%)
Type of working time pattern		
- regular day work	8	46
- regular evening work	25	35
- regular night work	24	45
- work in 2 shifts	30	24
- continuous 3 shifts	36	24
- interrupting 3 shifts	27	37
- work in periods	25	40
- other	35	35
Frequency of paid overtime work		
- daily	24	34
- weekly	20	41
- every second week	12	37
- once a month	15	41
- rarely	11	44
- not at all	14	44
Frequency of unpaid overtime work		
- daily	21	28
- weekly	17	38
- every second week	17	41
- once a month	8	48
- rarely	12	38
- not at all	14	44
Possibilities to have an influence on the daily starting and finish time		
- no	19	39
- yes	10	40
Possibilities to take a short break during the working day to run personal errands		
- always when needed	10	45
- sometimes	13	40
- very seldom or never	23	37
Usual working hours per week		
- 1-19	15	56
- 20-29	15	49
- 30-34	16	45
- 35-39	12	43
- 40-44	15	39
- 45+	32	26

Source: Quality of Work Life Survey 1997

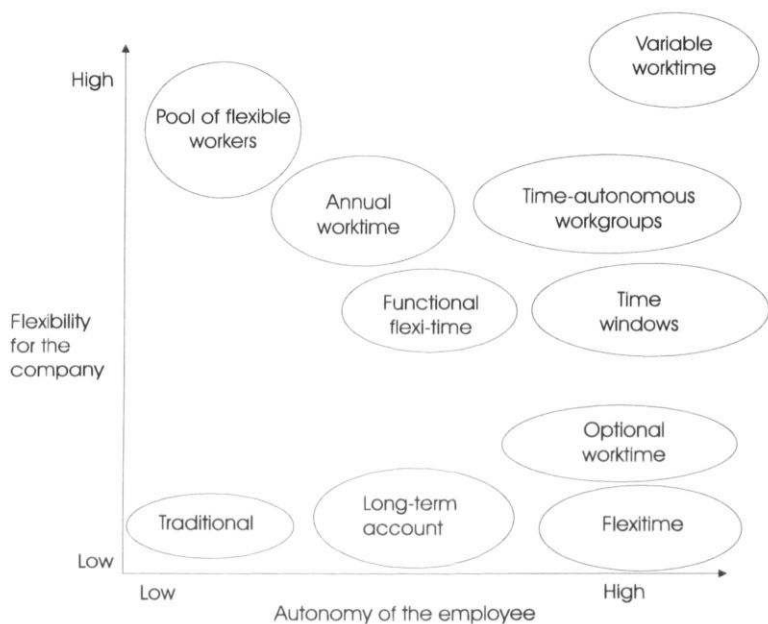


## More or less autonomy in working times?

The initiative for flexibility and differentiation has come from the side of employers or management, both at the political and collective level and at the firm level (Liikanen 1997). The ultimate purpose has been to increase managerial control over working time resources, work organization and recruitment, as opposed to increasing individual choices, or shall we say, increasing individual choices as long as they can be exploited in order to attain company aims.

The flexibility of the company and the autonomy of its employees do not necessarily go hand in hand. However, Knauth (1998) supposes that in most cases it is difficult to achieve high flexibility in a company without some flexibility simultaneously being granted to its employees. "A pool of flexible workers" (on-call workers, zero hours, all forms of short notice which restrict the autonomy of the worker) is an exception. Knauth (1998, 14) describes the interaction between the two dimensions in the following manner: (we must note that the terms used are not unambiguous).

FIGURE 4.1. Flexibility for the company and autonomy of the employee with regard to some types of worktime models



Knauth (1998) provides some innovative examples of how the autonomy of workers has been increased in industrial production. Some companies for instance allow the building up of a time account in particular months of the year and recommend or dictate the reduction of the account in other months.

It is true that the rhetoric of flexibility includes the idea of increasing the area of individual choices and influence on working times. However, at least in Finnish collective and administrative connections (the Committee preparing the new law, KM 1993:2, Social Partners' Working Time Report 1998), this aim has failed to receive any serious attention.

Are there any signs that individual choices or autonomy related to working time would have continued to increase? *The picture about trends in influencing working times remains ambiguous.* On the one hand, large statistical surveys (Quality of Work Life, Lehto & Sutela 1999) reveal that the degree of individual choice in starting and finishing times of work has increased. More than one half (54%) of employees reported in 1997 that they were able to influence to the starting and finishing times by at least 30 minutes (compared to 36% in 1984 and 44% in 1990). On the other hand, the figures also reveal that a large minority is still tied to rigid times, and that this holds true for women more often than for men. In addition, employees' possibilities to take sufficient breaks or brief absences during the working day in order to run personal errands have diminished, certainly marginally, although the earlier trend of improving conditions has taken a turn for the worse, which may be one consequence of the intensification of working time.

In light of the SAK survey (SAK-laisten työaikatoiveet, 1998), the working times of Finnish blue collar workers are more flexible, and they have more possibilities to affect their working times than do blue collar workers in Britain and the Netherlands. Finnish blue collar workers more often used flexi-time (30%) than their counterparts in Britain (20%) and the Netherlands (17%). More than one third (35%) of Finnish blue collar workers reported that they occasionally have the possibility to work on weekends and respectively get free days during the week. This was more unusual in Britain and the Netherlands (16 and 18% respectively). The possibility to take certain unpaid vacations was also more common in Finland, as was the possibility to modify daily hours (25%) – to work longer hours on some days and shorter hours on other days – as compared to Britain (15%), although not the Netherlands (29%). Although one must relate carefully to these kinds of international comparisons due to potentially different meanings of words, in this comparison the diversified and unregulated working times in Britain clearly allow for less personal influence, at least for blue collar workers, than the more negotiated flexibilization in Finland.

Ideally, in order to get the most advantage from flexible working times, they should go hand in hand with *Post-Tayloristic work organization*. In his

comparison of the work situations of wage earners in 1988 and 1994, Blom (1999; Blom, Melin & Nisula 1998) was unable to locate any promising trends in Finnish working life. The results indicated the opposite in relation to the jargon of Post-Fordist work organizations – promises of more autonomy, control and influence over one's tasks and working hours. There were no significant changes in the overall picture of work situations between 1988 and 1994, although there were some positive and some negative changes. There were some positive trends in the control of working time (coming and going, days off), however these only applied to industry. The most consistent trend was the general mental intensification of work; a trend reported in different studies on Finnish working life.

Kimmo Kevätsalo (1999) makes a similar interpretation in his claim that work in the 1990s in Finland has been organized quite traditionally, along Tayloristic lines (to "simplify, systematize, standardize, automatize"), and thus that human resources and human competence are wasted and the abilities of personnel are not utilized to their full potential. About one third of the wage earners studied judged that they could potentially do more demanding tasks, and this share has increased rather than decreased during the 1990s. Similarly, the share of those who felt that they have been forced to repeat the same tasks over half of their working time has increased, and in 1997 was at the level of about 40%. Kevätsalo accuses Finnish working life of being comprised of "stiff flexibility and wasted resources".

There is some opposite evidence provided by Working Life Barometers and Quality of Work Life Surveys. In Working Life Barometers (Ylöstalo 1999) employees have reported from year to year (1992-98) that their influence on work has increased. According the Quality of Work Life Surveys (Lehto & Sutela 1999), work was in 1997 more interesting and provided more chances to learn new things than before (1984, 1990). The picture of influencing work pace deviated from this overall picture; people felt that they are increasingly less able to influence their work pace and amount of work.

The issue of the modernization of work organization and working patterns is currently prominent in Finland, as well as throughout EU-Europe (for instance The European Commission's Green Paper on Partnership for a New Organization of Work 1997). In Finland, modernization is also a state issue, which is supported by a National Working Life Development Programme, and as such, naturally includes the perspective of employees. However, while the corporative or administrative texts regarding the modernization of working times pay practically no attention to individual autonomy, the National Workplace Development Programme for its part includes very few projects focusing on working times.

## Flexibility and employment

One permanent issue of flexibility is employment. Employers and main stream economists, who reject work sharing and working time reduction as a cure for unemployment, insist that only profitable and competitive enterprises can guarantee jobs, and that competitiveness requires increasingly flexibility. The promise of new jobs is left dependent upon the overall success and competitiveness of the companies.

Most types of flexibility include some element of decreasing employment. Allocating working time according to the aspect of just-in-time, according to the production load or customer flows, decreases the need for labour reserves. Naturally, firms do not aim at increasing their workforce by using flexible working time patterns, on the contrary, they attempt to make use of their existing workforce more effectively. The immediate consequence is the decrease in employment (Bosch 1986). The promised positive employment effect comes *indirectly*, along with the growth of productivity and economic revival. In this way, the employment effects of flexible working times are reminiscent of the effects of other technological and organizational rationalizations.

On the other hand, the prolongation of operation times, the separation of working and operation times and the implementation of new shifts seems to *directly* promise new jobs. Especially RRWT – reduction and reorganization of working times, also known as the “French model” (Cette & Taddei 1993, Boulin & Cette 1999a, b) – aims at directly increasing jobs. However, even here, the employment effect on the national economy is quite complicated. In Finland we use a comparable innovation, the “six-plus-six” model. We are going to examine this model in greater detail later, however, we would like to state at this point that its diffusion is quite restricted, and the hiring of new personnel depends on many conditions.

In those countries, in which solidarity agreements are made, local bargaining contains the employment interest, as well as the state subsidizes reduction and reorganization of working hours as far they save or increase jobs. In Finland, the employment interest is not established in the working time co-operation of social partners. The joint paper of social partners (Työaikaraportti 1998) warns against all other approaches to working time and employment, with the exception of the promotion of firm competitiveness. Thus, direct employment or work sharing based on local agreements has not received a place on the agenda of multisided or flexible working times (also Liikanen 1997).

Enterprise level evidence (Antila & Ylöstalo 1999a) shows that flexible

workplaces tend to avoid increasing employment and tend to reduce personnel as soon as possible. As the amount of hours increase, flexible workplaces attempt to manage with the personnel they have. On the other hand, they have reduced the personnel more often than total hours. Yet, longitudinal examination reveals that in the longer term, flexible workplaces have employed more people than traditional ones. Flexible firms succeeded so well in the mid-nineties that they have eventually had to employ new staff. However, it is impossible to determine the role played by flexible working in this business success.

In addition, it seems that the businesses involved in the most intensive competition (retail trade, hotels and restaurants) have quite often avoided layoffs by allowing the daily and weekly working time arrangements to act as buffers. For employees, this has meant a decrease in the quality of working time, but on the other hand, the saving of their jobs (Antila & Ylöstalo 1999a).

## WORK SHARING – A BURIED IDEA

### The main trends in Europe

The *idea of work sharing* – that is, of reducing working time as a cure for unemployment, to create or save jobs – is as old as industrial wage work, unemployment and trade unions. In better times the idea loses its actuality, in worse times it always returns. Equally as old is the controversy of whether working time reduction will improve employment or, conversely, damage the economy and employment.

Boulin (1998) describes the *recent main trends* in work sharing as follows. Europe lost full employment in the 1970s, and in the early 1980s, work sharing through a collective reduction in working time became an issue in employment policies. The results were not very good or promising (also Bastian et al 1989, Roche et al 1996), and the agenda would change in a few years. From the mid-1980s onwards, the flexibility of the productive system became the main issue in working time policies (also Bastian 1994a, b). For example, in France, the socialist government attempted in 1981 to implement an ambitious working time reform aimed at the establishment of a 35-hour work week. Five years later, when the Debarre law established working time flexibility in 1986, hardly any reference was made to the 35-hour week.

The 1990s can be described as having “*bridged flexibilization and work sharing*”. Since 1992/3 working time policies have been governed by two main issues: the fight against unemployment and the need to improve firms’ productive efficiency. Currently, new issues have arisen from the search for new social compromises in an effort to achieve better job distribution. They provide a new incentive to work sharing by once again endowing it with societal dimensions, and by providing it with a dynamic conception of social transformation.

Bastian (1994b) describes work sharing in the early 1990s as the reappearance of a timely idea. Although the idea was “old wine in new bottles”, the most significant new shift in the mid-1990s was that the once radical idea of left-solidarity was now being invested with *new respectability* across Europe.

Not only that, the trade unions, or leftist thinkers, once again returned to their formerly held and persistent conception, which was now taken quite seriously in the practice of collective bargaining. What added respectability to the old idea, and was rather unprecedented, was that the *business community and conservative governments* began to reconsider their positions; legislators representing the entire political spectrum and employers' associations discovered the issue's appeal. The need for radical solutions which could inspire societies beset by *economic insecurity* was the major driving force behind the growing fascination with shorter working weeks.

In 1994, Bastian stated that as of that time no country had successfully adapted the formula. The scope of experimentation and the margin for error are considerable. What the *unions* had to come to terms with was that work sharing entailed *income sharing* in one form or another. In the middle of the 1990s, an apparent "360° turn" took place concerning full wage compensation for shorter working hours, which was equally reflective of a process of organizational learning as an adaptation to market imperatives. The problem of income sharing poses a severe dilemma for unions, and even after the 360° turn the question remained: by what institutional arrangements in a market economy can income sharing or wage concessions be effectively translated into new jobs for the unemployed?

Despite the fact that the idea of work sharing received newly found acceptance and respectability in the early 1990s, the *debate on work sharing* or the promotion of employment through the reduction of working time generally remained stuck in old organizational patterns. Gerhard Bosch (1999a, 35), describes the debate regarding work sharing as follows: the debate "all too frequently becomes bogged down in quasi-religious exchanges of articles of faith between supporters and opponents of work-sharing. However, working time can be shared in very different ways and under very different conditions. Like any other instrument of employment policy, it can be used successfully or unsuccessfully."

We share Bosch's judgement that working time reduction is possible to attain in an *employment-effective* way. Perhaps the correct formula has simply yet to be found. Nevertheless, there is a growing consensus regarding how the reduction of working time should be carried out in order to secure the positive employment effect. The OECD expert group on working hours (1996), with Gerhard Bosch as its rapporteur, stresses much the same points as the EU Commission in its Green Paper on Partnership for the New Organisation of Work (1997). To succeed in the creation of sustained employment:

- the reduction in working time (RWT) may not increase the unitary production costs of companies;
- the RWT should be linked with the flexibilization and re-organization of

- production, with guaranteeing the earlier operation times, or rather prolonging the capital operation time;
- the RWT should be linked with wage moderation and active training;
  - the RWT is to be implemented in various ways, for example, in the context of weekly and monthly hours, part-time work, temporary short-time working, long-term leaves, partial early retirement;
  - the forms of RWT must be negotiated locally and the recruiting threshold should be kept low.

In his new papers, Bosch (1999a, b) summarizes that reduction of collective working hours can create jobs if:

- (a) wage compensation and wage increases are negotiated together and ensure cost neutrality
- (b) wage differentiation is low so that reduction of working hours is accepted
- (c) skill shortages on the labour market are avoided through an active training policy
- (d) fixed labour costs are low
- (e) work organization is changed to avoid cuts in machine operating hours and to adapt work organization to shorter and more flexible hours.

Some of these are quite persistent national institutional traits (wage differentiation, social security costs), which are quite difficult to change, and some, at least in principle, can be more easily reformed, such as company level work organization. All in all, they are not very easily manipulated policy-instruments, rather they point to such national institutional surroundings in which collective working time reduction is likely to be accompanied by new jobs, or in which working time is likely to be distributed evenly in terms of a low level of very short and very long hours.

## Differentiation between EU countries – sharing and activating

The 1990s has witnessed a more united Western Europe; the EU accepted new members, the Economic and Monetary Union was initiated, after which EU countries have struggled in order to meet the convergence criteria. Did working time policies converge, too? On the contrary; in the beginning of this book we cited Jean-Yves Boulin, who claims that an *increasing differentia-*



tion is also taking place between countries. This reveals something about the complex national contexts of working times and working time policies.

One point at which the national differences are quite noticeable is simply the *attitude toward work sharing*, the national commitment to or rejection of the idea. We suppose that the diverging positions are not to be explained by the institutional prerequisites of employment-effective working time reduction mentioned earlier, but rather by some kind of political and cultural dynamic. While the idea of work sharing gained support in France, Germany, Belgium, and Italy (not unanimous but still wide acceptance) and was supported by government initiatives, Finland is a country in which the idea, mainly inspired by the continental example, aroused a short-lived interest, even creating some inspiration, but was quickly buried.

The respectability of work sharing and solidarity contracts has been valid first and foremost in France, Germany, Belgium, and Italy (Taddei 1998).

(a) In *France*, the state plays an exceptionally strong role in labour market interventions; in the 1990s, the first two successive laws persuaded companies to save or create jobs by reducing working hours (the five-year employment act in 1993, "Robien Law" in 1996). The state subsidized companies through exemptions in social security contributions, provided that certain conditions regarding hour and wage reductions and saving or creating new jobs were fulfilled. After that (1997), the new left government set as one of its goals the implementation of the 35-hour work week from the year 2000 onward. The implementation of this law (The "Aubry" Law, June 13, 1998) is based on financial subventions and agreements between the government and companies. As Boulin and Cette (1999a, 4) note, the aim of the 35-hours weekly legal duration should be obtained through a huge process of negotiation financially supported by the government.

The theoretical interest in the possibilities to implement innovative working time policies is strongest in France, whether it concerns modern and effective companies or fluent everyday life in large cities. The researchers have launched a theory or doctrine of the RRWT (reduction and reorganization of working times), which emphasizes the detachment of individual working times from the operation or opening times of enterprises (Cette & Taddéi 1993).

(b) In *Germany*, industrial relations are heavily bipartite, and industry-level collective working time reductions are the main feature in German working time policy. The Metalworkers' Union was the first (in the world) to succeed in the struggle for the implementation of the 35-hour work week. The poor economic situation since 1993 has acted as a catalyst in the emergence of a new policy intended to safeguard jobs. The case of Volkswagen (first agreement in 1993) acted as a famous and inspiring example throughout Europe; without (full) wage compensation, working time was reduced

for a limited period and jobs safeguarded. Since 1995, collective agreements in the metal and chemical industries, the public sector etc. have contained rules regarding work sharing.

(c) In *Belgium*, work sharing has been promoted through a wide range of financial incentives in the form of exemptions.

(d) In *Italy*, a 1998 bill introduced the 35-hour work week from the year 2001 onward, and is promoted through financial incentives.

While examining the political dynamics of work sharing, specifically focussing on governmental interventionism, Hugh Compston (1997) stated that the class power and interest theory, as it stands, is useless in explaining the political dynamics of solidarity contracts in their entirety. While the class power and interest theory accurately predicts the attitudes of employers, they are not totally accurate in relation to union attitudes. Rather, there is something which is common to all countries utilizing government imposed solidarity contracts, namely, *a separate Christian or Christian-influenced national union confederation*. Compston supposes that the socialist unions come from a tradition in which the objective is victory for the working class; Christian unions hail from a tradition in which the objective is social harmony between classes – therefore, one might expect Christian unions to be more prepared than socialist unions to compromise with employers and to make sacrifices in order to try to curb unemployment.

Perhaps this not only applies to the Christian unions, but is a result of the impact of *catholic social ethics* in wider sense. In addition, we suppose that one important factor is the non-commitment to full employment or high labour force participation rates in the Nordic sense, replaced by a general inclination to react to unemployment by restricting the supply of labour force (Esping-Andersen 1996).

We would like to note that working time patterns which are similar in appearance can be implemented *with the support of differing ideologies or doctrines*. For example, the Danish long leaves of absence were argued by the *activation* of the unemployed, not by the *sharing* doctrine (Andersen & Larsen 1993). We suppose that also in the Netherlands, where short hours have contributed to the more even distribution of employment (Walwei & Werner 1996), the context has been that of activating the unemployed, social welfare recipients and housewives into labour markets. Even at the EU level, these two ideological streams, solidarity-based sharing and economic activation, can be seen as competitors, regardless of the fact that in some cases they can potentially result in the implementation of the same policies. All in all, we suppose that the activation doctrine – the activation of the welfare state, recipients of social assistance, labour market policies, social work etc. – can be character-

ized as some kind of combination of Anglo-Saxon liberalism ("from welfare to work") and a social democratic work approach ("arbetslinjen") (see Dröpping et al 1999, Linking Welfare and Work 1999, Social Policy and Economic Performance 1997) in taking a leading position within EU organs and as a joint ideology.

## Contradictions within the Union

While there are clear differences in the attitudes toward work sharing and solidarity contracts among different EU countries, there are contradictions between different EU organs, too. In addition to national differences, these incongruities reflect the conflicts between social partners. Generally speaking, the *EU Commission* has remained cautious. In the White Paper on *Growth, Competitiveness, Employment* (1993), the Commission warns about the consequences of the centrally agreed reduction of collective hours. Local adaptations, such as the four-day work week of Volkswagen, are acclaimed. According to the Commission, the laws and agreements should be made flexible in order to give space to the differentiation of working times.

In a more recent Commission document, *Partnership for a New Organisation of Work* (1997), the importance of working time issues is emphasized. The paper examines innovative working time patterns and the prerequisites of employment-effective working time reduction. Yet the paper does not take any stand on the issue of collective working time reduction, it is neither in favour of it nor against it. The so-called "Essen-principles" (1994) – that is, the recommendations made to member countries in order for them to improve employment – do not include the reduction of working time. The issue of the reduction of working time is also excluded from the Guidelines for Member States Employment Policy, which was accepted in a high level meeting held in Luxembourg in November of 1997.

Instead, the most recent European Council (June 1999 in Cologne) in its resolution invites the Commission and the Member States to examine whether and how to "make changes in work organization and working time help generate new jobs" (Cologne European Council).

On the other hand, in 1996, the *EU Parliament* proposed an initiative for working time reduction in spite of the disparities between the political right and left. The resolution was based on the report compiled by Michel Rocard, former French Prime Minister (1988-91). Among the various means of work sharing, he prefers the reduction of standard weekly working hours. In his

view, the compensation of reduced wages should come from public funds in the form of lower social insurance contributions. Later, the EU Parliament took a more employer-friendly stance by stressing labour market flexibility and company level social dialogue. This reveals something about the fragile balance between left and right within the (former) EU Parliament (in detail Julkunen & Nätti 1997).

Rocard's paper gave rise to a *lively discussion*. For example, ETUC (representing unions) took a positive stance, and Unice (representing employers), as expected, opposed. The paper also received a fair amount of publicity in Finnish newspapers, and could perhaps be described as having been inspirational in the short term. However, it is our contention that the paper failed to make a significant impact in Finland. For example, the conception that collective wage losses should be compensated from public funds is quite strange to the Finnish policies. In addition, in Finland, working time is a matter to be decided by "social partners", not by any parliament, be it national or supranational.

Working time is one of the areas in which member-states are sovereign. In the long run, normal working hours have converged in Europe, despite the fact that the policies subsequently diverged during the 1980s and 1990s. In the EU and Euro-area, the convergence or harmonization of working time might occur via economic competition, political harmonization, trade union co-operation or learning and imitation.

Economic mechanisms are intended to discipline countries which reduce working hours more than other countries do, or which have more rigidities and regulations. However, working hours are not necessarily uniform even under the conditions of the common markets and within the European Monetary Union. There are still significant differences in work productivity, as well as in values and preferences among the EU member states (Santamäki-Vuori 1997). The reduction of working hours in the larger member states can, however, support trade unions and other social actors in smaller member states in their demand for shorter working hours. As a part of the 1996 collective agreement, Finnish employers, too, agreed to follow and pay attention to the European working time developments. However, their position is that a small country, for competitive reasons, cannot be a pioneer in working hour reduction, but rather must follow the development of European trends. On the other hand, trade unions have demanded that Finland move on with "the European vanguard" (see EIROnline, August 1998: SAK and STTK propose hours cuts as part of the next government's programme).

## Public interest in work sharing

Mass unemployment creates spaces for and is a catalyst in the development of new thoughts and strategic choices. *Public opinion* regarding work sharing underwent a shift and became more favourable even in Finland. This change occurred in 1993-94, a period during which time the unemployment rate rose to 18%. The unemployment rate had reached an unbelievable level, and it began to become obvious that it could not easily be restored to the pre-recession level. Work sharing became a seriously taken issue. The examples and inspiration provided by cases from abroad were quite noteworthy, such as the Volkswagen case and the French solidarity contracts, which were reported in Finnish newspapers and journals.

In the mid-1990s, work sharing enjoyed broad support in the public opinion. The level of support was measured in several surveys and questionnaire studies (in detail Julkunen & Nätti 1997). The share of those supporting work and income sharing – that is, the reduction of working time for the benefit of the unemployed while accepting some personal income losses – varied from survey to survey between 1/4-3/4, depending on the target group, the question and its (attractive or unattractive) framing. It was reflected in the surveys that a greater amount of citizens supported work sharing for moral reasons than really believed that working time reduction would notably help alleviate the high unemployment rate. In addition, the support of work sharing was more common when the situation was abstract and more restricted than in actual situations of rationalization and downsizing (Anttila 1997).

On the basis of different surveys and experiments, the *readiness to share one's own work* presupposed some combination of following factors:

- the sufficient economic security of the household
- an overload of work
- green values or a non-consumptionist life stage
- some central life-interest outside work
- the conviction that one can be replaced at work.

In addition, women showed more readiness toward work sharing, and also tended to utilize the possibilities created by career breaks and by the allowance to engage in part-time work more often than men (in detail Julkunen & Nätti 1997).

The idea of work sharing received so much publicity and public support that the central economic, political and administrative actors and elites were forced to take a stand. The Left League (a party left of Social Democrats) campaigned for work sharing, and a great deal of parliament members intro-

duced an initiative proposing the implementation of a 30-hour work week. Internationally, the central agents for solidarity-based work sharing have traditionally been trade unions. *Finnish trade unions* did not and do not have any uniform or consistent attitude towards work sharing. In fact, there have been quite contradictory opinions and beliefs about work sharing within the Finnish trade unions. In spite of this, trade unions, especially the blue collar central organization (SAK), which is more left than white collar unions and some sort of a representative of solidarity, was forced to incorporate work sharing into its agenda.

Traditionally, the economists of SAK had successfully convinced trade union members and leaders that the reduction of working time is not an effective solution to the problem of unemployment; it is economic growth which matters. After some years of mass unemployment, the social democratic leader of SAK (Lauri Ihalainen) attempted to raise the central organization's profile by publishing a proposal for a social or solidarity-based contract in the main Finnish newspaper. The proposal was in every respect up-to-date with regard to its social scientific knowledge about employment effective working time reduction. The chairman even dealt with the wage taboo, admitting that his model of work sharing could not be built without intervening in wage levels.

The initiative did not generate much enthusiasm, and the ideas did not receive support in the next meeting of SAK representatives. The members stressed the positive economic results of companies and insisted that employers could afford the financing of working time reduction. SAK took a "time-out" and delayed the handling of the working time issue until the following year. However, in 1997, it was superseded by "bigger questions", the EMU-decision and wage consent. After that, the deepest unemployment had moved aside, and with it the social cycle of work sharing.

Some other members of the Finnish elite more or less supported the idea of work sharing. In 1996, the *Minister of Labour* expressed hope that in 1999, when Finland would assume the chairmanship of the EU, Finland would set an example of innovative work time arrangements and work sharing, and she called forth local innovations. As soon as the following year, when the Ministry of Labour launched its "Finnish model of employment policy", there was no longer space for work sharing. In an interview conducted in October of 1997, the Minister of Labour rejected the scenario of the end of work, the French way of managing unemployment, the citizens wage – a concomitant of radical visions of work sharing – and new forms of retirement.

One of the last – but not least – who appealed on behalf of work sharing was John Vikström, the *Archbishop of the Lutheran Church* in his ten theses regarding work, unemployment and human dignity (13.10.1997). The church

also sharpened its social profile in other ways during and after the recession. Among other things, it established food banks and paid attention to the high unemployment rate, poverty level and the increasing social differences in post-recession Finland.

In 1999, we view the “time” or “social call” for work sharing as being over in Finland, at least for the time being. It is more than likely that the issue of work sharing will become resurrected, because it is a recurrent issue in a society of wage work, unemployment, and economic insecurity. It seems as if the appeal made by the Archbishop was some kind of “swan-song” of work sharing, made before public attention turned to other issues and themes – and before the lobbies of employers were able to breathe easy after their clear victory. However, in the short period between 1994-1995 some interesting innovations (part-time allowance, long leaves of absence) were implemented, which among other things served the idea of work sharing. We will focus on these innovations in greater detail at a later point.

## Cautious Finns – the practical veto of employers could not be overcome

How did it happen? How was it that the promising and inspiring idea of work sharing become buried so quickly and made impossible, and that the proponents of work sharing began to appear more or less ridiculous? Why did the public support not lead to a comprehensive program of work sharing? Why is it that Finland failed to become another France, with its aim of a 35-hour work week and its government alluring and pressing companies? Or why did Finland not become another Germany, with its labour market agreements regarding work and income sharing? We stress the following points, which include the role of employers, trade unions, expert opinion, competing ideologies, and the gender perspective.

1. Finland is a consensus society in which the *employers*, or exporting industries, hold a strong position of power. The internationalization of economics has only served to increase this power. First of all, employers did not back down with regard to their resistance of the collective reduction of standard weekly hours or the idea of work sharing (see EIROnline, July 1998: TT and STTK disagree sharply on working time). The frontier of organized employers was united, and the most passionate opponents of shorter working hours were the employers of the private and public service sectors. One could find higher levels of innovation at the firm level.

In the years of the deepest recession, with the right-government (1991-

95) in the background, entrepreneurs went on the counter offensive and demanded not shorter, but longer working times, as well as the abolition of the aforementioned "Pekkas-days". The rhetoric was that only by working more, not less, could Finland survive the deep economic recession it was enduring at the time. In its paper, "Työ ja työaika" (Work and Working Time, 1996), the most valued employers' organization (TT, (Industry and Employers) stated that both the annual and lifetime working hours in Finland are too short. In its view, general work sharing is impossible, and rather, the diversification and flexibilization of working times will increase employment.

The employers' organizations were forced to accept some new innovations, in which an individual, with the aid of public compensation, can change places with an unemployed person for a restricted time (job alternation, subsidized part time). Nevertheless, the standard number of hours remained intact, and the radical vision of a six-hour day was rejected.

In Finnish industrial relations, in which the actual power belongs to labour market parties, the veto of working time policies by employers was impossible to overcome. Employers had no reason to compromise during the phase in which SAK was most serious regarding its position. The employers had already received the flexibility they needed in collective bargaining in the early 1990s and in the law that was passed in 1996. The central unions were co-opted in the policies of many-sided working time patterns. Most of the labour market parties were able to agree in a jointly produced paper (13.9.1996), which recommended sector level and local negotiations regarding the implementation of working time experiments. The starting point of the experiments was not to share work or reduce standard working time. In the incomes policy agreement of autumn 1995, which set the agenda for the years 1996-97, the central organizations set up a common working time group. The report published by the group (Työaikaraportti, 1998) examines working times quite one-sidedly from the perspective of enterprises. It represents the employer's perspective right down to its vocabulary, in which there is no room for solidarity or the reduction in normal working time. (The bias of the report is criticized in the differing opinion given by STTK, the lower white collar central organization.)

In the economic and political climate of the 1990s, the notion of a struggle or striking for shorter working times was out of question. In addition, working time reduction has historically taken place in Finland during prosperous times. In effect, the government and unions were prisoners of the tripartite consensus. Furthermore, it is quite difficult to forcefully impose the employment-effective reduction of working hours on employers and companies. It requires co-operation at the firm level regarding work organization, training etc., and is dependent upon the assurance that employers will



not actively abstain from recruiting new workers.

Of course, the resistance by employers is not the only explanation for the rejection of the idea of work sharing. We Finns, along with trade unions activists, did not have a sufficient amount of faith in the idea of work sharing in order for it to become successful. During the recession and period of economic insecurity, the individual preferences of employees shifted toward better incomes, not more free time, and the public attention turned to two new questions: precarious forms of employment followed by overload and burnout in working life, which, slightly paradoxically, does not necessarily support the demands of work sharing.

2. Secondly, during and after the recession, *the Finnish trade unions* agreed to enter into moderate wage agreements for the benefit of macro economics, employment and the competitiveness of companies. In order to save jobs, local "saving agreements", including concession in wages, were implemented especially in the public sector. Nevertheless, collective wage reduction seemed to be out of the question to Finnish unions. There was no way of including the solidarity felt toward the unemployed in the wage negotiations between employers and employees. It seems that in Finland there is not a sufficient amount of moral pressure to show solidarity toward the unemployed. The sacrifices in wages are concessions made for the benefit of employers, not for the unemployed.

Despite the fact that the leaders in the blue (SAK) and lower white collar (STTK) central organizations staged the demand of the 30-35 hour week, the concept has not attained a sufficient level of support among union members. In a survey of SAK members carried out in 1998, 77% of the respondents reported that the present working time suits their life situation well (SAK: laisten työaikaotoiveet, 1998). Almost one third of the respondents (32% of women, 29% of men; 26% of full-time employees and 64% of part-time employees) would like to work more hours, usually in order to earn more money. The difference in comparison to Britain and the Netherlands, where the survey was also conducted, was quite noticeable. In spite of much broader part-time employment in Britain and in the Netherlands, only 7% responded that they would like to work more hours. Among the SAK members, the readiness to reduce working hours – and consequently earnings – has steadily diminished from 1984 (33%) to 1998 (18%).

Many other questions (wages, social security, taxation, job security, the right to full-time work) seem to be more important. Although high unemployment is one of the greatest worries among union members, the reduction of working hours viewed as neither significant as such nor as a means of eliminating unemployment.

3. Thirdly, the *balance of expert opinions* based on economic theory was

against work sharing. It is a well-known fact that among professional economists, work-sharing is not a popular measure for curing unemployment, but that quite the opposite holds true. Economic simulations using macro-economic models indicate that shortening working time only damages economic growth and employment (e.g. Anxo 1989). It would appear as though this were the only evidence that matters, despite the fact that is also historical evidence of the positive impact of the reduction of working time on unemployment (Isidorsson 1994, Lehndorf 1994). Similarly, there are quite optimistic economic forecasts regarding the consequences of the 35-hour week on employment in France (Lipietz 1996, Boulin & Cette 1999b).

There was no such economic expertise within the Finnish public discussion, which would have either destabilized the hegemonic bloc of economic power and mainstream expertise or formed some counter-frontier. At best, the support came in the form of carefully leaving open some possibilities for a skilfully implemented reduction, for example, by increasing the employability of economic growth (Romppanen & Valppu 1997) or serving the well-being of citizens (Santamäki-Vuori 1997).

The Labour Institute for Economic Research has carried out some empirical research on the employment effects of past reductions in working time (Böckerman & Kiander 1998, 1999). The researchers emphasize the methodological problems while using aggregate data; in Finland there have been no company level surveys about the employment effects of working time reduction. Using sector-level data and dynamic employment equations, the results supported the view that the reduction in average working time can, in the short run, create an increase in employment on the condition that output does not deteriorate. The very maintenance of the output level in the case of shorter average hours is indeed a challenging task. The researchers conclude that, in the long run, a decline in average working hours seems to have added to unit labour costs and hence caused a deterioration in the level of employment.

All in all, there was no such counter-evidence that actually could have challenged the frontier of economic power and expertise (e.g., within the state administration and employers' organizations).

4. When all is said and done, in Finland, the ideology of work sharing did not have enough resonance. Instead, the *competing ideology of activation* has received more support among the economic, political and administrative elites. Although activation ideology is indeed multi-faced and multi-rooted, behind it lurks neo-liberalism, while work sharing is rooted in the tradition of leftist or Christian solidarity and harmony. Thus far, the activation doctrine has led to the restriction of the availability and level of social security benefits in order to increase the profitability of working, work incentives,

labour supply and active job searching. Recent adjustments to municipal taxation have altered the high effective marginal tax rates for low earners, particularly families with small children.

Job creation and a *high employment rate* are very central targets of the Finnish government. The main means to achieving this goal are healthy macro economics, the competitiveness of companies and the promotion of an information society. In this respect, the end result of the debates of the 1990s is that work sharing is seen as adverse to these targets. Like Gösta Esping-Andersen (1999, 180), the Finnish economic, political and administrative elites are convinced, that "work-sharing, as currently proposed, is accordingly dangerous and counter-productive. Work creates work; less work creates less work." On 14.1.1997, The Cabinet Committee of Economic Policy accepted a resolution, in which the principles of working times policies are set forth. Working times policies must improve the dynamics of the economy and employment as well as promote the activation of the unemployed, lifelong learning, the maintenance and rehabilitation of working ability, gender equality and the employability of older members of the labour force.

At the moment, working time reduction does not play any political, rhetorical, tactical or actual role in the promotion of working time reorganization and the search for the "best practices". At the end of 1990s there has in Finland been no bridging of work sharing and flexibilization, as Boulin supposes, and what without suspicion holds true in France.

The story can be told in the following way, too: after for a moment having followed the example of Central Europe, Finland returned to the *Scandinavian line* with its emphasis on *active labour market policy*, as opposed to work sharing. Even in Sweden, the debate over the reduction of working time was put back on the top of the agenda by the upsurge in unemployment in 1992 and the parliamentary elections in September 1993. Apart from the Left Party and the Ecology Party, the political community and trade unions were united in their opposition to a general reduction of working time as means of resolving the problem of unemployment. For the General Trade Union Confederation (LO), the six-hour day constitutes an important welfare goal, but within the current economic situation in Sweden, this reform should be assigned lower priority (Anxo & Lundström, in Taddei 1998). In the Nordic thought, which is consistent with historical realities, the time for employee-friendly working time reforms is in prosperous as opposed to unfavourable economic times. What is uncertain is whether a sufficient level of prosperity – in the sense of good growth and strong, powerful unions – will ever return!

5. In Finland, even the *gender-issue* turned against work sharing. It seems that the *extension of part-time work* holds some potential for job creation, even if the connection is not straightforward; the expansion of part-time

work is, however, a gender issue. There is a general sense of agreement that the extension of part-time work has made a significant contribution to the recent employment growth in Europe (OECD Employment Outlook 1998, 41). However, in Finland, where labour participation is quite high, there is a feeling that the dynamics might perhaps be different, that is, that increasing part-time work only changes full-time jobs into part-time jobs and creates low incomes.

The further extension of part-time work can be encouraged by several means, for example, by equalizing the employment rights of part-time workers to those of their full-time counterparts. In Finland, the working conditions and employment and social rights of part-time workers are equivalent to those of their full-time counterparts. However, this has not increased the popularity of part-time work. The proportion of part-time employment is smaller in Finland (11%) than the EU15 average (17%), and a great deal smaller than the average in the other Northern European countries (Sweden 25%, Denmark 22%, the Netherlands 38%). Although it is unusual, part-time work is more often involuntary than in EU-countries on the average: in 1997, 38% of Finnish part-time workers reported that they were working on a part-time basis because they had been unable to find a full-time job (the EU average was 20%). In recent years, in order to increase the work incentives for low earners, part-time workers in particular, special deductions from earned income have been introduced.

There are some *explanations for the low level of part-time work*. It is often said that we do not have a "part-time culture" in Finland: companies do not offer part-time jobs, except for certain low skill positions. The supply and demand of part-time work do not coincide with one another. While there is a high level of involuntary part-time workers, there are simultaneously full-time workers who would prefer to work part-time but are unable to do so in their current occupation within the company for which they work. According to the Finnish Labour Force Survey of 1997, 18% of full-time employees were willing to shift to part-time work. However, most only wanted to work part-time on a temporary basis. Perhaps the most important factor is Finnish gender relations. Finnish men work part-time more often than the EU15 average (8% vs. 6% in 1997), and women less (16% vs. 32%).

In Finland, *gender equality* is a constant argument against the individual reduction of working time, be it in the form of part-time work or long leaves of absence. Gender relations both at work and in the home provide women with more room for working time reduction, and women utilize the existing possibilities of working shorter hours more often than men. However, from the perspective of a kind of mainstream concept of gender equality, this tendency would appear to imply jeopardizing one's own source of income and

career. The prevalent conception of equality, values the equality of labour market positions and sexually undivided times, both at work and at home, more than the wider working time options that are open to women due to (unequal) gender relations. Thus far, almost all individual options have promoted gender differences; the opponents of work sharing proposed that it is unfair if women with already structurally lower wages take on the additional responsibility of work and income sharing.

However, this reserve did not completely hinder new work sharing innovations. From this perspective, the most favourable forms of individual work sharing are those which are realized gender neutrally, for example, part-time retirement in Finland. Nevertheless, gender perspective will not in Finland foster new measures for the individual reduction of working time.

## EXPERIMENTING WITH NEW MODELS – MORAL MANOEUVRES OR PERMANENT INNOVATIONS?

### Experiments as a means of social policy

Experiments have many functions as a means of creating policies, both on public and company levels. Enterprises experiment with new forms of organization, working patterns and working times. They introduce new arrangements, establish, revise and cancel them. Enterprises often experiment with new practices in some restricted department or working unit. Thus, they are able to decide which functioning practices to introduce on a wider scale when necessary. Sometimes enterprises find it easier to introduce renewals under the guise of them being “experiments” and by providing the opportunity for both parties to be able to reject them if necessary.

Experiments also have many functions as government tools. The experiments can be equipped with evaluations, and can thus serve as a means of accumulating useful information prior to final decisions. Experiments are one way of implementing reforms in practice. When a given issue is highly disputed, it is much easier to reach a compromise regarding the use of experimentation than about the implementation of a final solution. Experiments can also function as a first step in the diffusion of a new practice. However, in addition of committees and work groups, also experiments can function as a way of burying a particular troublesome matter. When something is under experimentation, it can be said that something has been done and that people’s demands have been responded to. During the mass unemployment the need even for scenic manoeuvres increased.

Even when experiments are carried out seriously and the results are promising, the *spreading of the new good practices is not easy*. Private enterprises do not necessarily want public attention to be paid to their practices, and even if they are the topic of public discussions, conferences, information etc., it is not sufficient for the embedding of these new practices into new local surroundings.

When the dispute about work sharing was at it highest point, the social

partners, in their joint statements (1996), recommended experimentation with new working time patterns. Following the recommendation a public dispute arose as to whether the statement did or did not recommend work sharing. The employer spokesmen declared that work sharing had not been recommended in the statements. We have no information as to what extent the recommendation led to new activity within enterprises. Below, we examine only those working time experiments which were implemented or somehow supported by the Ministry of Labour (or European Social Fund). There are three types of such experiments.

First, when unemployment was at its highest, the Ministry of Labour initiated two working time arrangements, initially only temporarily, in other words, on an experimental basis. If the arrangements proved unsuccessful or if there was significant improvement in the unemployment situation, they could be cancelled. Thus far, both systems, *subsidized part-time work* (Part-time Pay Supplement), introduced in 1994, and *paid long leaves* (Job Alternation Leave), introduced in 1996, have been continued. These systems are in principle available to all wage-earners, and they are financed by public or unemployment insurance funds. In addition to these systems, an older system of *part-time retirement* was twice altered in order to increase its appeal, the last time temporarily.

Second, the Ministry of Labour supported *local experiments in municipalities* with subsidized shorter hours. Some local governments experimented with the six-plus-six working time model, most with other arrangements.

Third, we deal with the experiences surrounding the six-plus-six model as "experiments". The six-plus-six model is a special Finnish innovation, the Finnish version of RRWT (reduction and reorganization of working times). The Ministry of Labour has supported it as part of a working time experiment in municipalities, and has funded its research in the private sector, too.

We pose the question of what these innovations and experiments reveal about the possibilities of working time policy, people's working time needs and preferences and the reorganization of working times – to which societal questions were these innovations a response and what were the preconditions of their acceptance. We also pose the question of whether they were a form of temporary relief of the deepest crisis, moral manoeuvres or obviously long-term innovations.

## Subsidized part-time – a luxurious class of shorter hours

### *How to increase part-time employment in Finland?*

Finns engage less in part time than the European average. There are many reservations and *obstacles*, which effectively hinder the increase of part-time work:

- low incomes associated with part-time work;
- restricted occupational range and difficulties to work part-time in one's own professional job: in Finland, part-time work is concentrated in private services, while in the other Nordic countries part-time work is typical to the public sector as well;
- difficulties to shorten one's hours temporarily and return back to full time;
- gendered use.

In addition, it is not clear whether the implementation of a more comprehensive level of part-time work will actually redistribute jobs more widely, despite the fact that this has been the obvious result (for example, in the Netherlands) under certain conditions. Previous attempts to promote part-time employment and to provide employees a guaranteed chance of engaging in part-time work (for example, for parents of small children and school-aged children) have not been popular.

However, the incredibly high level of unemployment in the beginning of the 1990s once again heightened the popularity of the conception of increasing the opportunities to engage in part-time work, which would subsequently result in the distribution of jobs to a greater number of people. Prior to this point, the role of part-time work in employment policy had already changed – in Finland and throughout Europe – from a means of increasing labour supply to a means of decreasing unemployment. A proposal on the implementation of subsidized part-time work was prepared by a committee (Osa-aikatyötoimikunta, KM 1993:22), and suggested increasing part-time work as a means of increasing both employment and flexibility. Unions supported compensated part-time employment, employers opposed it. They preferred the part-time increase in market terms, arguing that subsidized part-time employment would inhibit this. In spite of employers' objections, the proposal was implemented.

Subsidized part-time work is a *part of the public employment policy*. According to this scheme, a full-time worker who shifts to part-time is entitled to receive compensation from the public employment funds, provided that an



unemployed person is employed by the other part of the divided job. From the point of view of the unemployed person, this is merely one new way of job provision, a temporary exit from unemployment. The novelty is that this "half job" is "bought" from a permanent employee.

The duration of part-time working can range anywhere from 3 to 12 months, and the working time ranges from 40-60% of the full time. The compensation is approximately half of the income loss (maximum of FIM 4300). In practice, the net income of work-sharer reaches 80-90% of his or her earlier full-time wage level (Suoranta 1999). The part-time substitute receives only the normal part-time wage, and his or her income does not necessarily improve much in comparison with his or her situation while unemployed (this depends on the level on unemployment insurance and other social transfers). The sharing of work can be done in many flexible ways, daily or weekly – for example, by working every second week.

An important point of view during the discussions surrounding the implementation of subsidized part-time work was that the costs of part-time allowances were calculated to be smaller, at least not greater, than those of corresponding unemployment benefits. The committee calculated that the system would actually save the state money, a fact which perhaps legitimated the proposal.

### *From a modest start to "excessive" popularity?*

The scheme included many problems from its inception, it was neither well prepared nor well informed (Hermansson et al 1996). However, its popularity has increased with time; the rules have become more flexible, the employment officials learnt to deal with the system, and employers realized its potential to have a positive effect on the workplace, too (for greater detail see Hermansson et al 1996, Julkunen & Nätti 1997, Pylkkänen 1996). Perhaps the decreasing insecurity in the labour markets and working communities has encouraged full-time workers to dare to use the system more effectively and to take social security risks. In some organizations, for instance in hospitals, the use of the part-time allowance has become established as an inherent part of working culture.

TABLE 6.1. The number of users of part-time pay supplements and the proportion of women 1994-1998

Year	Number of users (monthly average)	Number of persons entered the part-time supplement	Total of users	Proportion of women (%)
1994	580	1400		
1995	2200	4600	5600	91
1996	4850	9100	11700	91
1997	6530	11400	16000	89
1998	7050	12200	17800	90

Source: The Ministry of Labour Register

The users of part-time pay supplements are typically women (90% in 1998), mostly from the public health and social service sectors organized by municipalities, and on average they are in their forties. The users tend to be older than the substitutes, and thus middle-aged women with stable working careers have shared their work with younger women with unstable careers. The motives of those moving temporarily to part-time positions are "egoistic" – for example, time to him or herself, time for family or other loved-ones, time to study, engage in hobbies; relief of work load and work pressure were cited especially if one's own working ability was deteriorating. The system is best suited – or at least is the most popular – in the workplaces of educated semi-professionals. The largest occupational group using part-time pay supplements in 1998 were those engaged in medical and nursing work (comprising 45% of all users). Other significant occupational groups were social work (10%), secretarial and clerical work (6%) and pedagogic work (6%).

To a *full-time employee* a subsidized part-time job is a kind of luxury, considered "good" part-time. Yet the choice to engage in part-time work is complicated because of the complex social and job security related consequences. In addition, full-time workers may be concerned that the shortening of their hours be interpreted in a negative way – as indicating exhaustion, lower work motivation etc. – which can have negative consequences in cases of competition between workmates. Thus, utilizing the opportunity presupposes some degree of trust and confidence in one's own position within work community.

Used as a *substitute*, the economic situation of subsidized part-time work is not favourable. As compared to the incomes provided by social security in Finland, part-time employment in modestly paying jobs is not always profit-

able. However, unemployed persons tend to stick even to temporary and poorly paying jobs in order to build up their careers, create connections to organizations, and keep up their skills. The scheme can also provide benefits to the organization: tired full-time workers get more rest and the new, and younger, recruits bring new ideas and energies.

In relation to the total number of all employees (potential users), the use of system seems quite marginal (0.6% in 1998). In relation to the number of unemployed, the scheme has provided temporary relief yearly for 2-4% of the unemployed population. In relation to other forms of subsidized employment, the proportion of the part-time pay supplements was more than 10% in 1998.

All in all, the scheme has legitimated the choice to engage in part-time work in such groups and workplaces in which it had not been used previously and in which the unrealized wish to do so was high – namely, educated women in the public sector. The part-time allowance provides an individual with a “system-supported” position from which to demand the right to engage in part-time work, but does not accord the right to subsidized part-time work. In this context, the unequal treatment in favour of the advantaged (permanent employees with compensation) and the accompanying disadvantages (substitutes without any supplement) seem to be acceptable.

While the popularity of the system has increased, in the summer of 1999, the reserved financial resources ran out in the middle of the fiscal year. This underlines the fact that the government does not guarantee anyone the subjective right to receive a part-time supplement. On the contrary, the decision has been made to restrict the growth of subsidized part-time employment. The rationale of the government is that by decreasing unemployment the employment funds should simultaneously be decreased. In addition, the part-time supplement does not employ the long term unemployed, but rather, only the most easily employable ones. Employment finances must be directed toward the employment of the long term unemployed and other individuals with special problems or difficulties regarding employability.

## Part-time retirement – subsidizing the part-time employment of ageing workers

### *Early retirement – in the service of individual and structural needs*

In Finland, there are *many paths of making an early exit* from working life before the formal retirement age. Disability pension has been a natural part of old age pensions since the establishment of the pension systems (national pension in 1937, work pensions in 1961-70). The unemployment pension was introduced in 1971. Other, more individual options were established in the pension reform of the latter half of the 1980s: the individual early retirement pension in 1986 and the actuarially reduced early old age pension in 1987 (in the public sector in 1989). In the atmosphere of the 1980s, the main aim was to acknowledge the individuality of the ageing process and to give people more flexible and individual ways out of working life. The new pension forms were part of the employee-friendly reforms of the 1980s, which were backed by good economic growth, a high employment rate and gerontological studies showing the individual differentiation in the ageing process.

The introduction of *part-time retirement and pension* in 1987 (in the private sector) and 1989 (in the public sector) was a part of this reform package, which was also characterized as “a pension tray”. The package was implemented in spite of resistance on the part of employers; the part-time pension was the only one accepted by the employers’ representatives in the committee preparing the entire reform, intended to provide more flexible and individual retirement (Takala 1999).

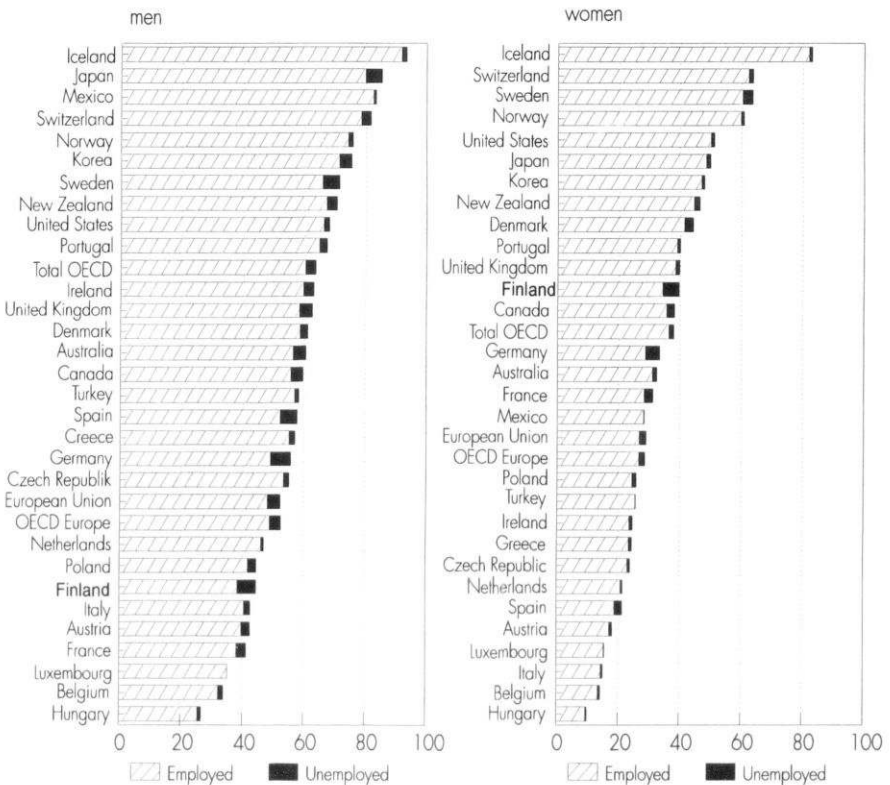
The *rationale* of part-time retirement and pension can be seen in *two alternative ways*. On the one hand, part-time retirement is a way of reducing work effort in order to coincide with the diminishing working capacity (Huuhtanen et al 1999). According to the logic of the welfare state, this opportunity shall be guaranteed as a social right and the costs will be compensated. In this rationale, part-time retirement is seen as an alternative to full time *working*. On the other hand, while the popularity of the early exit has increased, in the context of social policy, part-time retirement has become an alternative to full-time *retirement*, and as such has received an increasing amount of acceptance.

The legislation governing early retirement has been *revised several times*, and the age limits, in particular, have been lowered and raised according to economic and political cycles. The popularity of the new early (or “flexible”, as they were sold) retirement opportunities surpassed all expectations, and in addition to changing the terms, access has been controlled through the rejection and acceptance of individual applicants.

Hytti (1998) has shown that early retirement policies in Finland have served *structural* rather than individual needs. They have been used to promote business competitiveness and structural changes within working life. The exit of ageing workers from the labour force was directly linked to competition pressures and the need to reduce the workforce. In the 1980s, retirement via an early exit was most common in export-oriented industries, whereas during the deep economic recession of the early 1990s it was highest in the branches which were hardest hit by the recession. The promotion of early retirement has relied largely on a favourable age structure, female labour force participation, and a remarkably high education level in the age groups entering the labour force.

In 1998, the proportion of employed persons aged 55-64 has fallen in Finland to one of the lowest in Europe, which is partly due to the high unemployment rate (14%).

FIGURE 6.1. Labour force participation rates and employment/population ratios in 1998 among 55-64 year-old men and women in OECD countries.



Throughout Europe during the 1970s and much of the 1980s, retirement was viewed as highly desirable, due in part to anxieties regarding the need to control unemployment. By the 1990s, however, policies have once again gone into reverse (Phillipson 1998). Governments in most countries have begun a *process of rethinking* early retirement policies: how to curtail early retirement. That which seemed sensible in light of the high unemployment risk of ageing workers, the educational gaps between older and younger age groups, the diminishing ability of the aged to adapt to new technologies and working patterns etc., has begun to seem unbearable in light of the quickly growing ageing population and the scarcity of public resources.

Finland is not alone, but it is, however, in the midst of a sharply paradoxical and *contradictory situation*. In the long run, ageing workers should be kept in active working life for a longer period of time, while simultaneously, at least in the short run, unemployment is very high and ageistic practices and attitudes tend to push older workers out of working life (Aho & Österman 1999).

The raising of the actual age of retirement can be seen as a public good, while the individual interests of specific employers and employees tend to lean in the opposite direction. The government has launched a broad "Ageing Programme", which is aimed at both changing prevalent attitudes toward the ageing process and its employment related ramifications and finding new ways to keep the aged in the work force. For example, the prerequisites for the application and distribution of unemployment pensions have been tightened, despite the fact that access to new jobs is practically impossible for the population of unemployed who are over the age of 50. The Finnish elite is of the opinion that time is running out for the reversal of pension policies, because the "baby-boomers" born between the years 1947-1951 are currently approaching the age of early retirement.

### *New attention paid to part-time retirement*

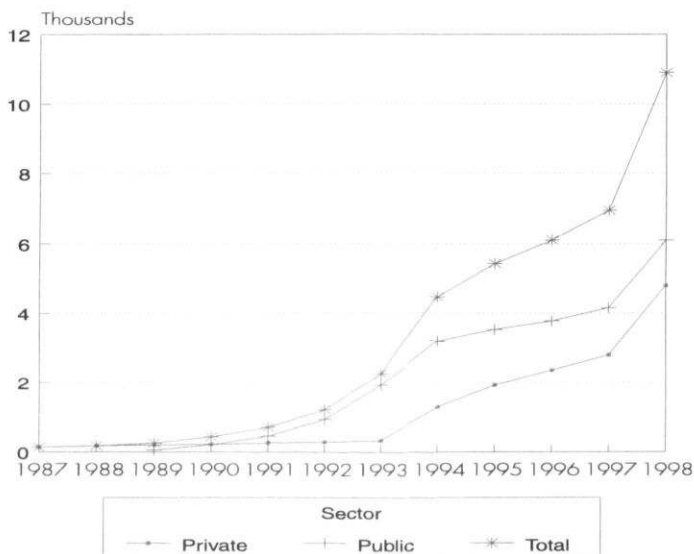
In the current situation in Finland, one of the recipes that has been accepted quite unanimously is part-time retirement. When part-time retirement was introduced in 1987, the use of this opportunity proved to be quite negligible, at least in comparison to the expectations created by the popularity of individual "full-time retirement" and the popularity of the Swedish scheme, which had served as an example for the Finnish model. During the first years of use, less than 100 people in the private sector took the opportunity to retire part-time, and in June of 1993 there were 300 part-time pensioners in the private sector and 1100 in the public sector (Takala 1994, Takala 1999). The reason for the low level of participation was blamed on the restrictions included in the scheme as well as the lacking part-time culture within Finnish firms.

In order to increase the popularity of part-time retirement – as compared to full-time early retirement – the part-time scheme was *revised in 1994*. The age limit for the part-time pension was lowered from 60 to 58 years, while the age limit for individual early retirement was raised from 55 to 58 years. Other conditions were also improved, such as the compensation rate, and the acceptance of part-time pensions as an income which accumulates into the old-age pension. The pension compensates 50% of the loss of income. However, the pension can be in maximum 75% of the earned pension of the person. The part-time pension includes a prerequisite requiring that the pensioner engages in part-time work for between 16 and 28 hours per week.

Following the implementation of these improvements the popularity of the scheme began to increase in 1994. While at the end of 1993 there were an estimated 2300 part time pensioners, at the end of 1994 that number was almost doubled (4400). Following this initial increase, the annual number of new recruits stabilized at this new level until 1998 especially in the public sector.

In July of 1998, the age limit for the receipt of part-time pension was once again lowered from 58 to 56 years in a temporary decision, which is in effect until the end of the year 2000. Mainly as a result of this change, the number of persons receiving part-time pensions increased from 5000 to 15,000 employees within one year, which is quite a remarkable change.

FIGURE 6.2. The number of part-time pensions 1987-1998. Source Mervi Takala 1999



The market-conditioned part-time employment in Finland is basically a youth-based phenomena, although it increases slightly in the oldest age group among men. Earlier surveys revealed that the unrealized wish of ageing workers to engage in part-time work was quite high. This held true for both men and women, and the wish was highest among the upper white collar workers. According to the 1997 Labour Force Survey, 14% of 55-64 years old full-time employees aspired to part-time employment (17,000 employees).

The part-time pensioners, not surprisingly, identify themselves as working people, not as pensioners (Takala 1999). Thus, part-time retirement is – along with the aforementioned part-time supplement – another way of subsidizing part-time work in Finland. The compensation level remains the same: 50% of the total wage loss. However, while the part-time supplement is restricted to a period of one year, in principle, part-time retirement provides the same opportunity for up to nine years (56-64), according to the existing age limits.

Exceptionally, part-time pensions attract both sexes, and there is only a slight female majority (54% in 1997). In the private sector the scheme is especially utilized by entrepreneurs, in the public sector by teachers.

Originally, the creation of the part-time pension scheme had *several motives*. On the one hand, it was expected that the scheme would decrease the demand of disability pensions. On the other hand, the part-time employment of aged workers was seen as a means of work sharing. In the 1990s, the revision of the scheme in order to make it more attractive and more accessible was motivated by both views, as a way of both postponing the final pension and of work-sharing between older and younger employees. However, the part-time pension does not require a substitute or new employee to be hired. According to Takala's research (1999), 18% of employees with the part-time pensions in the private sector reported that a new employee had been hired. As opposed to new recruitment, it was more common that the job was divided within the existing work group (49%) or done by the partly retired employee in a shorter time (33%).

It is noteworthy that the decision has been made to terminate the *Swedish* part-time retirement scheme in connection with the great pension reform. After the year 2000, new part-time pensions will no longer be granted. The new pension system does not dictate a specific retirement age, which indicates that retirement is becoming more flexible and individual. At the same time, the pension scheme rewards working and working for an extended period of time. While subsidizing the reduction of the supply of labour, the part-time pension scheme was not compatible with the Swedish "work line", and its use was not concentrated on the groups of manual workers who were originally considered to be the target group.



In Finland, the lowering of the age limit in 1998 was motivated by work sharing; part-time retirement was a familiar, multipurpose channel through which the unions' pressure toward work sharing could be directed. In relation to early retirement, Finland had more accurately resembled Central Europe (the Netherlands, Germany, France) than the other Nordic countries with their work lines. In rethinking the policy, part-time work subsidized by pension seems to be a reasonable compromise.

## The six-hour shift – six hours as a full day's work

### *An innovation with a splendid future behind it*

Dominique Taddei (Cette & Taddéi 1993) has launched the idea of RRWT – *reducing and reorganizing working time*. He underlines the inseparability of these two concepts, especially if positive employment effects are to be achieved. At the same time, this means the separation of operation and working times in firms.

More than thirty years ago, in 1967, Finnish professor of sociology, *Paavo Seppänen*, proposed the idea of a two-shift society, an interesting idea which challenges the established time organization and aims at combining effectiveness and human considerations. Seppänen proposed that *the productive organizations would operate in two daytime shifts, each six hours long*. The long operation time of productive facilities (12 hours) and the intensifying work along with the shorter working day (six hours) represented the effectiveness, and the six-hour working day was representative of the human side. Since the late 1960s, Seppänen's proposal has continuously been the topic of discussion during the actualization of working time issues, including the mid-1990s.

Seppänen's idea is not the only one to focus on a rationally planned time organization. For example, American writer J.W. Pearson (1973), planned an eight-day week, in which enterprises and other organizations would operate every day, eight days a week, and employees would have four work days and four free days. The model would provide many advantages for life in cities, such as the even distribution of traffic and use of services. However, it seems impossible to rationally plan a weekly rhythm which is deeply embedded in routines and traditions, including religious feelings.

Even Seppänen's idea seems too radical, although, as mentioned above, it continuously emerges in discussions. In its purest form, it contains the notion of jobs which could be done in two shifts, by two persons, with the same

“working tools”. In recent discussions the proponents of the idea have stressed that the twelve-hour operating time can also be divided in other ways than two equal shifts (Peltola 1994, 1999). Nevertheless, the proposal includes the idea of a *new norm for a full-time day, the six-hour work day*. Originally, Paavo Seppänen planned a 6 day x 6 hour work week (36 hours per week), although nowadays the six-plus-six model is applied to a five-day work week (5-day x 6-hour = 30 hours a week). When establishing a universal norm – for example, 30 hours a week – the idea is highly solidarity and equality oriented.

The 1980 Working Time Committee (Työaikakomitea 1980, KM 1983) responded to the model with many reservations. The interests of wage earners in the model were the subject of examination in the 1989 Labour Force Survey. Of those doing day work, only one third expressed interest; among shift workers the level of interest was higher. All in all, the model was always politely but determinedly rejected by both employers and economists.

Not surprisingly, the deep depression with the concomitant half a million unemployed once again raised the two-shift or day-shift model to the agenda, and in 1994, a lobby association (Association 6), was established. The model seemed to be a rational and fair way not so much to share, but to expand work by using the same productive capacity for a longer period of time. For some years the model remained in the public eye and received media coverage. One enterprise (Essilor), which had adapted two day-shifts in the grinder room of its eyeglass lens production plant, provided quite positive information about their experiences. Researchers were interested in the topic itself as well as in the few realized cases in various enterprises (as were we: Anttila 1997; Occupational Health Institute: Kandolin et al 1995). The Employment Group of the President of the Republic (Tasavallan presidentin työllisyysryhmä 1994, 29) judged the model to be worthy of experimentation, and experiments were included in the programme of the 1995-1999 government.

It is our assumption that within this situation *employers' organizations* began to suppress “excessive” eagerness. The envoys of Industry and Employers (TT) criticized the model for being too formal for enterprises which need *many-sided* working time patterns (Ropponen 1995). The employers' organizations were obviously fearful that the six-plus-six model was a “Trojan horse” that would bring with it a six-hour day with full time wages. For employers' organizations, the principle was clear: a six-hour day is part-time work and must be paid a part-time wage, and the reduction of standard hours must be opposed, whether or not it be combined into two shifts. On the other hand, the enterprises evaluated the model in a much more positive way than the employers' organizations (Kauppinen et al 1996). Among the unions, the attitudes were not necessarily positive. Some unions viewed the six-plus-six model as means of increasing part-time employment and cutting wages.

## *Experiments have concentrated on factory work*

The programme of the 1995-99 government included experiments with the six-plus-six model. These experiments have been evaluated by research projects, which have been supervised by the authors of this book (Anttila 1997, Anttila & Tyrväinen 1999, Tyrväinen 1998). For many reasons, we were unable to accomplish our original goal (classical experimental method) of implementing experiments of the actual use of the six-plus-six model. Instead we were forced to try to find enterprises which were already using this model and which allowed researchers to come in and observe. The Ministry of Labour organized the enterprise contacts. In the first phase (1995-96), four enterprises were located, and in the second phase (1997-99), eight were observed (also including the previous cases). The new project, funded by the European Social Fund (ESF), was called "Flexibility Through Six-Hour Shifts" (Peltola 1999).

We suppose that the small number of enterprises found quite accurately reveals the scarcity with which the pattern is adapted. In these eight cases, various kinds of six-hour shifts were applied (6+6, 6+6+6, 4x6). In one case the use of the model dated back to the 1980s, although in most cases it had been introduced in the period between 1995-1996. The enterprises studied had many *common traits* (Table 6.2). Most of them were medium sized businesses in the metal or chemical industry. The experiments were typically small in size and were all carried out on the shop floor in machine-bound work. Typically, just one or two production lines (10-20 workers) in each enterprise used the scheme. The production units were highly gender segregated; only one case included both women and men, one case included only women and six cases only men.

The *aims* of reorganizing the production line in six-hour shifts varied:

- to raise production volume
- to avoid continuous or expensive overtime
- to shorten the delivery time
- to increase overall productivity
- during the labour shortage (in 1987) to attract employees into low paid jobs
- to decrease absences
- to better meet customer demand
- to develop workers' work orientation toward a more positive and self-regulating direction
- in two cases, six hour shifts were introduced as a defensive strategy to safeguard jobs at the time of a downward trend in customer demand.

TABLE 6.2. Private manufacturing firms participating in the six-plus-six study

COMPANY/ PRODUCTS	Working time model	Size of experiment (male/ female)	Total person- nel	Expe- riment started	Change in wages	Work productivity	Other benefits for the company	Employment effect
Orthex Ltd Plastic products	4*6	8 all women	77	1987	Existing wage level	Not evaluated	Better quality	Not evaluated
GWB EssilorLtd Lenses for spectacles	6+6	(46)/13 women 2/3 men	46	1994	Existing wage level	Production cost per lens decreased 25% (1993 to 1995)	Production capacity increased without investments on machinery	Seven persons recruited
Wallas-Marin Ltd Boat equipment	6+6	16 all men	27	1995 (3 months)	Existing wage level	Production quantity decreased 8%; Production cost per unit decreased 4-5%	Overtime decreased	No effect
Nokia Tyres Ltd Car tyres	6+6/ 6+6+6	20 all men	1278	1995	Existing wage level	Productivity increased per hour 30%; Production cost per unit increased 2%	Production capacity increased Absenteeism decreased	Eight persons recruited
KWH+Pipe Ltd. Plastic pipes	4*6	20 all men	150	1996	Existing wage level	Productivity increased 42%; Production cost per unit decreased 20.7%	Absenteeism decreased Better quality	Not evaluated
Ou-Ra Ltd. Building construction	6+6	12-23 all men	78	1996-98	15-26% wage reduction	Productivity increased 5.4%; Production costs not changed	Overtime decreased	Lay-offs avoided
Imatra Steel Billnas Ltd Metal industry	3*6/ 4*6	37 all men	125	1996	Existing wage level	Productivity increased per hour c.21-25 %	Faster deliveries	Eight persons recruited
Orava Ltd Book publishing	6+6+6	19 all men	136	1996	5-10% wage reduction	Productivity increased per hour c. 10-20%	Increased flexibility in weekly production hours	Twelve jobs saved

Experiments of six-hour shifts were introduced through *local agreements*, which were terminable by either side. The participants were all volunteers. In all cases there was a high level of suspicion and fear during the planning stage. When an employer offers a six-hour day with an eight-hour wage, workers naturally suspect that there is some hidden "catch", for example, the tightening of workloads once workers reveal that they are able to do an eight-hour job in six hours. In some cases, the introduction of the six-plus-six model created the fear that the employer would use the six-hour model in order to introduce part-time work with part-time wages. All in all, the introduction of the six-hour scheme presupposed some degree of mutual trust.

Agreements on wages and working times were quite identical in different factories. In the two cases in which six-hour shifts were used as a solidarity-based means of saving jobs under the conditions of diminishing demand, wages were also reduced (5-10%, 15-26%). In all other cases, which conversely were responses to growing demand, the maintenance of the existing wage level was a self-evident point of departure for negotiations. In all the firms in which the experiments were carried out, workers had relinquished the aforementioned "Pekkas-days" (12.5 paid free days per year, which were established as a way of reducing standard hours). In addition, the abolition of breaks and introduction of a faster working tempo resulted in a scenario in which the effective working time was almost the same during six hours as it had been previously.

The six-plus-six model breaks with established practices in two ways. The first way in which it diverges from established practice regards the traditional way of adapting working hours to increased demand. The established way, of course, is to increase hours (through overtime and new recruits). Secondly, the maintenance of the existing wage level while reducing the number of working hours goes directly against the employers joint strategy throughout the 1990s. Switching to the six-plus-six model has been an innovation to companies, shop stewards and employees. In many cases, other changes were also introduced, such as the encouragement of team work and changes in wage calculation. However, the new working time pattern was "the key change", which was accompanied by others.

In all cases *the companies studied benefited* in some way even though the estimates for instance of productivity increase were quite rough:

- production costs per unit decreased
- productivity per hour increased (up to 42%)
- better quality
- decreased absenteeism
- faster delivery
- increased flexibility.

The six-hour shift is the new working time pattern with the most potential to create *new employment*, despite the fact that it contains contradictory mechanisms in this respect. Reducing hours and overtime and prolonging operation time create spaces for the recruitment of new employees, while increasing productivity and efficiency reduce this need. In practice, the teams participating in the working time experiments were often gathered by means of internal transfer. As we mentioned above, of these eight cases, only two pursued after the preservation of existing jobs or the avoidance of layoffs through work sharing. In three of the remaining six cases new employees were recruited, in two the effect could not be evaluated and in one case there was no effect. In these cases, it was not the introduction of the six-plus-six model, but rather an increase in demand, that resulted in the hiring of new employees.

*Employees' original suspicions disappeared during the experiments.* The men and women in the experimenting units had more positive attitudes toward the six-hour pattern than their work mates in the same enterprise. The varying shifts brought variation in life, provided more leisure time and time for family. The unusual working time might tend to cause more difficulty inside as opposed to outside the workplace. The six-hour groups were inclined to separate from other workers due to intense workdays without breaks, non-synchronized working times, and an increase in self-regulation.

### *No definite message*

What is to be said on the basis of these “experiments” – which are experiments in the sense that they are introduced through a local agreement which is terminable by either side? At the very least, by virtue of these experiments, we can be assured that different variations of the six-plus-six model have the potential to be profitable and reasonable working time patterns on the shop floors in machine bound work. *In machine-bound work, the six-hour day pays for itself.* Two six-hour shifts are an alternative to new investments and overtime, and it can be used as a vehicle to develop new work orientation. However, the range of workplaces is so narrow, that this experience cannot be generalized.

Obviously, the successful experiments have failed to alter the fate of the six-plus-six model. Furthermore, the model appears to be doomed to remain an everlasting promise. There are no signs that it will become more common, even as a way of organizing factory work. Even those companies which experienced positive results following its experimentation have not expanded the use of the model. Perhaps *the six-hour day with a full wage is a*

*taboo* which is likely to be avoided. While having been experimented, the six-plus-six pattern nevertheless remains a solution reserved by management for use when necessary.

Last but not least, the employees are also wary of day-shifts. In a recent survey, less than half (46%) of all employees were interested in the six-plus-six working pattern with a full wage (Quality of Work Life Survey 1997). In a way, it is surprising that not even half of the people polled were interested in the idea of a six-hour day with a "full wage"! The most reservations have traditionally been among the academically educated members of AKAVA. They do not consider their work as dividable into parts or shifts, and people who are used to engaging in day work tend not to be keen on the idea of changing to shift work, regardless of whether or not they are daytime shifts. When people are given the opportunity to dictate the location of their working day, they tend to place its beginning in the early morning. In the aforementioned survey, very few (9%) respondents were interested in the six-plus-six scheme if the six-hour day presupposed cuts in the wage level.

If the traditional time organization were to be changed, *both employers and employees seem to prefer fewer and longer days*. For example, 4 days x 9 hours or 3 days x 12 hours were favoured over 5 days x 6 hours (Kauppinen et al 1996) – not to mention the 6 x 6 workweek, which would result in approximately the same weekly hours as the aforementioned compressed work weeks. However, experimentation with six hours shifts caused people's attitudes to become accepting; the benefits of the shorter working day held more significance than the inconveniences of shift working.

All in all, the notion of the centrally planned new social organization of time is utopian – regardless of how rational, human and wise the plan is. There are no longer means with which to realize some central plan. A universal norm, an equal working time for everybody, distances itself along with the growing differentiation of employee productivity and the changing nature of work. Furthermore, enterprises do not seem eager to implement the six-plus-six model even in those cases and jobs where its benefits are obvious and incontestable.

## Local authorities seek ways out

### *Public services in recession*

Local authorities and joint municipal authorities employ approximately 400,000 people, that is, one-fifth of the total workforce in Finland. Most municipal employees (80%) work in the industries of health care, education or the social services; 75% of the staff are women.

The economic crisis and concomitant public sector retrenchment in the early and mid-1990s turned the visions of the public services upside down. The three decades long continuous expansion of services and public personnel, as well as projects aimed at the modernization of services and working patterns actually turned out to have the effect of reducing the personnel and overall resources. The labour shortage rapidly became an increasing trend of unemployment: between 1991 and 1994 the number of municipal employees decreased almost 40,000 (8%). The central government cut the subsidies to the local level. Resources were reduced, whereas the need and demand for services increased (for example, more people needed social assistance and social work). As the reduced labour force was faced with growing numbers of clients, the productivity of the public services increased (Järviö 1998).

Local government employees began to age as new personnel were not hired. In 1997, the proportion of younger employees (less than 35 years) was much smaller in the municipal sector (24%) than in the private sector (37%). The ageing, mainly female personnel felt overloaded, while young and well-educated professionals in health and social services had difficulties finding jobs or any use for their abilities. The quality of working life in the public sector worsened more than in other sectors (Ylöstalo et al 1997), threatening the quality of our common services. The attack on the welfare state and its ideology increased the mental burden of public sector employees. Even after recession, employment rates grew less in the public sector (only 1% between 1994 and 1998) than in the private sector (11%), which led to a new problematic situation in Finland; since 1996, the unemployment rate of women (12% in 1998) has been higher than that of men (11%).

Even after the recession, the views of local governments are not very positive, or at least, they vary from one municipality to another, and there is an increasing amount of dispute between central and local governments regarding which one should bear the financial responsibility for citizens' services.

It is not surprising that within the conditions of the aforementioned situation new working time schemes aroused hopes. Work sharing had the potential to provide a solution to the problems of the exhaustion of existing



staff and the unemployment of well-educated young people. The six-plus-six model seemed to be particularly well-suited to the municipal services and the nature of service work: six-plus-six would combine the longer opening times of services with shorter and less stressful working hours and the hiring of new personnel. Keeping educated nurses and social workers unemployed while providing them with a living from the public funds seemed especially irrational during a period in which services were simultaneously deteriorating. Was there no possible way to use these public resources in order to employ members of the educated labour force in service production, as opposed to supplying them with unemployment benefits?

These questions were raised by many social actors and parties, among them the lobby organization of municipalities (The Association of Finnish Local and Regional Authorities, The Ministry of Social Affairs and Health, The National Research and Development Centre for Welfare and Health (STAKES) as well as various union activists and researchers. The Ministry of Social Affairs and Health invited municipalities to conduct working time experiments in the autumn of 1995: more than one hundred municipalities responded (there are a total of 452 municipalities).

Municipalities interested in working time experiments had both many worries and many interests, such as the employment of the unemployed, the reduction of the overload and exhaustion of personnel, and the guarantee of the quality of services. In service production, the maintenance of quantity and the quality of services while reducing working hours presupposes new recruits.

This optimism toward new working time patterns was shadowed by a *deep conflict* between unions and the municipal employer. All unions within the municipal sector argued that working time can be reduced only with full wage compensation. The employees in the municipal sector feel themselves poorly paid – at least in comparison with their educational qualifications – and despite their need for shorter working times, they are unable to finance this reduction themselves. Unions also appealed to gender equality; the crisis of the municipal sector could not be cured at the cost of women, while the private sector was able to pay full wages (mainly for men) while experimenting six-plus-six hour's day.

The national employer (KT, Commission for Local Authority Employers) also took a hard position against shorter hours ("the six-hour day is part-time and shall be paid as part-time") and work sharing ("work will not be increased by sharing"). KT directed specific criticism toward the six-plus-six model. If applied to all municipal jobs, this would be an extremely expensive solution. From the point of view of the municipal employer, the reduction of working hours with full or partial compensation, which thus made

working hours more expensive, was the most irrational scenario possible in the midst of great economic difficulties.

The conflict multiplied itself at local levels. For example, in Helsinki, a very restricted experiment of the six-plus-six scheme was negotiated during two years (1994-1996) to no avail. As compared to the private sector, the national collective agreements restricted local agreements regarding wages and working times. In practice, however, some loopholes could be found when wanted.

### *Municipal working time experiments – with a little help from the State*

Following a political twist, the 1995-99 government had incorporated working time experiments into its programme. In the spring of 1996, on the basis of this programme passage, the government made the decision to open the deadlock, and made experimentation with shorter working time and work sharing in municipalities possible. This was facilitated by a temporary change (1.6.1996-31.12.1998) in the Employment Act: unemployed job-seekers could be hired to substitute those full-timers who had reduced their working time for a two-year period (the usual period of subsidized employment was six months); and the State was to cover 50% of the labour costs. Municipal working time experiments of 30-hour work weeks could now get underway.

During 1996-98, two kinds of experiments were carried out. First, the ESF-funded "Flexibility Through 6-Hours Shifts" was carried out in three municipalities. ESF funded both the research and consulting. In these cases the local authorities had committed themselves to experiment with the six-plus-six model. Secondly, the Ministry of Labour chose twenty municipalities to participate in a broader project, in which the municipalities were allowed to freely choose the working time patterns that they wished to experiment with. Altogether, 1320 permanent employees reduced their working times in various ways so that the average number of weekly working hours was 30. The motives of municipalities to participate in the working time experiments were:

- the reduction of strain and exhaustion and improvement of work ability
- the employment of the unemployed
- the improvement of the quality and availability of services and invention of new working patterns.

The experiments concentrated on the sectors of health and social services, although other areas of local authorities were also involved (administrative, library, technical and legal services). Typical units were dental care, child day

care, home care and physiotherapy, in other words, areas in which longer opening times are sensible. 94% of those who reduced their working time were women, and typical occupations were trained home helpers, assistant nurses, kindergarten teachers, and dental care professionals.

One starting point was the public interest in the six-plus-six scheme. However, the strict six-plus-six model applies only to some areas in municipal activities. In practice, working time was reduced in many ways, daily or weekly. Approximately one third of those involved in experiments applied six-hour days – either in two shifts or some other arrangement.

The wages of those moving to shorter working time were negotiated at the local level, and the agreements varied from one municipality to another. The wage losses from the reduction of 20-25% of hours were 0-13%, and in some cases full compensation was paid. Thus, local bargaining was more flexible than national bargaining on both sides.

Furthermore, wage reduction was related to the form of reduced working hours. With daily working time reduction, the wage losses were smaller than in cases of the reduction of days or weeks. In daily working time reduction, the motive was to rationalize the service process. Shorter daily hours were often part of reorganization, and thus included some collective interest in newly organized – and better – service. Supposedly, new free days were considered an individual benefit, and the adaptation of this type of working time reduction did not contain any specific conception of the reorganization and rationalization of working patterns. Only an unemployed substitute replaced a permanent employee while he or she was utilizing free time.

Approximately 580 new employees were hired through these experiments. The new employees usually worked 30 hours a week, and their salary was paid according to the hours they worked. Thus, the incomes of newcomers (or substitutes) were lower than those of the already existing staff for the same amount work. About one fifth of the substitutes reported that their household incomes had deteriorated as compared to when they received social security benefits, while nearly 60% noted improvement in their income by working part time.

### *Experiences – not good enough?*

The experiments provide information from many angles. The Ministry of Labour evaluated the experiments' effects on employment, the supply of services, the improvement of effectiveness and productivity, the maintenance of working ability and skills and the reorganization of work (Jukka 1998). This list reveals the interest of the Ministry of Labour in carrying out these experiments.

Some of the local experiments in fact represented individual solutions – they resembled the part time supplement. In some other experiments a real reorganization of working time was pursued. A whole workplace or working community moved to shorter hours and was forced to rethink the functioning of the workplace. Thus, the experiments provide information about the reorganization process. With the aid of municipal experiments it is also possible to compare the effects of different ways of shortening working time – for example, shorter daily hours and free days – as well as the applicability of the six-plus-six model to health and social services (Anttila & Tyrväinen 1999).

First of all, *reorganization and rethinking takes time*, as does merging the temporary newcomers into the working community. Moving to a new working time arrangement is no minor change. In some cases careful preparation was carried out, in other cases it was not. Working times are a crucial part of workplace culture and the cultural continuities are often quite strong.

*The six-hour shift suits some service industries well*, good examples of which are home care and dental services. They include heavy physical work, the strain of which can be alleviated by the implementation of a shorter working day. Both services benefit from long service hours; in home care they are necessary because some clients require help around the clock. In institutions that are open 24 hours a day, the situation was different. Six-hour shifts were experienced as too fragmented and confusing, and they complicated the necessary exchange of information regarding inhabitants and patients between shifts, as well as the common planning of activities.

The results on the availability of services, the prolongation of service times and relocation of working hours, were divided. There were both total failures, in which the hours were relocated to those periods of the day in which they were least needed, as successful cases. Even if the total number of hours remained unchanged, the number of employees increased, and the six-hour shifts and increased number of workers were more flexible to locate.

Generally, workers tend not to favour evening shifts, nor did they in this case. The evening shifts were made possible by the flexibility and adaptation of employed substitutes. The norms of fairness and reasonability are not the same for the permanent and temporary staff. In addition to receiving lower wages, the temporary employees mostly worked the less preferred evening shifts.

*The benefits of shorter hours were most apparent in the quality of life and well-being of employees.* The most significant advantages of shorter hours were recognized in personal, private and family lives, as well as in alleviated work loads.

The effects of the experiment on the quality of life, the participation in hobbies and the general ability to manage were 100% positive.

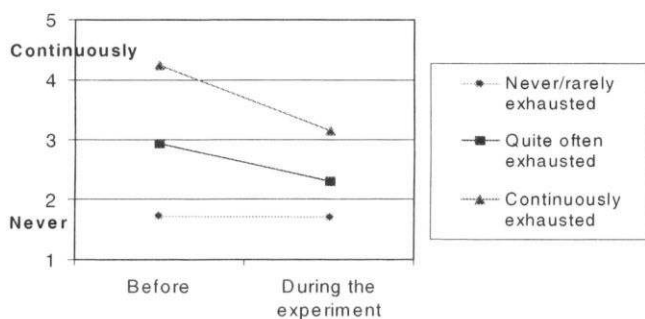
I have more time to spend with my family, my child is happier when mummy is at home more.

My neck isn't sore anymore.

Similar results were obtained from a Swedish experiment with a six-hour day in the city of Stockholm. In particular time for friends and time for own relaxation was increased. In addition, there was a moderate positive effect on sleep (Olsson 1999, Olsson et al 1999).

The Finnish implementation of shorter working times significantly decreased the exhaustion and feelings of "burnout" of those who had suffered most in the beginning of experiment, as the following figure shows.

FIGURE 6.3. The change in the level of work exhaustion according to the original level of exhaustion during the experimental period (Anttila & Tyrväinen 1999, 91)



All ways of reducing hours had a positive impact on personal life and work stress, although shorter daily hours were most favourable regarding the decrease of work stress. However, the employees studied preferred full free days (regrettably, they cannot all coincide with the weekend!) over shorter days. All in all, the municipal personnel is committed to their work and to serving the best interests of their clients. They feel a responsibility to provide their services, and despite the fact that their personal lives benefited from shorter hours, they were worried about the provision of services to their clients.

A diminishing work load and increase in life satisfaction can also have positive economic effects by improving health and morale and by preventing absenteeism, early retirement and labour turnover. In some of the earlier Swed-

ish experiments conducted, such benefits were evaluated as being highly important, especially in home help, which involves heavy physical work often done by ageing women (Olsson 1991, 1994). In the Finnish experiments, the maintenance of working ability was judged as the most favourable benefit.

These experiments were all temporary. In addition to wage cuts in some municipalities, the provision of a State subsidy was a necessary precondition for the implementation of shorter working time. Both were unique and temporary; the State no longer supports employment via working time reduction (with the exception of the aforementioned part-time supplement), and neither the unions nor employees are prepared to accept salary cuts. In some local experiments, even those employees who had viewed the shorter working time as extremely positive were not prepared to continue working shorter days, if doing so presupposed even minor wage cuts.

Shorter working times without the prerequisites of the state subsidy and wage cuts are costly. Is it possible that a model of shorter working times has the potential to create such indisputable benefits for municipalities that they would be prepared to finance its implementation?

These experiments did not answer this question. It is not easy to illustrate the impacts of shorter working hours in such a definitive way that would successfully convince public decision-makers of its value. Some of the benefits of shorter working time are only realized in the long run (for example, better health and the prevention of early retirement). Other benefits concern the quality, productivity, efficiency or availability of services. The results of the experiments were divided with regard to these benefits. There were successful and unsuccessful cases, depending on how carefully and seriously the experiment was planned and implemented. The self-evaluation of employees and foremen was divided, but all in all the balance was positive (Jukka 1998).

It is noteworthy that the rationale of the public sector decision-makers is increasingly the same as in private businesses. Budgets are tight and management doctrines are borrowed from business. However, the concepts of productivity and efficiency are often problematic in care provision, nursing, teaching and other personal service industries. They require time, and the human and caring quality of their work suffers from the submission to business rationales.

It is impossible to tell a nurse to "hold faster" the hand of a dying patient.

## *The comparison of the six-plus-six scheme in the private and public sectors*

Timo Anttila and Jouko Nätti (1999) have compared the application of the six-plus-six model in the private and public sectors (Table 6.3).

*TABLE 6.3. Working time experiments in manufacturing firms and municipal services*

	<b>Manufacturing firms</b>	<b>Municipal services</b>
Funding	- No subsidies	- State subsidies for the municipality
Nature of work	- Production work	- Care work, other services
Main occupational groups	- Manual workers in metal and chemical industries	- Health care, social services
Motives for working time experiments	- Fluctuating customer demand - Adaptation strategy - Better uses of capital investments	- Job sharing - Better work ability - Extension of service hours
Local negotiation	- Easy	- Labourious
Working time models	- 6-hour shifts	- Shorter working day - 4-day working week - 3-week working month
Wage compensation	- Usually full	- Partial (wage reduction 0-13 %)
Wage system	- Incentive wage system strengthened working time simultaneously with reduction	- No incentive wage
Breaks	- Compressed notably	- Minor changes
Operation time	- Usually extended	- Minor changes
Effects on employment	Positive or neutral	- Given, because of the state subsidy - Usually one new recruit for each three permanent workers reducing their working time.
The role of the new workers (substitutes)	- Full wage compensation	- Usually recruited on part-time basis - No wage compensation
Possibilities for increased productivity	- Great, when implemented simultaneously with teamwork and the renewal of the wage calculation system	- Small, because of the nature of the work

It is noteworthy that, here, "the private sector" means machine-bound factory work, that is, a very restricted example in which the benefits of long operation time (utilization of fixed capital) and short daily hours (intensive work day) are indisputable. The nature of nursing, caring, educating and social work is very different, and all in all, the applications in these two sectors differentiate in many ways. Indeed, although the starting point in municipal

experiments was the six-plus-six model, in most cases some other way of reducing hours was applied in cases in which the municipalities were given the freedom to choose. The possibilities for an overall productivity increase offered by working time reduction and reorganization in public service production are restricted. The provision of services takes time, which is impossible to significantly reduce without being accompanied by a deterioration in quality.

The extension of working hours increases the availability of services, however, the extent to which it brings new incomes to municipalities is minor if the demand is extended with longer hours. The municipal services are funded by taxes and state subsidies, and the clients' fees form only a minute fraction of the total incomes of municipalities. For example, patient fees only comprise from 6 to 8% of all hospital and health centre incomes (<http://www.kuntaliitto.fi/indexeng.htm>). Thus, there is no direct correlation between output and finances. The municipalities do not benefit financially by providing better quality services and increasing the availability of services.

As noted above, the prerequisites of the municipal experiments were temporary. The State currently directs its (declining) employment funds to other targets. The unions resist wage cuts, and there is a very limited individual readiness to "buy" shorter working times. The municipalities consider it neither possible nor reasonable to reduce working hours; there might be some benefits, but then again there might not be any at all. Nevertheless, the potential benefits are not sufficiently tangible. This implies that the experiments were merely a temporary form of relief of the effects of the depression – although they were postponed until post-depression years. To those employees who are willing to take on some of the financial burdens associated with the reduction of working hours, the part-time supplement and partially paid long leaves of absence remain available on an individual basis, and the use of the part-time supplement is almost completely restricted to municipalities. However, it is impossible to develop new working patterns through these individually based solutions.

## Paid leave with job rotation – advantages for three parties

### *Initiatives and examples*

The Finnish paid sabbatical leave (Job Alternation Leave) was initiated in 1996 as a temporary (1996-97) experiment. In a way, it had a long history of initiatives, research and discussion. Two academics, Jaakko Uotila and Paavo Uusitalo (1984), while forecasting the chronically growing rate of unem-



ployment – interestingly, during a period in which Finland enjoyed almost full employment – suggested the establishment of a sabbatical leave financed with a citizen's wage. The citizen's right to sabbatical would be a means of work sharing, strengthening civil communities and refreshing workplaces.

In the late 1980s, during the economic boom, the sabbatical was mainly viewed as a means of adult studying, as a means of maintaining and developing working capacity and of postponing retirement. Some advocates planned that the sabbatical would be the next step in a long line of labour-friendly and labour-minded reforms (after the great social security reforms). Among the unions, AKAVA (the central organization of highly educated white collar employees) was one of the most actives. However, the committee established in 1989 to put forth a proposal cautiously suggested, according to the principle that the leave would mainly benefit the individual him or herself, that the costs were the responsibility of the person taking sabbatical (Sapattivapaatoimikunta KM 1990:5). However, the possibility to take an unpaid leave or save such a leave from annual holidays was improved.

Under these conditions the use of sabbatical remained restricted. The situation changed with the onset of mass unemployment in the early 1990s. The Job Alternation Leave Group (Työvuorotteluryhmä, report 1994) proposed a system in which an employee could take a partially paid leave if an unemployed person was hired as a substitute. The point of departure was that, as opposed to creating new costs, the system would be a new way of using unemployment expenditure. The Danish system of educational, parental and sabbatical leaves provided an encouraging example. The Belgian career break dating back to the mid-1980s, although also an important example, was not as well known and did not arouse as much public inspiration as the new Danish system.

In a survey conducted by the Job Alternation Leave Group, employers expressed a great deal of reservations and fears regarding the establishment of the proposed system. The employee-survey revealed that the use of this opportunity would largely depend on the compensation level. The main dispute in the tripartite negotiations concerned the rate of compensation. As a response to the demands of employers the compensation level was set at a quite low level: 60% of the unemployment benefit the person was entitled to.

However, the scheme was realized as a result of pressure from the unions. In short, the Ministry of Labour argued in favour of the scheme from three angles:

- it provides employees with a freely used break from work
- it provides unemployed individuals with a temporary job with normal conditions
- it provides employers with flexibility and new skills in the working community.

All in all, the implementation, information and evaluation of the new system were planned much more carefully than in the case of the part-time supplement. The new benefits were not hidden, but rather were relayed to the public in the media and on television. At the end of the period of experimentation (1996-1997), the system was continued and some terms, such as the compensation level, were revised. In Denmark, both the benefits and access to them have been revised and restricted several times, as a result of the “over-popularity” of the scheme. In Finland, the initial model was so cautious and the experiences so positive or “safe”, that the compensation level was able to be slightly increased. At the end of 1997, when the continuation was being negotiated, it is our assumption that the employers considered it wise to make some concessions, because this was the moment in which unions had sharpened their demands about work sharing.

### *Paid leave models in Belgium, Denmark and Finland*

We believe that the Finnish paid leave is one of the few pieces of “good news” of the 1990s – in contrast to the more common “bad news”, such as mass unemployment, job insecurity, or social security retrenchment. Based on this fact, we find it quite suitable to describe the scheme in some detail and compare it to its European predecessors (Table 6.4; Nätti 1999).

In Denmark and Finland, the leave schemes are administrated by the public employment service. Seen as a whole, the Finnish scheme should be cost-neutral in relation to the public budgets, as the costs of the leaves are, among other things, offset by reduced expenditure on unemployment benefits. For employers, however, the leave schemes may add administrative costs due to recruitment and training. In Belgium, while engaging a substitute employee, the employers benefit from a partial exemption in social security contributions (see EIROnline, October 1998: Boom in sabbatical leave applications in Belgium).

TABLE 6.4. Main features of paid leave schemes in Belgium, Denmark and Finland

Model	Belgium	Denmark			Finland
	Career break (complete or part-time)	Parental leave	Educational leave	Sabbatical leave	Job alternation leave
The year of introduction	1985	1992	1992	1994	1996
Target group	Employees	Employees, self-employed, unemployed	Employees, self-employed, unemployed	Employees	Employees
Aims	- integration of unemployed persons - better family-work interaction	-better family-work interaction	-upgrading of the skills of the labour force	- a break for the employee - a temporary job for the unemployed	- a break for the employee - a temporary job for the unemployed - more flexibility for the employer
Age limits	No	No	Above 25 years of age	Above 25 years of age	No
Right to leave	Based on agreement; since 1993 a limited right (public sector)	Right (first 13 weeks)	Based on agreement with the employer	Based on agreement	Based on agreement
Conditions of eligibility	Entitled to unemployment benefit	Entitled to maternity or sickness benefit; A child between the age of 0-8 years	Entitled to unemployment benefit; 3 year's employment in last 5 years	Entitled to unemployment benefit; 3 year's employment in last 5 years	Job tenure no less than one year (prior to the leave)
Substitutes	Necessary (unemployed job applicant)	Not necessary	Not necessary	Necessary (long term unemployed)	Necessary (unemployed job applicant)
Duration of leave	3-12 months; period is renewable (max. 5 years)	13 weeks + 38 weeks with agreement with the employer	1 week-1 year	13 weeks-1 year	3-12 months

In Finland, the scheme covers only wage earners and those in full time employment. In Denmark, the educational leave, in particular, has been used both by employees and by unemployed people in order to increase their qualifications (Schmid 1999). In Finland, the duration of the leave is 3-12

months. The persons on leave are paid a benefit which partially compensates the loss of earnings. In Denmark and Finland, the compensation is defined as a certain proportion of the unemployment benefit; in Belgium, the compensation is fixed. The Finnish compensation level is slightly higher than in Belgium, but lower than in Denmark, even after the implementation of new rules. Because the compensation is taxable income, and because the compensation rate of earnings-related unemployment benefits decreases with higher incomes, it is impossible for the compensation to grow to a very high amount. In Finland, a person taking part in vocational training receives a partial vocational training allowance in the amount of 170 euros (since 1.1.1998 180 euros) tax-free every month.

TABLE 6.5. Conditions and implementation of leave schemes

Model	Belgium	Denmark			Finland
	Career break (complete or part-time)	Parental leave	Educational leave	Sabbatical leave	Job alternation leave
Compensation for persons on leave	Full-time break: BEF 11,000-14,000 (depending on children). Part-time break: in relation to reduction of working hours	100% (1992-93); 80% (1994); 70% (1995-96) 60% (1.4.1997>); of maximum unemployment benefit	80% (1992-93); 100% (1994>) of maximum unemployment benefit	80% (1994) 70% (1995-96); 60% (1.4.1997>) ; of maximum unemployment benefit	1996-97: 60% of unemployment benefit (maximum 4,500 FIM per month) 1.1.1998> 70% (no maximum)
Benefit per month (euro)	280-350	900 (maximum)	1500 (maximum)	900 (maximum)	250-750 (average 550) (1996-97)
Protection against dismissal (employees)	Yes	Yes	Yes	Yes	Yes
Implementation	Law, collective agreements	Law	Law	Law	Law

## Who benefits?

In Finland, the job alternation scheme has not been as popular as in Denmark and Belgium. One reason for this, at least in comparison to Denmark, is the lower compensation level. According to our studies, the interest of employees is directly related to the level of compensation. Another explanation might be the fact that we in Finland have a separate scheme of compensated care leave (until the child is three years of age), the continuation of which through job alternation is impossible because of the employment condition. We also have a separate scheme for educational leaves. However, the popularity of leave has steadily increased year after year.

TABLE 6.6. *The extent and characteristics of users of national leave schemes*

Model	Belgium	Denmark			Finland
	Career break (complete or part-time)	Parental leave	Educational leave	Sabbatical leave	Job alternation leave
Number of users (persons approved to a leave)	1987: 16,000 1992: 57,000 1995: 52,000 1997: 56,000 1998: 65,700*	1993: 13,800 1994: 80,800 1995: 52,600 1996: 46,000 1997: 36,800 1998: 34,500**	1993: 2,400 1994: 47,100 1995: 80,400 1996: 72,700 1997: 77,400 1998: 74,000**	1994: 13,000 1995: 2,900 1996: 1,500 1997: 1,000 1998: 800**	1996: 5,500 1997: 6,700 1998: 9,500
Share of women (%)	1995: 85% 1997: 86% 1998: 86%	1994: 92% 1995: 92% 1996: 91% 1997: 91% 1998: 92%	1994: 71% 1995: 71% 1996: 68% 1997: 70% 1998: 72%	1994: 68% 1995: 68% 1996: 71% 1997: 67% 1998: 66%	1996: 71% 1997: 71% 1998: 70%
Average age (years)	39-40	1996: -women 32 -men 35	1996: -women 40 -men 39	1996: -women 43 -men 39	1996: -women 43 -men 41
Share of the public sector of employees (%)	54% (1994) 54% (1997)	55% (1994-95) 47% (1997) 48% (1998)	60% (1994-95) 61% (1997) 64% (1998)	66% (1994-95) 60% (1997) 59% (1998)	63% (1996) 60% (1997)
Average duration of leave (months)		-employees 7,5 -unemployed 10 -average 9,5	-employees 4,5 -unemployed 7 -average 6	-employees 7	8 months
Previous labour market status (distribution, %)	- employees 100%	-employees 66 % -unemployed 33% -self-employed 1% (1998)	-employees 45% -unemployed 54% -self-empl. 0,4% (1998)	- employees 100%	-employees 100%
Substitution rate (%)	100%	-private sector 58% -public sector 87% (1994-95)	-private sector 46% -public sector 85% (1994-95)	100%	100%

Sources: Belgium: de Gols 1996, Labour Statistics September 1997; Denmark: AMS-statistics 1994-98; Andersen et al 1996; Finland: Ministry of Labour statistics 1996-98; Nätti et al 1997a, 1997b.  
Note: \* = average (January-August 1998); \*\* = total (January-November 1998)

As mentioned above, the scheme is argued based on its tripartite advantages to users, the unemployed and employers. The following results are based on our evaluation studies (Nätti, Ruuskanen & Virmasalo 1997a, b; Nätti 1999).

The majority of leave users are *women* (70% in Finland), which holds true in all three of the countries. Among the users of job alternation leave in Finland, however, women working in the public sector are not so predominating as among the users of subsidized part-time leave. There is a noticeable minority of male users, and the scheme is even used in the manufacturing industry. Among its users, the largest occupational group is not nurses but teachers. After teachers come workers in the field of medicine and nursing, secretarial and clerical workers and social workers. All of these occupations however are female-dominated.

The main problem experienced by leave users seemed to be the decrease in earnings. The users were able to manage by reducing consumption, as well as with the aid of their spouse and savings.

*The motives for taking the leave were varied.* The employees wanted time for themselves, family and caring, studies, hobbies, rest, and rehabilitation. Other reasons were the need for some relief from work stress or a bad atmosphere in the workplace. The flexible scheme yields to many uses, and people of different ages and life situations use it for different purposes. Users were mostly satisfied and felt that especially their families had supported them in their decision to take the leave, and in addition, about two thirds reported that they had been supported by their work mates and bosses. Generally, the return to work was easy. Very few reported that they had been negatively stigmatized as a result of taking a long leave. Some used the leave in order to realize a life change and did not return to their previous job. Most users (90%) would like to take a new leave at a later point.

Our studies revealed that even *employer representatives saw many positive benefits* in the scheme despite the effort and cost involved. The substitutes brought new ideas into the organization, more young people were employed, and the exhaustion or "burnout" of the permanent staff relieved. In growing organizations, the leave functioned as a method of examining potential recruits and selecting those most suitable to the available positions. Employers had some problems in recruiting and training substitutes, but the attitudes of the employers involved were mainly positive, although they tended to think that the leave would be unsuitable to the key-persons, at least in the private sector.

It is worth noting that the employers are in the position of being gatekeepers. They can prevent the leave if they want, and can also select the substitute. The substitutes can be placed flexibly, not necessarily in the tasks

of the leave-taker. The employment service officials respect the wishes of employers or workplaces, and do not pursue the placement of "difficult cases" as substitutes.

Like the employees on leave, the *substitutes* are mostly women, only they tend to be younger than the employee they are replacing. As compared to the Finnish unemployed on average, the substitutes have shorter unemployment periods in their recent histories. The substitutes are what might be referred to as the "better-off" unemployed. While the scheme provides the unemployed people with full time jobs with normal terms, even placement in a temporary job improves their economic situation. In addition, it provides them with work experience, connections, better self-esteem, as well as sometimes a new employment relationship in the same organization, whether it be temporary or permanent. The substitutes are discontent, not surprisingly, with the temporary nature of their jobs. All in all, in light of our studies, the substitution period either tends to promote placement in open labour markets or is one fixed-term job in a longer chain. As compared to subsidized employment (Aho et al 1999), the results are quite positive.

The popularity of job alternation leave has been growing. The Danish experience indicates that the use of schemes is quite easily controllable on the compensation level. There have been no reasons to attempt to restrict its use in Finland thus far. Trade unions are greatly committed to paid leaves, while employers' organizations have continued to have a slightly negative attitude toward the idea. It is our contention that the continuation of the scheme and improvement of the compensation rate since the beginning of the year 1998 was one of the small concessions employers viewed as wise in order to be able to control the scene of working times and to channel the demands for work sharing in a bearable shape.

## Conclusion – temporary relief or lasting innovations?

### *Multiple policies*

There is no doubt that the high rates of unemployment and the public pressure toward work sharing were the prime causes behind the government's commitment to working time experiments in the 1990s. Both job rotation leave and subsidized part time work are answers to the social tensions of a polarizing society. They are partial answers to the irrationalities of a society of unemployment, as such as the great audience these irrationalities perceive: why must some have to exhaust themselves under their excessive work

load while others exhaust themselves in their inactivity and sense of uselessness? On the one hand, the schemes provide unemployed people with provisional entry into the workforce, and thus with relief from inactivity. On the other hand, the scheme is a provisional exit out of work for full-time employees, as well as relieves the work load and provides access to another kind of life.

The re-employment of the unemployed was not the only consideration in these schemes. Each of the measures also includes some other objectives. The points considered and used as arguments were *rehabilitation, the maintenance of working abilities and skills; rest and relief from a work overload* provided that they produced some societal good, such as people being able to stay employed longer. Ultimately, these schemes, seemingly paradoxically, *while allowing "less work", attempted to strengthen the work society*, working abilities, motives and skills by supporting the management of growing pressures and strains at work or giving time for studies. At this point, the superior argument is the hope of postponing retirement wishes and needs. However, there is no evidence as of yet as to whether temporary part-time work or a leave during one's career can serve this function.

In addition, the new schemes are characterized by *the following conditions, which made them possible*:

- cost-neutrality to the public economy; they are means of the reallocation of unemployment expenditure;
- they are easily controllable and cancellable: most schemes are temporary, the schemes can be cancelled or their popularity manipulated by the compensation rate or provided funds;
- the employers act as gatekeepers: the reduction of working time must be agreed upon with the employer;
- they are based on individual solutions regarding the reduction of hours and wage loss.

The individual nature is a necessary precondition in a situation in which collective wage cuts cannot be negotiated. On the other hand, it is restrictive, because individual leaves cannot be used in reorganizing working patterns and times.

Even in the case of working time policies, the schemes contribute to various established policies. Part-time retirement has an "institutional place" in retirement policy, and it is funded through employment pension funds. Part-time supplements and job rotation leave have their own standing within public employment policy; the former is financed by general employment funds, the latter by unemployment security funds. Thus, the sabbatical leave is more comprehensively safeguarded and not as dependent on the annual employment funds.



According to Takalaš (1999) research in the private sector, part-time retirement only has a modest employment effect; the tasks are usually carried out without the help of a new recruit. The part-time supplement and job alternation leave schemes have “an 100% employment effect”, because a substitute is obligatory. Yet, *as a means of unemployment policy they have some weaknesses*. Two of these weaknesses are the temporary nature of the job (3-12 months) and the small proportion of long-term unemployed who are the most difficult to employ, even with special measures. The substitutes belong to what might be referred to as “substitute pools”, which are formed around large organizations such as hospitals, where substitutes are needed for many reasons (such as educational, sickness, maternity, parental, and caring leaves).

All in all, unemployment policy has been forced to contend with the temporary placements of unemployed persons (to jobs, work practising, education). During periods of high unemployment, even a temporary exit from unemployment is reasonable and important for the stability of the unemployed person's life motivation, as well as the acquisition of working skills and habits.

On the other hand, temporary placements have supported the overall trend toward fixed term employment. With the improvement of the employment rate, and what may be even more significant, with the changing conceptions of employment policy, temporary placements using public funds – different forms of subsidized employment – seem to have lost some of their acceptance. New concepts of activation and incentives underline restricting the access, level, and duration of unemployment security, and thus forcing unemployed people into the labour markets. There is no room in these concepts for solidarity-based models of work sharing or job rotation.

It is our contention that the part-time supplement and job alternation were accepted during the periods of the highest rate of unemployment (in short, something had to be done), and, of course, because of the demand of unions. This occurred before the employers' organizations really pulled themselves together in terms of their attitude of resistance toward all forms of the reduction of working hours, as well as toward the publicly funded and subsidized reduction of working hours.

Thus, the standing of these innovations, which serve multiple policies but were primarily established as a form of employment policy, is somewhat fragile. There is some pressure to change the paid long leave scheme into a more “productive” form, to link it to vocational training and enterprises' needs for personnel rotation.

However, we assume that the part-time allowance and sabbatical leave have established their place as employed peoples' achieved benefits. We suppose that the growing popularity of the schemes and the support of unions

will sustain them in spite of the reservations of the economic elite. In addition to their employment function, these schemes are a way of handling the growing pressures and strains in the workplace. They have already proved to be more than temporary relief to a situation of economic depression; moral manoeuvres or not, working people have embraced them as their own.

Boulin (1998) underlines such innovations as a new phenomenon, which ensues from the search for new social compromises in an effort to achieve better job distribution, and which eventually provide space for individual autonomy and lifelong flexibility. Finnish subsidized part-time work and paid long leave are excellent examples in favour of this argument. They are the first steps – in addition to precisely focused long leaves (for maternity, parenthood and education) – toward lifelong flexible working hours in which the flexibility of hours is linked with social compensation.

### *Women's time needs and options*

As mentioned earlier, the gender gap in working time in Finland is smaller than in any other EU country. Still, when partly subsidized choices are offered the gender differences become clearly obvious: individual working time schemes providing shorter hours or longer leaves are mainly used by women. It is not only the care of children and home that matters. The average age of women utilizing subsidized part-time or paid leave is over 40. Middle-aged women simply want *time to themselves, for their lives* – be it family life, personal life or social life. We suppose that women's life interests are broader than those of men. But there are other explanations, too, and other messages encoded in women's choices.

The *household dynamic* is certainly one explanation. Although Finnish women have established their position as breadwinners, men still are the main breadwinners in most families, simply due to the gender inequality of wages. Perhaps it is also culturally more acceptable for women to lean on their spouses' incomes than vice versa. In our studies concerning the interest in job alternation leave, most interested of all were married women who themselves had quite small incomes, but whose household was economically stable, in other words, whose husbands had good incomes (Nätti et al 1997b).

One explanation might also be found in gendered occupations and work. The opportunities are most often used by women working in *professional occupations within the public sector* (teachers, nurses, social workers), in female and feminine work. Like other Scandinavian countries, Finland, in spite of developed gender equality, is known for its sexually segregated labour markets and occupations (Kolehmainen 1999, Lehto 1999a). One reason for

the prevalence of long leaves and subsidized part-time work, presupposing substitutes, might be the existence of professional labour markets, which are typical to female nursing, teaching, social and caring work. In the professional – rather than firm-internal labour markets – educated and skilled professionals are able to replace each other, as they do in hospitals and other institutions operating on a 24 hours a day basis. Moreover, women's work communities and cultures are perhaps more tolerant and accepting toward leaves and part-time work.

Last but not least, the *increased work strain in female occupations* in the 1990s is certainly one point in accounting for why just women, and in particular women in nursing, caring and teaching occupations use the new working time opportunities.

According to the Quality of Work Life Surveys, women suffer more from work related pressure than men. During the 1990s, municipalities became leaders in the statistics of work related pressure, which were measured by employment sector (Lehto 1999a, Lehto & Sutela 1999). *Women express their tiredness and handle a collective problem through individual working time solutions.*

We must question whether the differentiation of working times includes the acknowledgement of the varying conditions of different occupations. Should working times be covered by a universal norm of handling all cases in the same way, or could the full-time norm with full-time wage *recognize some particularities*? We take only one example, caring for old and frail people. The work includes irregular shifts and night work, a heavy physical and mental load, steady encounters with fragility and death, and, following the economic depression and retrenchments, a lack of resources to provide ethically and professionally satisfactory care. Should for example these conditions deserve a shorter work week with full-time wage?

There are some minute differences between different branches regarding the collectively agreed working hours. However, it is not the norm of justness and fairness which matters here, but rather the existence of bargaining power. It is certainly not fair and just that the working time in industrial three shift work (such as the paper industry) is shorter than in nursing work. However, the "paper-men" (literally men) have more bargaining power than workers in other industries, because labour costs do not play any noticeable role in the cost-structure of the highly automated manufacturing of paper as compared, for example, to the expensive raw materials (forests). Conversely, in nursing and caring work, the working time costs are the main expenditure. There is no social plan that dictates the appropriate amount and value of working hours in different sectors and occupations with the aid of some jointly accepted criteria. Rather, it is bargaining power that matters.

Thus, our analysis of women's working time behaviour is ambiguous. On the one hand, *women have acted as "time pioneers"*; they have exhibited the courage to opt for shorter hours. One can only hope that men dare to follow in their footsteps. On the other hand, women's choices can be seen as indicative of the fact that they tend to solve problems in working conditions *individually* when these problems actually deserve collective solutions, that is, occupationally differentiated working times.

All in all, it seems that some degree of lifetime flexibility is compatible with the overall modernization of life, with the trends of individualization and destandardization. Instead, the *universal six-hour working day*, a socialist and feminist goal or utopia, seems to distance itself from realization. First, a uniform, equal and short working time can be characterized as a *socialist utopia*, formulated, for example, by French socialist Andre Gorz (e.g. Gorz 1981). In this model, people would use a reasonable time (for example, one thousand hours a year) for paid work within some sector of the formal economy and another "day" for informal activities (civil activities, creative and intellectual activities, handicrafts, homework, caring). In the words of Herbert Marcuse, it would be a society of the "pacification" of existence (Marcuse 1964, 196).

To *feminists*, a short working day and equal working time for men and women are basic prerequisites for the existence of a sexually just society, in which men and women participate equally in formal and informal economies and in which both genders have time to engage in unpaid housework and caring work. A uniform working time, that is, equally distributed work, can also be seen in a broader sense as part of the Nordic ideal of good life and good society.

However, all of these targets, ideals or utopias seem to distance, seem to be contradictory with trends of overall modernization. Working time is becoming differentiated and is beginning to concentrate on longer days. The six-hour day has not seemed to win wide acceptance or application, even in the form which would make it economically profitable and reasonable, that is, in the form of two day-shifts.

## CONTINUITIES AND CHANGES: SUMMARY AND DISCUSSION OF THE 1990S

### A statistical portrait and beyond

We now refer back to what Gerhard Bosch (1999a) wrote about studying of working times in the 1990s:

The analysis was like taking a snapshot of a moving object. Already in a few years the actual working time structures will be regarded as a historical episode.

One might expect that if working times were to have ever taken another shape, it would have taken place in Finland in the 1990s. The whole employment system experienced a violent shock, working time flexibility became institutionalized both in legislation and in collective bargaining, and mass unemployment gave rise to some initiatives in work sharing. In addition, working time research all over Europe took the idea of thoroughgoing change for granted, as did modernization theory, in its belief that a global network society breaks the old industrial time-space relations. Theories suggest that as the entire category of working time erodes, the borders between working time and one's own time will become scattered, dusky and obscure.

Nevertheless, the *statistical portrait mainly indicates continuities*, no remarkable changes. At first glance, it appears as if nothing so special has happened in the Finnish working time profile of wage-earners as portrayed by Labour Force Surveys. On the other hand, large quantitatively expressed social structures simply cannot change quickly. This is because seemingly small and marginal changes can be interpreted as significant changes. Some of these small changes may however be attributed to the collection of statistical data. For example, the notion of regular weekly working hours was changed in 1997 when regular overtime was also incorporated into the concept. In addition, the handling of "Pekkas-days" – that is, reducing regular hours through whole free days (12.5 a year) rather than through the reduction of weekly hours – has changed from year to year. First (up until 1993), the reduction was taken into consideration while counting the weekly hours, after which time (since

1993) the free days have not lowered the counted weekly hours. The sudden doubling of the number of people who regularly work 40 hours a week during the period of 1993 to 1995 can in all likelihood be attributed to this change.

*TABLE 7.1. Working time arrangements of wage and salary earners from 1986 to 1997 according to Annual Labour Force Surveys*

Working time arrangements	1986	1989	1991	1993	1995	1996	1997
Regular working hours per week (distribution, %)							
1-19	3,7	3,5	3,4	3,5	3,3	3,8	3,4
20-29	3,6	3,7	3,6	4,1	4,8	3,7	3,6
30-34	4,1	3,8	4,6	5,5	5,6	6,8	6,1
35-39	28,0	71,7	70,8	68,4	52,6	50,5	50,7
40	54,0	11,8	11,5	12,2	25,4	26,2	25,6
41+	5,9	4,6	5,3	5,1	4,7	5,7	7,2
Unknown	0,7	0,8	0,9	1,1	3,6	3,3	3,2
Actual working hours per week (distribution, %)							
1-19	5,7	8,0	6,4	6,5	7,7	7,5	6,9
20-29	5,8	7,6	9,4	10,3	10,7	12,2	6,0
30-34	6,6	17,4	18,8	21,6	20,1	17,7	8,2
35-39	19,7	27,0	28,7	26,5	24,1	24,7	34,1
40	40,6	21,1	20,5	17,4	18,2	19,6	23,9
41+	20,8	18,9	16,2	17,8	17,4	17,5	20,3
Unknown	0,7	0,0	0,0	0,0	1,7	0,7	0,6
Regular working hours per week (average, hours),							
total	37,7	36,9	36,8	36,7	36,9	37,3	37,0
- men	38,8	37,9	37,8	37,8	37,2	38,7	38,5
- women	36,5	36,0	35,8	35,6	35,8	36,1	35,6
Regular working hours per week							
-public sector	37,3	37,1	36,8	36,8	36,4	36,9	36,2
-private sector	37,9	36,9	38,8	36,6	37,1	37,6	37,3
Actual working hours per week (hours), total	38,2	36,3	35,9	35,6	35,5	35,6	37,4
- men	39,8	37,9	37,4	37,1	37,7	37,8	39,6
- women	36,6	34,6	34,3	34,1	33,6	33,6	35,5
Actual working hours per week							
-public sector	37,3	35,8	35,3	35,1	34,6	34,7	36,1
-private sector	38,7	36,5	36,2	36,0	36,1	36,0	38,1
Proportion of part-time work							
-1-29 hours	7,3	7,2	7,2	7,9	8	8,3	8,7
-subjective classification	-	-	7	9,3	11	11	11

	1986	1989	1991	1993	1995	1996	1997
Working time arrangement (%)							
- regular daytime work (06-18)	75,9	74,0	76,0	72,7	-	-	70,0
- regular evening work (<21)	2,5	2,1	1,9	2,0	-	-	1,3
- regular night work (21-06)	0,4	0,7	0,9	0,5	-	-	1,0
- regular morning work (<06)	0,5	0,7	0,5	0,5	-	-	-
- two shifts	8,6	10,9	8,9	10,6	-	-	9,9
- three shifts	6,2	5,9	5,6	7,3	-	-	6,8
- weekend work	..	0,4	0,5	0,5	-	-	0,3
- some other type	5,4	5,0	5,9	5,5	-	-	10,7
- can't say	0,5	0,4	0,2	0,3	-	-	0,0

Source: Annual Labour Force Surveys 1986, 1989, 1991, 1993, 1995, 1996 and 1997.

\* Quality of Work Life Survey 1997.

.. = too few cases ; - = data is missing

Note: Regular working hours per week include regular overtime hours in 1997.

### *Adaptation of working hours to recession and recovery*

*By comparing the years 1989-1993 we can trace the impact of the recession, even if the changes are slow or small. The trend in actual working hours leaned slightly toward shorter hours – the average number of hours decreased more among women than men. The discrepancy between regular (usual) and actual working hours is most noticeable in 1993. Many factors caused the decrease in the number of actual hours. Shortened working weeks (1-4 days) became more common and second jobs became increasingly rare, and so decreased the number of workers engaging in overtime. Overtime hours decreased, and tended to be concentrated among the same people. Although the main trend was toward fewer hours, some people actually worked more during the recession, not less.*

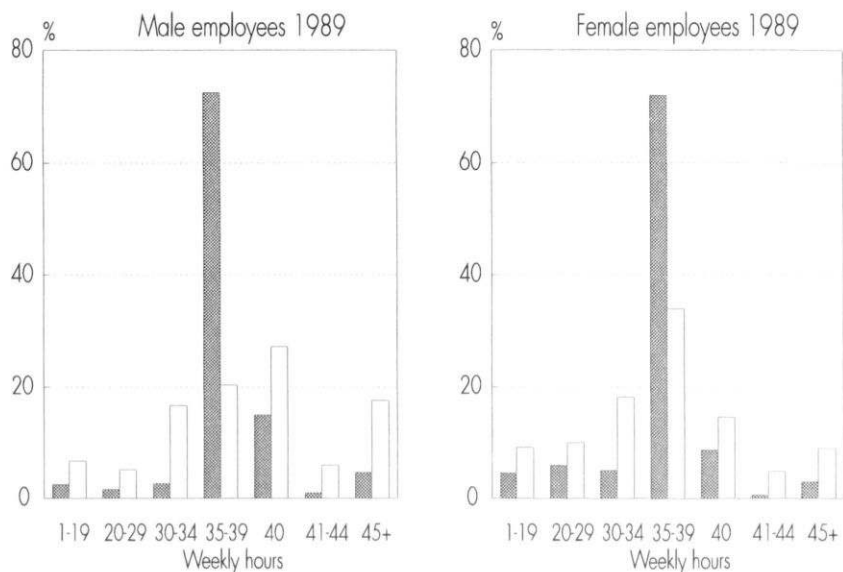
Working times adapted to the depression in an expected and quite equal way, although with slight transitions. All in all, the depression slightly and quite equally decreased the number of hours worked among all employee groups. On the other hand, while working times decreased only slightly, the unemployment rate jumped from 3% to 18%. In this sense, Finnish society was far from equally sharing the diminishing total working time.

*The level of national production began to grow in 1994, accompanied by the simultaneous increase in working hours. Although the differences are once again small, they do reveal some particular trends. The proportion of employees who regularly worked 40 hours per week increased from 1993 to 1995, although this increase might be partly attributed to a change in data collection as opposed to real change in working hours.*

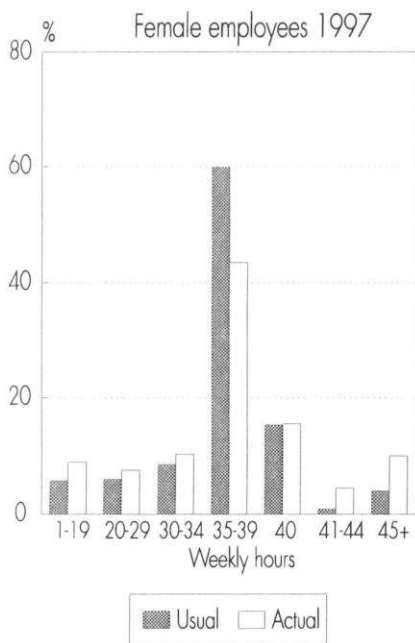
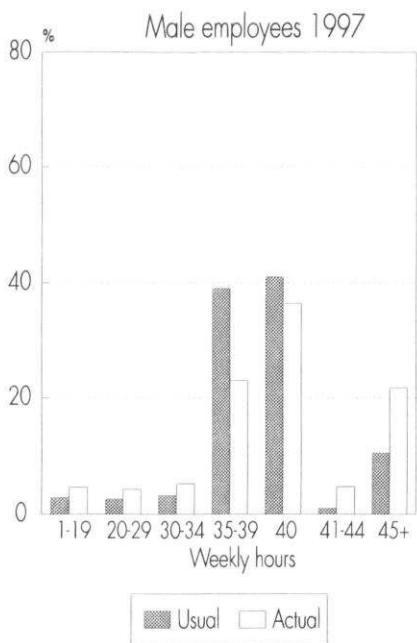
Thus, the picture must be checked by examining the *actual* hours worked during the survey week, or other changes than just the increase of 40 hours. The actual hours reveal an increase in the proportion of those working 40 or more hours a week, in all likelihood more than collectively agreed hours, from 35% in 1993 to 44% in 1997. The shift toward longer hours was most evident between 1996 and 1997. This could either reflect business cycles (growth was stronger in 1997 than it was in 1996), or some long-term trend. The change in actual hours from 1996 to 1997 is again quite similar in all employee groups, it covers both men and women, the public and private sectors and manual and non-manual workers, although the increase is more obvious in the private than in the public sector.

Figure 7.1 highlights the subtle shift visually. According to the information provided by the Labour Force Surveys, relatively high uniformity still prevails as far as regular working hours are concerned. In both years, the actual hours naturally diverge more extensively than the regular hours. However, the differentiation of actual hours has increased slightly since 1989 with regard to longer hours.

FIGURE 7.1. Distribution of regular usual and actual weekly working hours by gender in 1989 and 1997







### *Lengthening working hours?*

There is quite a peculiar situation in Finland. The current public discussion paints a picture of working times as lengthening and fragmenting in an un-governable way: while some work increasingly longer hours at a heightened pace, there are others whose hours have been diminished (as a result of unemployment, involuntary part-time and other precarious forms of work). People's experiences, as reflected in the media and other public arenas, reveal a more dramatic change than the statistics.

Some other materials provide more support to this collective worry of the unruly stretching of working times. In 1997, The Occupational Health Institute conducted a statistically representative survey of work exhaustion and "burnout" (Kalimo & Toppinen 1997). The sample group consisted of 24-65 years olds, and the response rate was 66%. According this research, almost two thirds (64%) of employed people work 40 or more hours a week, and one third (33%) 45 hours or more. Similar results were obtained in a Household, Work and Well-being Survey (1999) based on a representative sample

of 25-64 years olds, to which the response rate was 45%. Thus, both surveys reported much longer working hours than The Labour Force Survey.

TABLE 7.2. Comparison of working hours in different surveys

	Kalimo & Toppinen (1997) Total employment	Annual Labour Force Survey 1997		Household Survey 1999 Total employment
		Total employment	Employees	
0-20	4,4	7,1	6,5	1,3
21-39	31,9	50,0	56,9	20,4
40-44	31,0	27,2	29,1	42,3
45-49	9,3	4,1	3,2	12,4
50-54	8,0	4,0	2,3	12,1
55-64	7,4	3,9	1,3	7,0
65+	8,1	3,7	0,6	4,5
Total	100	100	100	100
N	2295	7096	5951	555

Sources and questions:

Kalimo and Toppinen (1997) and The Household Survey (1999): How many hours do you usually work in your main job (including work at home and overtime, which are connected to the main job)?  
Annual Labour Force Survey (1997): How many hours is your regular or normal weekly working time (including regular unpaid or paid overtime)?

How are these differences to be interpreted? In principle, The Labour Force Survey should produce reliable information about the labour markets. There are some obvious explanations for the seemingly inaccurate and diverging results. First, working hours vary with *employment status*. Table 7.1. describes employees' working times. The survey of The Occupational Health Institute includes self-employed and entrepreneurial workers in agricultural and other industries. Self-employed individuals work longer hours than employees. According to the 1997 The Labour Force Survey, 7% of employees regularly worked 45 or more hours a week as compared to 62% of self-employed and entrepreneurial workers.

Second, *the concept of working time is no longer unambiguous*. For a growing number of employed people, describing how much they usually work is ambiguous and inexact. The borders of working days are obscure. Many people do part of their work at home, at meetings, in education, or by travelling. To highlight only one example, many changes in the workplace are carried out by relying on employees to learn new things and acquaint themselves with new information on their own time. Among other things, this information might be related to technology, new programmes, new products, new prescriptions and leaflets or new professional literature. It tends to

be impossible to do this “learning work” during working hours. This method was used, for example, in order to introduce new technologies into Finnish workplaces.

The concept of overtime is becoming confused and disputed. As mentioned above, 80% of AKAVA members who engage in overtime do so on their own initiative. The employer tends not to recognize this kind of self-regulated overtime as actual working time. In addition, it is a well-known fact that a growing share of jobs follow a worker wherever he or she goes, either mentally or via the computer; worker's minds are constantly working, producing ideas and seeking solutions, even while he or she sleeps.

Third, while working time is no longer unambiguous, it is possible that *different contexts* of the collection of material, and different instructions regarding the gathering of material produce slightly different results. For example, in the surveys of both The Occupational Health Institute and The Household Survey, the respondents were asked to report their total working time in their main job, including work done at home. We would like to stress the fact that both of these surveys certainly reveal the working time which worker's perceive themselves to be doing, their working time as they themselves define it.

### *Inside and outside the institutions of working time*

In comparing different countries and changes over time, we prefer the figures of The Labour Force Survey, although we simultaneously stress a bias illuminated by Ulrich Beck. Beck (1998b, 20-24) claims that research is responsible for producing continuities that no longer prevail in people's life-worlds or social realities.

Thus, Beck continues, modern society is diverging into two spheres: On the one hand, there are the inside realities of the institutions, which preserve the old certainty and normalcy of industrial society. On the other hand, there are a variety of life-world realities that are moving further and further away from those images.

The institutions of normalized working time include such categories as standard, usual and actual hours, overtime, main job and second job. For example, for us as the authors, it is impossible to incorporate our own experiences into these categories and decide what constitutes work, what constitutes one's own time outside of work, what one's main job is and what is considered to be a second job. This is taken for granted as far as academics are concerned, although perhaps academics are not quite as exceptional as

they themselves are inclined to think that they are.

We believe that social statistics have difficulties in grasping the new forms of working. Sometimes this is apparent in the increasing number of cases categorized as "other". While studying the forms of working hours (such as regular day work, two-shift work etc.), the proportion of those engaging in "other forms" has doubled between 1986 and 1997 (from 5% to 11%), so that in 1997, "some other form" was the second most common working time arrangement (Table 7.1).

All in all, we find the following summary made by Juha Antila as reasonable. Antila (1998, 93) concludes that in Finland, *two working time paradigms are prevailing side by side, old and new*. The new paradigm differs from the old in the following ways:

1. The traditional or industrial standard working time pertains to fewer wage-earners, that is, the standardization of working times decreases. Both shorter and longer working times are used more than they had been in the past.
2. The variation of working hours increases even within workplaces. The individual qualities of employees determine working times more than before.
3. Paid overtime is concentrated on and covers fewer wage-earners.
4. Part time work is becoming fragmented. In addition to the traditional and predictable part-time work, the occasional and varying part-time work of those "called when needed" is increasing.
5. The leaves subsidized by the government and motivated by work sharing are used more often in those sectors in which competition generally tends to increase the least (the public sector and service production linked with the public sector).

The researchers (Antila & Ylöstalo 1999a, 55) conclude that the old working time paradigm – high labour market participation with homogenous working times – is *gradually crumbling*. The new paradigm implies the differentiation and fragmentation of working time arrangements and employment relationships. It is still too early – and exaggerated – to proclaim a major or sudden change. Antila and Ylöstalo believe that 'the dam is not breaking, but merely leaking'.

Thus far, many institutional arrangements and gender divisions – the forms of social security and high effective marginal taxes – have promoted the old paradigm, homogenous working times and even distribution. Now, in addition to the prolongation and fragmentation of working times, there are also strong pressures and aspirations to strengthen work incentives. In practise, this means favouring and encouraging both long and short hours. The fa-

vouring of short hours implies the advantage of living on low incomes as opposed to social benefits. Perhaps both the institutional arrangements and the ideological and mental climates are changing toward a direction which favours more fragmented and more flexible working hours. However, as noted above, the dam is merely leaking, not on the verge of breaking.

## The dynamics of depoliticization

### *The redefinition of the working time agenda*

Beyond dispute, the most noticeable trait of Finnish working times in the 1990s was their adaptation to markets and tailoring to firm-needs. In this sense, the Finnish trend can be described as representing the de-politicization of working times. We suppose that there was a shift in the paradigm even with regard to the following point: *the working time agenda was redefined as an issue of production*, markets, customers, clients, delivery and going-through times, the “best practice” and bench marking, and less as a question or issue of working terms. Naturally, such a shift, the displacement of social by economic factors (Rose 1998), is relative as opposed to complete. Institutions of industrial society also have other, factual continuities than the researchers who – according to Beck – do their best to force their own observations onto old categories.

This redefinition of agenda leans on changes in regulation. The Finnish model can be described as *negotiated flexibility or regulated deregulation*. In principle, working hours should be regulated by law and collective agreements, and the overwhelming majority of employees, even non-unionized, are covered both by collective agreements and by the law. However, some amount of fragmentation and loss of uniformity is occurring in spite of the regulations; to paraphrase Beck, post-industrial development escapes from the securities of an industrial society.

In the 1990s, collective bargaining leaped from the national to the local level, the consequences of which are potentially far reaching. *The logic of union action at the local and national levels* is divergent. Alaluf et al (1995) conclude that the decentralization of working times has slowed down the trend of the reduction in standard hours. The most effective pressure toward the reduction of working hours comes from the centralized collective level.

We suppose that at least in some branches, such as Metal, a coalition of social partners was born, which shares a common interest in finding the most modern, best practices of work organization. The ideas of work sharing

– despite some manoeuvres by the leaders of union confederations in favour of the idea – did not receive any resonance among the union-activists within this coalition. The coalition does not care for the idea of outsiders, such as researchers, civil servants or other unions, intrude on their territory. The partners are jointly bitter toward externally induced or publicly subsidized models.

At the same time, while the importance of the local level has increased, the unions have experienced growing difficulties in finding common aims at the national level. The “old” aim of industrial society, the overall reduction of normal hours, can no longer unite the one hundred national unions and three national confederations. The “old-fashioned” reduction of hours did not receive a sufficient amount of support in the 1990s, not even when motivated by work sharing and presented as a cure for unemployment. Following the recession, exhaustion has been recognized as a growing problem, yet has failed to be transformed into a demand for the implementation of shorter working hours. In working time issue or the aim of reducing hours has not been forgotten, but it is not of primary importance (see EIROnline, May 1998: Unions disagree on reduction in working hours).

The main worries and positions of the central confederations can be summarized as follows:

(a) SAK (The Confederation of blue collar unions) is internally fragmented. Some unions (union activists and functionaries) are identified with the search for the best and most productive practices, and some (more leftist) unions attempt to resist flexibility and the redefinition of the agenda, and attempt to maintain industrial polarization and conflicts. At least in principle, these unions tend to support the 30 or 35-hour working week, while some are only interested in their own particular working time questions, such as the paper industry’s shift-models. However, the problem of exceedingly long hours is no longer seen as the most urgent problem on the agenda, but rather, involuntary part-time and other forms of atypical employment, especially in blue collar service work. A good deal of union members does not feel any personal necessity to shorten working time. Conversely, they would like to work more hours and earn more money.

(b) STTK (The Confederation of unions of lower middle class) is also heterogeneous, including both nurses and technicians. This organization, with its noticeably large number of female members from the public sector, is perhaps the most interested in universal working time reduction, as well as in finding new employee-friendly innovations. The chairman of STTK then and while recalls the aim of the establishment of the 35-hour working week (EIROnline, May 1997: STTK proposes a 35-hour week).

(c) AKAVA (The Confederation of the unions of the academically edu-

cated) is currently most concerned with the trend in which the working hours of the academically educated labour force are becoming longer, and the overtime work in which they engage is not being recognized as compensated overtime. Even if AKAVA takes an accepting attitude toward the reduction of normal hours, it feels that its members are unable to make use of the traditional reduction of daily or weekly hours. The majority (70%) of members believe that the implementation of the 35-hour working week would not bring any new labour force to their workplaces, and thus, they would not have any possibilities to make use of shorter hours. The main consequence would be the increase of uncompensated overtime. In this situation, AKAVA mainly aspires toward longer free periods and new arrangements supporting this (time banks, sabbaticals, saved leaves – funded by the employees themselves). The main issue – in addition to salaries – is exhaustion, and there is no guarantee that the reduction of formal working hours would be any cure to this. Perhaps in a situation of increased time pressure and exhaustion, there is lurking the old fear of unions: namely, that the reduction of hours is only inclined to intensify work and increase its time pressures.

This fragmentation can properly also be referred to as an ‘individualization process’. As Beck notes, the society is split between institutional inside which preserves the old certainty and normalcy of an industrial society on the one hand, and a *variety of life-world realities* which are moving further and further away from those images on the other hand. The industrial concept of “working time” is becoming unsuitable for covering the differentiating life-world realities. The fragmenting landscape of working conditions and work content is becoming too labourious to be included in the normalcy of working time and a universal reduction in hours. Even the trade unions have partly acknowledged this differentiation while stressing the diversity of ways in reducing working hours in different branches and occupations.

### *Government and common interests*

We suggest that the 1990s cemented working times as a *territory of companies and social partners*. The government cannot, however, completely give up on working times. It must continue to play its role as a representative of the ‘common interest’, as an *agent of social policy and social transformation*. In the 1990s, by the force of economic and social crisis which demanded the creation of new solutions, the government was able to introduce – of course with the consent of the social partners – two new systems of subsidized part-time employment and long leaves. In addition to providing unemployed people

with temporary jobs, they also increase the range of personal choices.

We presume that the 1995-1999 government initially had ambitious aspirations for the modernization of working times, including work sharing. Furthermore, we suggest that the government aspired toward assuming a more leading role, but that it was shown "its place", and that especially the coalition of manufacturing industries closed itself off to outsiders. It is possible that in a situation such as this, the acts of government are by nature scenic manoeuvres more than anything else – to use the expression of Erwing Goffman.

The social partners – specifically, the joint working time group of central organizations – have expressed the sentiment that broad, publicly subsidized working time arrangements should not be undertaken (Työaikaraportti 1998). Although it might have the potential to improve the employment situation in the short run, in the long run public subvention distorts competition and causes ineffectiveness, which in turn diminishes the competitiveness of enterprises and subsequently harms firms' abilities to maintain jobs. The partners leave open to the government such measures which support the quantitative and qualitative supply of the labour force. The French or Belgian way of action, in which the government – through tax or social security exemptions, subventions and agreements – attracts companies to introduce working time reductions in order to create new jobs, is out of the question in Finland.

While the Ministry of Labour was kept at distance from the corporative inner-circle of working time management, the Ministry set up its own (temporary) working group to follow the trends in working times, working time policy and research (Työaikapolitiikka 1999). This group was responsible for guiding and controlling the working time experiments funded by the Ministry of Labour and ESF.

The principles of working time policy of the (previous) government were defined by the Cabinet Committee on Economic Policy (14.1.1997) as follows (see Työaikapolitiikka 1999):

1. Working time policies and work sharing must improve the economic dynamism and employment
  - by actively steering the unemployed to working and social life
  - by intensifying the use of labour and capital in enterprises and the public sector
  - by guiding people during their work career even to long-term studies
  - by providing opportunities to rehabilitation and maintaining the working ability.
2. The role of local voluntary bargaining is underlined in working time policies.



3. The solutions must promote gender equality in labour markets and in families.
4. The solutions must be sustainable with the demographic trends considered.
5. Working time policy must promote lifelong learning within Finnish working life.
6. Working time policy must especially promote the development and maintenance of working ability and the employability of those over the age of 45 years.
7. Working time policy must promote the invention and dispersion of the best (most effective) practices of working times and work organization.
8. Working time policy and work sharing must be integrated into other measures and finances created for the improvement of employment
9. Working time policy must not increase the total costs of social and unemployment security.
10. Solutions will be negotiated tripartite between government and labour market parties.

The government represents some kind of societal interest; in the aforementioned list it brings forth acute societal aims and "goods". In a situation in which social partners do not want to support any publicly financed working time reduction or reorganization, the government is only able to play a narrow role. It has quite meagre means with which to promote the aforementioned aims. Currently, there is no pressure to produce new policies and schemes, but perhaps to correct the new schemes established during the recession (for example, that of long leaves) and point them in a more market-friendly or activating direction (stress the use to education).

If we compare Boulin's (1998) diagnosis of the rising issues with the Finnish government's list, we notice that both of the issues stressed by Boulin are missing from the Finnish document. First, the development of individual autonomy, as distinct from productive flexibility, and second, the implementation of better social organization, with the main field of application being the organization of time in cities. The government's view acknowledges the many connotations of working times. However, new innovations should *serve some societal good*, in addition of economic dynamics, such as increasing learning, education, rehabilitation, the maintenance of working capability and ability, or the prevention of early retirement. In Finland, the fluency of everyday life in space-time-networks is not a major concern, nor is individual autonomy.

## *Crisis, modernization, and the subpolitics of employers*

The 1990s modernized Finnish working times if we take modernization to mean the adaptation to 'new times' – its major trends and atmosphere as they are interpreted by economic experts, the elites and social sciences – market orientation, deregulation, the submission of social questions to economic ones, and the displacement of social issues through seeking the best productive practices. It was the decade during which many working life institutions were forced to reorient themselves *from their industrial modernization* course (standardization, regulation) *toward the new modernity* (de-standardization, deregulation) with all its potential hazards and threats.

No doubt, the *employers and managers were the decisive agents of modernization*. The opening of the deadlock of the 1980s became possible when other agents withdrew or redefined their interests. A crucial element in this process was the economic crisis, which shook off the old continuity, normalcy and security inherent in Finnish society. The economic crisis acted as it should act according to the theories of restructuring: namely, as a process which imposes new prerequisites for capital accumulation (Julkunen 1987).

Employers and managers were able to use the social field created by the crisis. In the early 1990s, there was really one main interest, defending jobs, and many unions were willing to comply with solutions which contained even some promise of employment.

The breakthrough of flexible working times resembles other stories we Finns tell about ourselves: *delayed yet fast development*. Ten years after the visible resistance of flexibilities, the employers had finally attained their goal. At the political and collective level, this is easy to see as an expression of Finnish realism or pragmatism. This is not the only occasion on which citizens and their representatives (as MPs) were content with the elite's interpretations of economic realities (on the Finnish rhetoric of necessity, see Blom et al 1999).

Thus, in our interpretation of modernization dynamics and agents of the Finnish nineties, we *disagree* with Ulrich Beck, who underlines the process of how individual employees abandon the standardized and normalized working time:

that industrial consensus is expressed initially in the 'self-evidence' (learned and produced in the wake of industrialization) with which the working population accepts uniform, general and standardized regulations for the employment of its labour power: standardized forms of compensation, the uniform norm of full time work throughout life, standardized processes, contents and results of work, and so on. This 'self-evident willingness', acquired in histori-

cal learning processes, to subordinate one's own demands, creative interests and life needs to standardized uniform regulations for the employment of labour power is now diminishing, forcing private and governmental enterprises, but trade unions as well, to rethink things. (Beck 1998b, 43)

Obviously, Beck is correct in claiming that individuals break the old rules, and that their life realities are more difficult to reconcile within a standard norm. However, *the essence of new post-industrial rule is not freedom* and self-actualisation, as Beck supposes in his essay 'Children of Freedom' (in Beck 1998b), but rather the submission to new rules as a consequence of a new historical learning process. Perhaps a half of all Finnish employees break the uniform norm of agreed working time, work longer than the uniform norm of working day defines, vary their working day etc.

Thus, we have to ask how the individuals *adapt and consent to new submissions*, how they develop a new self-evident willingness to adapt to new variability and differentiation. Admittedly, this process is not well known; we only have fragments available to us at this point.

Earlier, as was the case in Finland up until the beginning of the 1990s, the abandonment of old rules seemed frightening to wage-earners. However, with regard to the majority of workers in typical employment, neither case studies nor statistical surveys reveal anything very dramatic. According to the rare case studies available (Liikanen 1997, 1998), the new practices and rules quickly became a routinely established part of everyday life.

We suppose, as does Hanna Liikanen (1998), that there is a new learning and socialization process taking place, which obviously is producing a new 'self-evident willingness' to adapt to the rules of post-industrial working life. De-standardization does not necessarily imply insubordination and protest, but rather the subordination of "one's own demands, creative interests and life needs", no longer to the uniform rules of the industrial society, but to the flexibilities and uncertainties of the post-industrial economy. This new, self-evident willingness will be learned and produced in the wake of globalization and informatization. In Finland, the process was accelerated as a result of the deep economic crisis.

It is quite certain that new governance is taking place through individualization, in the forms of *self-government and self-regulation*. Management is able to manage at 'an arms length', as opposed to being forced to control every detail. According to Liikanen (1998), in practice, individualization in modern firms primarily means some kind of reconciliation. While satisfying the complicated time needs of firm, the differentiated individual readiness is utilized, thus effectively avoiding pure compulsion. The firm recognizes the individual readiness in different life situations and with different work orienta-

tion to engage in shift work, to lengthen the working day, to take responsibility for the needs of customers, and also exploits all of this individual willingness.

If the old political dynamics no longer steers working times, then where are the places and spaces of working time politics and policies which we referred to in the beginning of this book? Does there exist some forms of subpolitics and subpolicies – company management, negotiating state, research institutions, experiments, firm-level co-operation, individual choices or protests – in which it is possible to form and carry out new agendas, or is the only result a ‘general relative powerlessness’, loss of enforcement power, shrinkage and minimization of politics and displacement of social policies from the dynamics of working times? Are there agents who even in the post-industrial society are able to use the transforming power of working times in order to set and carry out societal aims?

The Finnish 1990s *cannot be characterized by a sense of ‘general relative powerlessness’* – the employers were to such an extent able to realize their own interests. They were able to institutionalize working time flexibilities both legislatively and through agreements. They were also able to reject the idea of work sharing, not to mention the implementation of the 35-hour working week or any movement toward the reduction of standard hours.

At the same time, the *shrinkage and minimization of politics* is evident. The perspective of employers – at least that of their lobbies, spokesmen and organizations – is narrow, tailoring the working times to the needs of firms. While acting in the fields of working time research and discussion, we have got the impression that controlling the agenda, research funding, experiments etc. are extremely important to employers’ organizations. Of course, this does not necessarily hold true to every employer or enterprise, but to those acting within corporatistic connections. During the 1990s, the main aim was to block such research, experiments etc., which can be seen as supporting the reduction of working hours or especially the implementation of the six-hour working day.

We suppose that the narrow perspective of employers and companies – in cases in which it supersedes other perspectives for a longer period of time – has two main consequences. First, it does not focus a sufficient amount of attention on the risks of development, nor on the potential fragility of social life or occupational health. Second, viewing working times as being ‘owned’ by enterprises (including personnel representation), as some kind of best business practice, omits the societal and social points of view, in other words, the possibility of using working times as a means of social transformation. It is even impossible to include the personal lives of staff (the needs of the family etc.) in the agenda of company bargaining (Liikanen 1998, Salmi 1999).

## TIME FOR NEW RISKS?

### The return of old questions

Every modernization has its hazards, dangers, and risks, as well as chances and opportunities.

In simpler terms, in mature industrial societies, an industrial time regime with four temporal institutions (free evening after work, weekend, annual holiday, youth and retirement) has prevailed (Garhammer 1999a, b). Collective rules (unions, laws), together with social tradition (church), regulated working times and the restrictions of individuals' freedom to engage in work according to their own personal interests. In an industrial society it is natural and accepted to finish working when the working day ends. Work belongs to a certain time (work time) and certain place (workplace). In addition, if the nature of work did not require otherwise – as it did in hospitals, police stations or paper factories – the work was mostly placed in the daytime and in one shift. The Church, together with unions, protected Sunday as an inalienable holy day.

In a post-industrial society, or deregulated, flexible capitalism, the rationale of the new globalized economy together with individualization *corrodes industrial protection based on tradition and collective rules*. As we stated and still want to emphasize, there has not been a clear and total turn, but rather, trends and tendencies have become recognisable. The signs revealed in statistics and new institutional arrangements are supported by a common feeling of exhaustion and fatigue.

In Finland, although in quite a complex way, the experience of exhaustion can be linked to this dramatic decade of the continuous adaptation to new and threatening necessities (Blom et al 1999). Citizens, however, connect exhaustion to work pressures and extended working times. Common perception is that those who were able to save their jobs in the economic turmoil of the 1990s have too much to do; that the pressure and demands on them are too high; and that their working times are also being increased. Furthermore, the experience of exhaustion does not stop at the Finnish border. For instance, Garhammer (1999b, 8) appeals to international studies

while arguing that the predominant feeling of working people is that of being rushed.

In Finland, in addition to media attention on collective work experience, occupational health researchers are concerned. The new risks and new concerns from the health perspective, can be divided in two (Härmä 1997):

1. *New work rhythms* caused by extended hours of operation and/or service. This is leading to more night and shift work, as well as to a compressed work week with overlong (like 12 hours) days. Thirty per cent of wage earners adhere to some other working time than the regular pattern of daytime work (Quality of Work Life Survey 1997). This statistic also indicates that people's sleeping rhythms and habits are being threatened.

The studies of the Occupational Health Institute (Kandolin et al 1995, Kauppinen et al 1996) report, for example, a 6 x 12-hour working week, followed by a week off. Employees seem to prefer working long days – even at the risk of threatening their own survival – in order to receive longer vacations and to feel the sense of freedom associated with the work-free week. Employers also prefer compressed work weeks, even if long opening times could also be filled in other ways. However, depending on the nature of work, the 6 x 12-hour work week can be extremely tiring and increase health risks at work.

The researchers (e.g. Härmä 1997) have reminded us of the well-known risks of night shifts. Fatigue due to night work increases incidents and accidents. The same applies to overlong days. In a German study, an exponentially increasing accident risk was found beyond the 9th hour at work. In Finland, the total cost to society of sleep deprivation and sleep disorders was estimated to be about five billion Finnish markka in 1997 (Härmä 1997, 4). Irregular working hours may also be related to occupational health hazards other than fatigue and accidents, although the effects on chronic health are less well known.

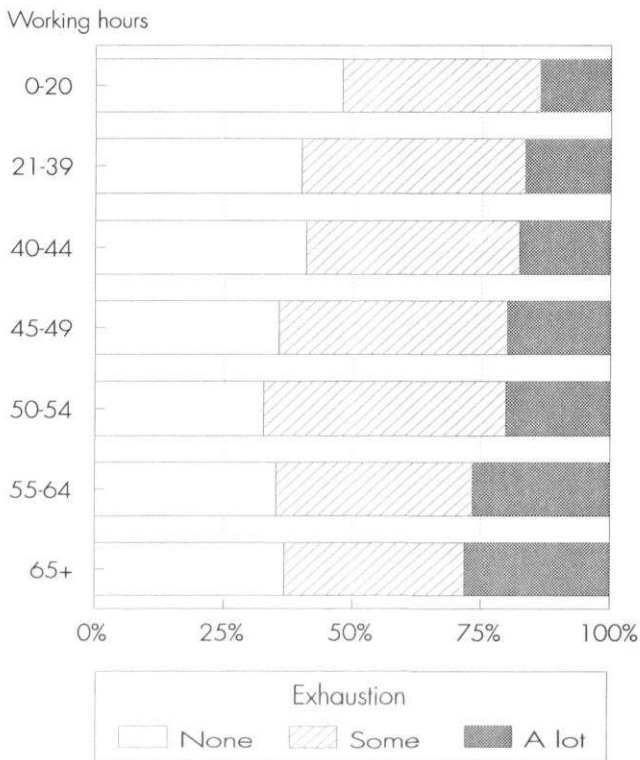
New working rhythms also include “zero-times”, working on demand, freelance “job-hoppers”, multiple low-wage-work and other precarious and insecure working times. These forms of working time keep employees in a continuous state of alert by not allowing the normal alternation between work and psychological non-work. On the other hand, it is not certain that the conventional rhythm (5 x 8) is always the best alternative for all life situations. That is why it is reasonable to experiment with different working time patterns, and to attempt to identify their strengths and weaknesses.

2. There is a trend towards *longer working hours*, especially in new expert and managerial groups – for example, highly educated experts, consultants and project leaders. In the previously mentioned survey of the Occupational Health Institute (Kalimo & Toppinen 1997), 24% of working people re-

ported that they work 50 or more hours a week in their main job. AKAVA, the confederation of highly-educated professionals, considers that unpaid overtime is perhaps the most serious problem in the working life of educated experts.

The statistical connection between hours and health symptoms is clear. This is shown in the studies of the Occupational Health Institute concerning exhaustion and 'burnout' at work (Kalimo & Toppinen 1997, 22-23). Serious exhaustion increased linearly parallel to the number of working hours (Figure 8.1). In addition, occupational self-confidence deteriorated linearly with increased weekly hours.

FIGURE 8.1. The extent of serious exhaustion by weekly working hours



Source: Kalimo & Toppinen 1997, 23

Jorma Rantanen, the Director General of the Occupational Health Institute stated in a recent interview that "the natural biorhythms of humans, as well as their alertness, have become threatened with the new mode of production" (Ahjo 10.6.1999). He warned about harming the natural biorhythms of human beings, and argued that in the protection of working time, large steps backwards have been taken toward the situation that preceded the establishment of the institutions of the industrial time regime.

## The erosion of social qualities of time

In addition to being biological, the timetables and rhythms of life are also deeply social. Working time is the skeleton of the social organization of time and collective social life (Adam 1990, 1995). With the arrival of industrialization, the timetables of industrial production and working were reconciled with nature and human biology (the alternation of day and night), as well as with social tradition (a social calendar, week rhythm with a day of rest).

Time is not only clock time without any other social meanings. In addition to clock-time, time contains personal reference points, as well as social and shared qualities, day and night, everyday and holy day, work time and family time (Adam 1995). Time has deeply embedded social meanings. Saturday and Sunday are experienced differently from weekdays and morning differently than evening time. Work-free time must be available at certain points in order to be socially usable leisure time, in a collective rhythm of leisure time, and in coherent and plannable time units (Garhammer 1995). Our assumption is that this is why people are so reluctant even about the two day-shift pattern.

An industrial society, embedded in tradition – in counter modernity, as Beck would say – provides shared and common rhythms. For example, leisure time is regulated by the four previously mentioned temporal institutions: free evenings after work, weekends, holidays and retirement. Leisure time is a reward for the daily, weekly, monthly, yearly and lifetime work effort.

Our assumption is that shared timetables have many social and cultural functions; they can be characterized as a connecting force, social glue and cement. Shared timetables and social rhythms are naturally preconditions of family life, although they also have a specific meaning in terms of social life in a broader sense. Shared timetables are cornerstones of the possibilities to plan life, as it facilitates the ability to coordinate and organize activities. In a traditional and religious society, the church provided an arena of common



times, such as the Sunday morning service, which gave a feeling of sanctity. In a secularized and individualized mass society, the media provides shared time experiences, such as the evening news on television, which is viewed at the same time by a large proportion of the adults in the nation. Simply put, non-standard working time limits participation in collective leisure activities in favour of individual activities, which leads to the impoverishment of social life (Anxo et al 1999).

Certainly, industrial production would have wanted to make all time similar to "clock" time and potential work time. However, the counter forces within the industrialized society were strong enough to withstand this – the church, family, gender roles, unions, the manual and machine-bound nature of work, and locally embedded social life.

The rationale of the globalized economy and networking tends to realize this modern tendency to corrode the social qualities of time and to make all time similar in quality, to potential working time, irrespective of biological rhythms and social calendars. Here, two kinds of logics collide: the first is tailored to the times of production, the other to the rhythms of everyday life (Thommes 1999, 10).

The barriers of an industrial society – unions, families, gender roles, the state and the church – have lost some of their power with the increase in depoliticization, globalization, secularization, individualization and sexual equality. The presence of globality detaches us from local time-spaces. Even within families, the social rhythms have become differentiated and individualized. In Finland, it is quite common that the young people in the family have their own rhythms (staying up late and sleeping late; Tynjälä et al 1993), and families are experiencing increasing difficulty in finding common time, such as mealtimes. The struggle over the opening times of shops is a symbol of the collision between the freedom of flexible capitalism and traditional social shelters.

With the erosion of the social qualities of time, some of the traditional uniting forces and industrial shelters are also eroding, and social life is becoming more fragmented and impoverished. In a more deregulated time culture, the timing of social relationships passes from institutions to individuals. Individual time management is becoming more urgent, but also more difficult, thus creating time-pressure (Garhammer 1995, 1999b).

## Long hours – a statistical picture

We have made many references to the stretching or lengthening of working times, even in Finland, where under the industrial time regime, working times have mostly concentrated on the agreed hours. Below, we shall provide a concluding illustration based on the Labour Force Surveys and the information concerning *usual hours*. We note once again that different surveys provide quite a different picture of long hours. While the survey of the Occupational Health Institute reported that 33% of the employed work 45 or more hours a week, the corresponding figure, according to the 1997 Labour Force Survey, was 16%. It is possible that there are some mechanisms in the collection process of the Labour Force Survey which underestimate working times (e.g., questions and instructions given to the interviewee in order to code unclear cases). On the other hand, in some other connection, people might feel rather inclined to exaggerate their efforts.

We do not insist that the information we provide is exact; it is not our intention to comment on working times down to minutes and seconds. We suppose, however, that the comparison reveals the groups in which the working time is most inclined to be extended. Below, we use the limit of 45 hours of the usual working time (including usual overtime) in order to illustrate the structural connections of long hours based on the 1997 Labour Force Survey.

First of all, the difference between employees and the self-employed is clear: 7% of employees usually work 45 or more hours a week as compared to 62% of self-employed. At the same time, some entrepreneurs engage in shorter working times, and short hours (less than 30 hours a week) are equally as common in these two groups (about 8%).

Among employees, there are differences between sexes and socio-economic groups: long hours are especially common among *upper white collar workers*, and especially men. This, of course, is not a purely Finnish feature. In spite of decreasing contractual hours, other European countries have also registered either a constant or an increasing proportion of upper white collar employees working long hours (Wagner 1999). Britain, where long hours relate to the high incidence of low pay and the importance of overtime in the manual wage package, is an exception (Fagan 1999a).

TABLE 8.1. *The proportion of employees usually working 45+ hours a week by socio-economic status and gender in 1997*

Socio-economic status	Men	Women	Total
- blue collar	5,5	1,2	4,1
- lower white collar	9,5	3,7	5,9
- upper white collar	22,0	9,3	15,7
Total	10,4	4,0	7,1

Source: Annual Labour Force Survey 1997

According to the occupational classification, long hours are most common in transport and communication work, followed by commercial work (such as real estate and business services), and then in executive work. Members of trade unions concentrate on normal working times, while non-members engage in both short and long hours. Long working hours are more common in permanent than in temporary employment relationships.

Not surprisingly, long regular hours are connected to paid and especially unpaid overtime, working on Saturdays and Sundays, working evenings and nights, but tend not to be connected to shift work (shift workers work long hours less often than other workers) or working at home, that is, "bringing work home". Long hours are more common in growing workplaces which have hired new employees, than in less dynamic workplaces.

Thus, long hours are connected to the nature of work (transport and communication) and to the position within the workplace (executives, experts). Long hours are connected to working during unusual and irregular times, such as in evenings, nights and weekends, but not to regular shift work. Even if in Finland the gap between men's and women's working time is exceptionally small, long hours are still more common among men than women. When regulation and/or standardization yield, the gender differences always emerge.

### *Family and marriage dynamics*

As far as the family situation is concerned, in Finland, married people, both men and women, work longer hours than unmarried people. Long hours (45+) are most common among married men with children; long hours are characteristic of a settled life and career situation with income pressures. Among women, marriage and children do not seem to have much of an effect; about 4% of female employees in most demographic groups work

long hours. Among the age-groups, long hours are more common among workers aged between 25-54 as compared to younger and older ones, that is, at the age when there tends to be children in the family.

Men tend to increase their working time with marriage and children, while women do not. On the other hand, as opposed to many European countries, women do not seem to *reduce* working time with marriage and children. Short hours (less than 30) are more common among men and women who are unmarried and without children; short hours belong to youth, because of studies and unsettled careers and life situations.

This raises an interesting question about the time-negotiation within marriages. Are long hours particular to both spouses in a marriage – as some sort of mutual culture of long hours – or is one spouse, traditionally the wife, allowing space for the other, traditionally the husband, to devote time to his/her career? We examine this with the 1997 household-based Labour Force Survey. We do the examination in both directions, studying how the position of the husband “affects” the position of the wife, and how the position of wife “affects” the position of the husband. The results are quite symmetrical, and we include the data in Table 8.3 only from the perspective of the male spouse’s position.

In Table 8.3 in addition of working hours other traits of labour market behaviour (labour force participation, unemployment) are examined, too.

(1) First, *inactivity*, that is being outside the labour force in working age, concentrates into certain marriages. The wives of men outside the labour force are more often inactive, as compared to the average of women (40% vs. 22%). Among male spouses, the corresponding figures were 30% vs. 16%.

(2) Second, a similar concentration of *unemployment* is also obvious. The wives of unemployed men are more often also unemployed, as compared to the average of women (14% vs. 9%) Among male spouses, the corresponding figures were 12% vs. 8%. Thus, the “effects” of the spouse’s labour market situation (unemployment, inactivity) seem to be quite similar both among men and women (Virmasalo & Nätti 1999).

(3) Furthermore, *the working hours* of women and men correlate to one another, long hours in particular. The female spouses of men working long hours (41 or more) also work long hours more often than the average of women (21% vs. 8%). Among male spouses, the correlation is even more obvious (52% vs. 19%; data not shown); if the female spouse works long hours, so usually does the male spouse. This holds true among upper white collar workers, in particular. To put it in another way, there are marriages in which only the husband does long hours. Less often, only the woman works long hours; the long hours of the husband are a precondition for a wife’s working long hours. In other words, a two-career marriage is a prerequisite

for women's time-consuming careers, but is not necessary for men, although two-career families have become more common. All in all, these results reflect the homogamic tendency: Men and women sharing similar social positions and educational levels tend to find one another.

TABLE 8.3. *The labour market situation and working hours of a wife, according to those of the husband in 1997 (15-64 years old population)*

Men	Women					Total	N	Distribution of men
	Unemployed	Not in the labour force	H o u r s					
			1-34	35-40	41+			
Unemployed	13,6	28,3	11,1	41,9	5,0	100	279	7,5
Not in the labour force	9,4	40,1	10,1	37,9	2,5	100	597	15,9
1-34 hours	6,3	21,9	19,3	43,2	9,4	100	192	5,1
35-40 hours	8,7	18,2	13,1	55,3	4,7	100	1951	52,2
41+ hours	5,7	12,8	15,0	45,6	21,0	100	720	19,3
N	317	806	491	1832	290		3736	
Distribution of women	8,5	21,6	13,1	49,0	7,8			100

Source: Annual Labour Force Survey 1997 (spouses only)

All in all, long hours seem to have structural features. They belong to certain occupational, social, and gender positions. However, all people in these positions do not work long hours. While 39% of executives work 45 hours or more, we consider this to be surprisingly few, rather than many. We cannot examine the differences in greater depth based on these national statistics. Obviously, within certain structures there is some space for personal lifestyles and choices, for more or less commitment to career and work, as well as differentiated workplace cultures. National statistics do not reveal more to us; local case studies are needed, and at the present time, we do not have any available to us.

## Knowledge intensive work

"Urban legends" tell us about young men working in their own firms, or for others, in new, dynamic, attractive occupations in the information sector, (e.g. information technology or multimedia), who ignore normal life and

conventional life rhythms and the division between private and work life. Surely, the information sector, or in broader terms, information-intensive work in the network-based surroundings, carries many attractions, but also compels long work hours and new ways of mixing of work and leisure time.

Garhammer (1999b) reports about a project at the German IBM, in which managers were given personal computers and mobile phones so that they would be available at all times, when out of the office and when at home.

You had to write into your electronic diary where you were and exactly what you were doing. Messages would arrive in at unbelievable times which you were expected to answer promptly to. Therefore most colleagues took their PC home with them so that they could respond to any mail that could come in from a branch office from the other side of the world. (cit. from Garhammer 1999b, 4)

This new demand of just-in-time availability, across different time zones, is an extreme consequence of new global networking and informatization.

The concept of information work or information-intensive-work is far from clear and unambiguous. However, it is work connected to a good education, expertise and the use of new information and communication technologies. It is true that businesses are becoming increasingly dependent on the systematic use of knowledge and on the ability to transform knowledge into products. Perhaps the majority of interest is directed toward expert work, in which new knowledge, innovations and inventions are produced. This production is strategic for business success, and as work, it can be attractive and captivating.

Work itself cannot reasonably be controlled by working time, but rather by results, deadlines, teamwork, internal benchmarks and discursive techniques that attract company loyalty (Casey 1995). Individual differences in productivity can potentially be large. For example, an excellent programmer can be as much as ten times more productive than a weaker one. Thus, long hours by the best workers can be very profitable to the company. On the other hand, long and intensive hours might not be the best prerequisite for innovative work. Ilkka Tuomi (1999) underlines the "productive looseness and creative idleness" in intelligent organizations.

We have already seen that highly-educated (upper white collar) employees work longer hours than others, and the tendency of lengthening hours particularly concerns them. Below, we examine how the use of information and communication technology (ICT) as a "work tool" affects the aforementioned illustration of long hours. We divide blue collar workers, lower and upper white collar workers according to those who use some form of infor-

mation technology in their work, and to those who do not. A rough way of approaching information-intensive work is to identify it with those upper white collar workers who use modern information and communication technologies in their work.

According to the Quality of Work Life Survey (1997), the use of information technology in white collar work is common, especially among upper white collar workers: 92% of upper white collar workers use some form of information technology, usually a PC, in their work, as compared to 78% of lower white collar workers and 40% of blue collar workers. Admittedly, the users of ICT are extremely heterogenous in terms of their occupation and work tasks, and the group of highly educated non-users is quite small for statistical analysis. However, we think that this comparison can potentially reveal some of the processes that leave their mark on working times. The differences between ICT-users and non-users were generally similar among all socio-economic groups.

First of all, as compared to non-users, users of ICT hold stronger labour market positions, they have less unemployment experience, they work more often in permanent employment relationships, are better paid and have participated more often in training offered by their employer. Their workplaces have more often gone through changes, and have new changes in sight; the economic situation of the workplace is stable, and new employees have been hired. Users work more often in the manufacturing industry, private service sector and central government, while non-users tend to be concentrated in municipal services. In the late 1990s, information and communication technology and economic dynamism go hand in hand.

As compared to non-users, the work of ICT-users can be described as interesting and demanding. The workplaces of ICT-users more often utilize all "modern" techniques of management, such as management and payment by results, teams, and externalization. The users feel that their tasks have become more demanding and strenuous, requiring new learning to an unfair extent. The nature of working time among ICT-users is more hectic and busy, and they tend to feel that their work piles up in anticipation of being done. In addition, ICT-users more often experience difficulties in being free of work pressure during free time. They also feel that rushing causes accidents and errors in their work. ICT-users more commonly feel that young people are able to manage their work better than older people.

The immediate superiors of ICT-users are usually men, and the difference between users and non-users is extremely noticeable here. In the workplaces in which new technologies are used, there is a greater amount of competition and more conflicts, and less support. This confirms the results of work sociology; the dynamism that is typical to new technology also brings new strains

and conflicts (Kortteinen 1992).

The working time rhythm differentiates, so that among white collar workers, the ICT-users more frequently do day work than non-users (who obviously do nursing work in shifts). However, among blue collar workers, ICT-users often work in shifts (often controlling uninterrupted processes, or using other expensive facilities). The ICT-users are able to influence arriving and quitting times more than non-users. Perhaps, contrary to popular belief, ICT-users do not work at home more often than non-users.

All in all, the nature of ICT-aided work contains features which might lengthen working times. The use of information and communication technology seems to have an effect on the nature of work and work place culture, making them more demanding and hectic, although according to this – admittedly rough – analysis, not so much with regard to working hours. However, ICT-work does tend to increase uncompensated overtime.

Instead, the users of ICT seem to be ‘time pioneers’, meaning that they are *more interested in utilizing all alternative working patterns*. ICT-users have thought more often about early retirement, and they have more of a tendency to have individual pensions, which is a self-determined way of realizing early retirement. The ICT-users are noticeably more interested in flexible working patterns, in long distance work, in compressed working weeks, in sabbaticals and time banks. They obviously have unrealized hopes concerning working time; they hope for some sort of change, more time for themselves and longer holidays. In the ‘lottery-question’ – a hypothetical situation in which they imagine that they have won the top prize in the lottery – ICT-users most commonly answered that they would reduce their working time.

## The mechanisms of lengthening the working day – the displacement and replacement of the ‘social’

Although the signs of the lengthening of working times are weak in official Finnish statistics, we suppose that the historical trend of reduction of usual weekly hours is reversing even in Finland, and that working times are lengthening as opposed to shortening.

In conclusion, we pose the question of why working times are lengthening. In Australia, which is one of the countries in which the lengthening can actually be seen in statistics (for full time workers from 39.9 hours in 1982 to 42.2. hours in 1998), Ian Campbell (1999) has made a detailed analysis of the reasons for this trend, arguing that the lengthening in hours is primarily the result of an increase in unpaid overtime amongst full-time employees,



not, for example, the result of a decreasing frequency of absences or long leaves. We will comment on this process on two levels; on the organizational level, and on the level of the deeper modernization processes.

### *Organizational techniques*

First, the tendency can be described on the level of organizations in global competition. While studying Finnish industrial firms, Hanna Liikanen (1998) summarizes that with lengthening working hours, organizations want to avoid hiring new employees or re-defining a person's job in order to make it less time-consuming. The pressure to lengthening working hours can result from unreasonable goals or under-resourced manpower, and it exploits the sense of responsibility and commitment of employees toward the company, clients and customers.

The prolongation can be produced by management and organizational techniques, by the concepts of 'total working time and total payment', which formally or informally are outside collective working time regulations. Wagner (1999) underlines that more and more employees are left outside of collective agreements and collective rules, and their working times are becoming more informal. This is obviously the case in Finland, too, although we are unable to illustrate its extent statistically. Modern ways of organizing mental work in projects with deadlines and teams are effective means of increasing working times. Although the flexible patterns are not specifically designed to lengthen working time, but rather to allocate it 'just-in-time', in practice they can lead to lengthening times.

The prolongation may be fed by competition between employees. Those who voluntarily work long hours happen to set the norm, which others then have to follow. As we noted before, in dynamic organizations, work tasks, programmes, rules etc. may change at such a speed, that the acquisition of new skills or knowledge and keeping oneself on schedule cannot take place at work, but rather at home – outside formal working hours. Flexibility and elasticity have become new qualifications, which define dedication to work, career, and company. This qualification determines career possibilities.

On the other hand, employees can utilize overtime for their own purposes by justifying their own needs for flexibility. Still, Liikanen notes that the prolongation of working times over the agreed or normal level nullifies the meaning of leisure, free time and personal life, instead of attaining company's objectives.

We think that this is an accurate description of the organizational processes producing long hours. It is possible to delve deeper into this notion by pondering the processes that get *employees to comply* with these organiza-

tional processes.

The American performance and consumption-centred culture offers us one answer. In short, in American culture, long hours are a symbol and sign of success; normal hours are a sign of lack of success or mediocrity. In this kind of culture “working hours are exaggerated, too, like participating in other socially valued activity” (An interview of John Robinson, Helsingin Sanomat 8.8.1999).

With American enterprise culture in the forefront of her thoughts, Arlie Hochschild (1997) describes the process in which work becomes home and home becomes work. Work is interesting; it is the object of intensive involvement and the place of important social relationships. Home is routine and must be taken care of rationally and according to timetables. Children are given ‘quality time’ in exactly calculated portions. Catherine Casey (1995) sheds light on the discursive strategies behind this culture, on the discursive strategies by which companies attempt to *colonize the selves* of their staff, attempting to produce company-persons who are diligent, dedicated and loyal.

### *Modernization processes*

Of course, this organization culture presupposes certain material and social processes, some general *modernization processes*. We summarize them as consumerization, detraditionalization, depoliticization, individualization, differentiation, informatization, knowledge-intensity, and globalization:

- consumerism promotes behaviour in which incomes are preferred over free time;
- detraditionalization erodes the sacred feelings associated with Sunday and Saturday, family life or gender (the union of women and home);
- depoliticization displaces collective rules, politics and unions through the needs of firms and desires of individuals;
- individualization makes working time one’s own concern, as opposed to being dictated by collectively put rules and norms;
- differentiation of job contents and conditions makes more difficult to adapt universal working time norms;
- informatization and knowledge-intensity make jobs more attractive and challenging, working tools more personal (as personal computer), easily moveable from one place to another, and employees continuously accessible via their mobile phones, e-mail and communicators;
- globalization connects the different time-zones – it is always daytime somewhere, and in a networked economy, as well as in public and social life, different times become mixed.

We suppose that a basic mechanism of extending working time is the social production of the 'own', in other words, 'one's own business' or 'own entrepreneurship'. Long working hours imply and presuppose that the border between working time and one's own, personal time, is becoming eroded. This is quite clear in the case of self-employed entrepreneurs who might dedicate their entire life to their 'own business'. Even employees can be made to feel as if some dimension of their job is their own: 'my job', 'my achievements', 'my results', 'my clients', 'my customers', 'my responsibility', 'my success', 'my career', 'my income', 'my company', 'my team'. When the responsibility is 'my own', the working time is my own business, and *the borders of working time are impossible to draw with the law and 'the normal'*. The following question is, has this destandardization in the global competition economy resulted in anything other than the lengthening (and polarization) of working times? *This provides a new challenge to wise companies, too*. How are we to restrict working, if the law, the family, the church and unions are no longer capable of doing so?

All in all, this process can be named as the *displacement of the social*, the social in its many meanings (social traditions, social life, social protection, social restrictions), and as the desocialization of labour (compare Rose 1998). Catherine Casey (1995) describes how in modern global companies, the old social ties are being *replaced* by new ones, by a design-culture, with a simulated 'social', which also appears in the form of long hours.

Obviously, there are *national differences* in the dominance and prevalence of these processes, different modernization routes. On the one hand, the USA is an extreme. On the other hand, we think that Germany, for instance, (the corporatist-conservative regime) is more inclined to maintain such traditional and collective structures as unions, the church, families, and gender, which resist extreme business and work-centredness. At the same time, while American culture is perhaps more performance-orientated than ever, Ulrich Beck (1998b, 44) argues that the status- and consumption-oriented value system is crumbling, and with it, the consensus on progress. (Of course, Beck might be wrong in his diagnosis.)

It is not easy to compare nations and cultures with some indisputable evidence. However, we suppose that Finland is closer to the American than German culture, and is inclined to individualize, to adopt company rationales, and to lose the force of traditions, although there are also crucial differences between the USA and Finland, such as the position of unions.

In addition, the Finns are in their working time attitudes "European". According to the Employment Options of the Future Survey, collected in 1998 by the European Foundation for the Improvement of Living and Working Conditions in Dublin, there is a European tendency to want shorter work-

ing time. Only 11% of employed Europeans preferred longer working hours. On the contrary, almost half of the employed respondents (49%) preferred shorter working hours than what they presently have. The average number of preferred hours (34 hours) is five hours less than the actual hours (39 hours). The Finns are quite near the EU-averages. The preferred average number of hours in a situation of a free choice was 34.6. The Finnish gap between the actual and preferred hours (-5.5) is close to the average (-5.0), too.

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## NEW CHANCES – FLEXIBLE LIFE COURSES

### Options for individuals – a neglected but emerging view

Since the 1970s, social scientists have argued that people are more and more critical toward traditional working time structures that force them to work and live according to timetables made by others, without personal autonomy and choice. Instead, sociologists say, people want 'time sovereignty', control over their own time.

Boulin (1998) has a slightly different emphasis. He assumes that, as a consequence of working time policies thus far, the development of individual autonomy, as distinct from productive flexibility, is now beginning to play a role in working time policies. The new issue, in a way, escalates from the results of working time policies, their achievements, consequences, neglects, and contradictions.

As we have already noted, *Finnish employees prefer 'the normal'* (Julkunen & Nätti 1994, 142-178; 1995, 84-96). Uniform working times are a culturally valued indication of equal distribution of work. Most employees prefer the standard working time (in the 1993 Labour Force Survey, 72% preferred 35-40 hours a week), and part time work tends to be a temporary arrangement for young students or the ageing workforce. Regular daytime work, in other words starting work in the morning, is valued. In the 1993 Labour Force Survey, employees were asked whether they desired more personal autonomy and flexibility. Those answering "yes" were a minority: 44% of employees preferred "more possibilities to change the length of working time according to their own life situations", and 30% agreed with the wish for "more flex time (more possibilities to choose the time at which you enter and leave the work place)".

Captivated by the social scientific beliefs that people want more control and influence over their working time, we regarded these proportions as surprisingly low. Why doesn't everyone want more freedom – at least in a survey in which it is easy to imagine and wish for all valued and pleasant things? Our underlining conclusion was that, for employees, the normal working time is a shelter against too long or too short, unsocial and unpre-

dictable hours; and the right to 'normalcy', in contrast to social scientific rhetoric, is their first and foremost interest. It seemed as if the employees could not even imagine that flexibility could potentially be beneficial to them and give them, not only their employers, new options.

We suppose that the working time policy of the 1990s continued along this same line, not taking the question of individual autonomy or options particularly seriously. Certainly the theme of individual options played a *rhetorical role* when companies justify the differentiation of working times. But has it ever been any other way? We presume that the development of individual autonomy, as distinct from productive flexibility, has as far been a neglected issue.

When the Finnish government presented the outline of its working time policy on 14.1.1997, it included many societal aims, but not the empowerment of individuals in relation to their working times. We suppose that this holds true for the cooperation of social partners, too. In any event, the joint report (Työaikaraportti 1998) does not give any serious attention to individual options. One of the three central confederations, STTK, perhaps less sympathetic to employers' views than the other confederations, criticized the joint paper for this omission. The starting point of employers offering individually-tailored working times is that the enterprises offer an assortment of different hours – short and long, day and night, fixed and variable, compressed and extended – according to their specific needs; and individuals can choose from the possibilities offered, assuming that there is a fit between the two. There is no guarantee, however, that this assortment will correspond to the individual wishes of employees, if there is no mechanism with which to reconcile the needs of employers and employees.

All in all, the 1990s put no pressure on businesses to compete about the workforce through personnel-friendly arrangements. However, even if individual autonomy was not a priority in working time policies, the working time policies of the 1990s obviously generated a motion in that direction as a result of both enterprise-induced flexibility, and new schemes introduced by the government. When the working times have been tailored to the needs of companies, the old routines have been destabilized.

Local bargaining of working times was institutionalized in the 1990s in Finland. We regard local bargaining as a necessary condition for individual options and autonomy. The demands and conditions of different jobs vary to such a degree that individually-tailored working times are impossible to invent and introduce, except locally. How can there be time-autonomy in the occupation of a teacher, a nurse, a programmer, a shop assistant or a mechanic? *In principle, the institutionalization of local bargaining could also be an impetus for taking into account the wishes of the personnel.*

Unfortunately, there is no comprehensive information as to what extent individual options and autonomies are recognized in local bargaining. However, even in those advanced enterprises with exemplary working time arrangements studied by Hanna Liikanen (1997, 1998), an active search for ways to increase the time-autonomy of personnel did not take place. The management invents, introduces, and shuffles new arrangements according to the needs of the enterprise. However, in one case, the negotiation process resulted in a flex-time, or time bank, offering an exceptionally wide working time group autonomy. Local bargaining is a necessary, although in itself insufficient, condition for the implementation of employee-derived working times.

Obviously, the differentiation of working times and institutionalization of local bargaining have yet to result in the growing demand for personal autonomy or new innovations. We believe, however, that these two processes – together with other structural and cultural changes in working life – will provide a new impetus for an increase in personal autonomy. If working times are negotiated at the local and individual level, it is unlikely that, in the long run, the main points of view will only be those of the enterprises. It is reasonable to expect that local and individual negotiation, while driving local bargaining instead of national bargaining, will produce side-effects which the employers neither anticipated nor wanted.

As Niemelä (1999) notes, the institutionalization of local bargaining might have consequences that employers have not intended; it can potentially increase the power resources of both parties. In Niemelä's representative research in the private sector, only a minority (10%) of shop stewards saw local agreements as solutions dictated by management, and this conviction of influence held true, especially with regard to working times. This, of course, is no guarantee that adequate attention was given to individual autonomy. The unions can also be blind to the needs arising from private life and lifestyle choices.

Perhaps the same also applies to the action of the *government*. As previously stated, widening the scope of individual autonomy or personal choice has not, as such, been a target of the government or any working time policies. However, while aiming at other societal goods (the employment of the unemployed, work sharing, the maintenance of labour resources) the government, in fact, introduced new schemes, which actually gave employees new rights and opportunities for compensated shorter hours. Thus, obviously the government has given some impetus to the widening of personal autonomy, not intentionally, but rather as a *side-effect*. In all likelihood, Boulin's theses about the consequences of working time policies can also be applied to the case of Finland.

## The reinterpretation of opinions – a desire for self-regulation

Decoding cultural trends is a matter of interpretation and theoretical commitment, as much as of indisputable facts. We have to ask ourselves whether now is the time to reinterpret old statistics. Thus far (Julkunen & Nätti 1994, 1995), we have stated that the right to normal working time is one of the most urgent interests of employees. Individuals mostly wish for 'normal' working time, predictable lengths, working in the daytime and coming to work in the morning; they desire some level of autonomy regarding when they begin and end their workday, and the possibility to be allowed free time when necessary in accordance with their private lives.

It is our contention that there is no reason to dismiss this prospect. However, we also admit that this is not the whole story. We will look once again at Finnish opinion statistics.

In the 1993 Labour Force Survey, the willingness for variable and flexible working time was examined, in the 1997 Quality of Work Life Survey, the interest is in certain "new working time models". We present them in chronological order.

Even if the minority expresses willingness or desire for more variable working time, it is *still a considerable minority*. In 1993 it was almost as popular to wish to adapt the working time according to the needs of the firm (37%) as to one's own life situation (44%). Second most popular was saving working time in order to facilitate taking a longer leave (Table 9.1).

There are some interesting differences between groups, as well as surprising lack of differences. In general, gender or having small children did not have much impact, except with regard to the willingness to adapt working time to one's life-situation and interest in long leaves: small children increased willingness both among women and men. Those employees most interested in self-determination can be referred to as *pioneers of post-industrial risky working life*: they tend to be young (25-34), upper-level white collar workers working in finance and insurance. The desire for regularity grows with age. Interestingly, those who had been unemployed or perceive job insecurity, are more willing to be flexible, to adapt the working time both to the needs of the workplace and one's own life situations.

In the 1997 Quality of Work Life Survey, the willingness to rearrange working time in accordance with some specified model, was examined (Table 9.2.). The alternatives, and the shares of those saying 'yes', were as follows.



TABLE 9.1. Willingness to rearrange own working time among employees 1993 (the proportion of 'yes' responses, %)

	Possibility to save working times for longer leaves	Variable length of working time according to life situation	Variable length of working time according to the demands of firm	More flex time	More variable timing
Both genders	46	44	37	30	16
- men	45	44	36	28	17
- women	47	45	38	33	15
Has 0-10 years old children					
- no	44	41	36	29	16
- yes	50	52	38	32	15
Age					
- 15-24	36	35	34	22	15
- 25-34	54	52	45	34	20
- 35-44	47	47	39	34	16
- 45-54	44	39	32	28	13
- 55-64	32	32	24	19	13
Socioeconomic status					
- upper-level non-manual	55	51	42	28	21
- lower-level non-manual	47	47	39	32	15
- manual worker	41	38	33	30	15
Employer sector					
- public	47	44	38	30	14
- private	46	44	36	31	17
Industry					
- agriculture	34	38	31	23	11
- manufacturing	46	46	37	34	17
- construction	46	44	39	28	18
- trade	47	44	39	29	17
- traffic	39	37	30	24	12
- financing	48	49	39	34	21
- public services	48	44	38	29	14
Has been unemployed during the last 12 months					
- no	46	43	35	30	15
- yes	48	48	44	32	19
Perceived job insecurity					
- no	44	41	33	27	14
- yes	49	49	43	35	18

Source: Annual Labour Force Survey 1993. Perceived job insecurity is a sum-variable consisting of three items (threat of dismissal, lay-off, transfer to another job). Original variation (0-3) is compressed into two groups. (Happonen & Nätti 1999)

TABLE 9.2. The proportion of employees interested in "new working time models" in 1997

	Working time bank	Compressed working week	6+6 with full pay	Sabbatical leave	Part-time pay supplement	6+6 with reduced pay
Both genders	61	47	46	38	34	9
- men	61	52	42	37	28	7
- women	60	42	49	39	40	10
Has 0-10 year-old children						
- no	59	46	45	37	34	9
- yes	65	48	47	41	36	9
Age						
- 15-24	68	57	53	27	33	12
- 25-34	70	52	47	40	33	9
- 35-44	62	48	46	41	36	8
- 45-54	56	43	46	42	37	9
- 55-64	34	27	29	20	25	5
Socioeconomic status						
- upper-level non-manual	58	44	28	43	34	9
- lower-level non-manual	64	47	49	40	37	10
- manual worker	59	78	52	34	33	8
Employer sector						
- public	58	42	46	39	39	9
- private	62	49	45	38	32	8
Industry						
- agriculture	51	40	33	35	33	16
- manufacturing	64	47	51	38	32	7
- construction	63	57	44	39	28	5
- trade	59	48	46	37	32	9
- traffic	65	55	40	38	28	8
- financing	64	48	36	34	30	9
- public services	57	42	47	40	41	10
Has been unemployed during the last 12 months						
- no	58	44	43	38	33	8
- yes	66	52	50	38	37	11
Perceived job insecurity						
- no	59	46	42	37	33	8
- yes	65	49	52	41	38	10
Experience of hurry and time pressure						
- low	54	40	41	31	30	9
- medium	61	48	45	39	35	9
- high	67	52	51	44	38	9
Use of ICT (e.g. PC) and socio-economic status						
- no ICT, blue collar	55	46	50	33	34	8
- yes ICT, blue collar	65	50	56	37	32	8
- no ICT, lower white collar	55	44	49	38	36	7
- yes ICT, lower white collar	66	48	49	40	38	10
- no ICT, upper white collar	54	38	27	28	38	9
- yes ICT, upper white collar	59	45	28	44	31	9

Source: Quality of Work Life Survey 1997

Perceived job insecurity is a sum-variable consisting of three items (threat of dismissal, lay-off, transfer to another job). Original variation (0-3) is compressed into two groups.

Experience of hurry and time pressure is a sum-variable consisting of 17 items (e.g., "I have tight schedules in my work"). Original variation (1-68) is compressed into three equal groups.

At the top of the list are alternatives such as working time bank and the compressed work week, which do not cause any income loss. A six-hour day loses almost all its attraction if it includes pay cuts. There are some familiar and expected gender differences. Women favour six hour days and subsidized part time, while men tend to favour a compressed work week, that is, long days which then allow compensatory free time. Time after time, even in 'equal' Finland, the gender difference reveals that women's non-working time is more bound to the duties of everyday life than men's.

Yet, some other differences are more remarkable than those between men and women. There are some structural traits that increase the interest in all or most alternative working time models:

- age; the young are more interested;
- labour market insecurity; those having recently experienced unemployment and perceiving job insecurity, are more interested;
- use of information and communication technology (ITC) in work; those using ICT are more interested;
- the experience of hurry and time pressure; the interest in all alternative models (except for six hour days with reduced pay) increases together with experienced rushing.

It is reasonable to conclude that there are some correlations *between the content of work and a certain working time model*, for instance a correlation between a (masculine) manual work and compressed week. There are also some correlations between age and desires, as in the compatibility between youth, the compressed week, and time bank. Both the compressed work week and the time bank imply the notion of sometimes engaging in longer hours in order to receive longer periods of free time.

On the other hand, there are some work and life situations *which generally increase the wish for some alternative working time arrangements*: Young age, labour market insecurity, the use of information and communication technology, and strongest of all – the feeling of being rushed and under time pressure.

It is no surprise that those representing future jobs, rather than past jobs, are more interested in experimenting with less conventional working time models. More unexpected, perhaps, is that one essential mechanism in increasing the interest in alternatives is the increased pace of work. With increasing time pressure, all alternatives to the present conditions seem to bring improvement and some relief to the existing situation.

Those work situations which can be regarded as typical of future-based jobs – in other words, those which are demanding, which include the pressure to produce results, increased pace, and IC-technology – nourish hopes

of *something else*. Wishing for alternatives to a normal work week communicates a belief that things could be better; that working times could be arranged in a better way. The wishes may be vague, but more autonomy and more free time are definitely desired.

In the 1993 Labour Force Survey, the desire for *more autonomous personal time*, worded in the survey as “a chance to save from holidays and overtime”, became, by 1997, a wish for “a working time bank”. These are wishes of a culture of increased expectations about autonomy. They do not directly reveal a wish for shorter hours, but rather more self-regulation of given hours, a chance to ‘put’ working time into a personal bank or account and withdraw it when needed, and thus a chance to have more power in the shaping of one’s personal life.

### *Accumulated leave*

In fact, the trade unions have recognized this wish for more self-regulation, and the establishment of a bipartite group to prepare a proposal about enhancing the prospect of ‘saved leave’ was set in the income negotiations of 1997. In September of 1999, the group published a report (*Säästövapaa mahdollisuudet*). According to the report, no consensus was reached about the need for a new scheme.

Nowadays, it is possible to save some part of annual holidays (since 1990), overtime (since 1996), and other forms of compensation, and exchange them for a leave. In addition, sector-level national collective agreements contain orders – in fact, very different orders – for saving a leave, which is mostly referred to as a ‘flexi-leave’. The aforementioned group (1999, 11) provides an example from the agreements of lower white collar workers in the manufacturing industry of how it is possible to collect a 41-46 day leave by using various means.

There is no data as to what extent the flexi- or saved leaves are used in working life. However, the working group concludes that the existing opportunities of saving longer leaves are seldom used. We suppose that the schemes are not known very well, and that they sound bureaucratic, troublesome, and time-consuming. One problem in saving leaves is the mobility of the workforce: it is impossible to move savings from one firm to another. Another problem may arise as a result of financial difficulty within an enterprise. Who will compensate the accumulated free time in case of possible bankruptcy? In addition, collecting work in a bank or account may incite people to work overlong hours or not take legal holidays.

A further problem is unpaid and informal overtime, done on the initiative

of the employee, that the employers do not want to acknowledge as overtime. How can overtime be converted into free time if it is not authorized or acknowledged as overtime? Obviously, the idea of saving leave intensifies the conflict over overtime. One conflict point also concerns the timing and placing of the use of saved time.

More or less informal time-banks are functioning in many workplaces, based either on the formal counting of work hours with plus and minus balances, or on trust and the concept of 'total responsibility'. Working long hours and committing whole-heartedly to work justifies one's own discretion about the use of time, for example, sometimes using work time for private purposes. As expressed in the desire for more self-regulation, these local practices do not seem to be sufficient. At the same time, agreeing about some universal rules for the protection of employees is difficult within a fragmented and differentiated working life. The eventual recommendation of the aforementioned group was merely a call for increased information and instructions for adapting existing opportunities. Most crucial in their opinion is the development of work organization: will such development that gives space to this kind of flexibility, take place? The legal conditions are already in place, provided by the existing work time laws.

## Reconciling work and family lives

### *Families that manage – with too little time*

The usual, established, and conventional approach to the reconciliation or combination of work and family life is to keep women as "mediators" – assume that women need shorter hours, besides maternity leave, to attend to the needs of the family. A short day is family-friendly. However, as previously stated, the aim of the attainment of the universal short day does not seem to be any closer. Employers' answer to family needs is individual reduction, that is, part-time employment. In a part-time culture, the Netherlands, for example, part-time work is even done by persons in leading and professional positions. In Finland, part-time work is not accepted as a general solution to the combination of paid work and unpaid household work and family life.

One example of a model of a short day which benefits family life could be the experimental 30-hour work week described in Chapter Experimenting with new models. According to the results, however, even those (women)

who had greatly enjoyed the shorter time, were unwilling to take this time at their own cost and sacrifice a portion of their income.

What do people in Finland who have families, whose work times have not been adapted to family life, but whose compensated family leave is universally covered and has reasonable length and compensation, want? Do working people have family-related wishes about the flexibility of or arrangement of working times? This has been studied thoroughly in a recent project entitled "Combining Work and Family Lives", in which data was collected from ten workplaces representing different branches (Lammi-Taskula 1998a, b, c, Lammi-Taskula & Suhonen 1999, Salmi 1997, Salmi 1999; was also reported in the information leaflet "Perhe & Työ" 1997-1999).

First, employed people with families *mostly felt that they are able to manage their everyday lives*. Significant compromises were rare. According to the surveys collected in different types of workplaces, 4% of the employees studied thought that they had restricted the number of children they had due to working reasons; 13% had worked part-time, and every tenth person had given up a job because of family reasons. All of these and other compromises were more common among women than men. Restricting the number of children, or postponing the birth of children, was most common among highly educated women.

Even in less significant everyday situations of combining work and family, problems were quite uncommon. 10-4% reported experiencing family-related problems while working overtime, working late, travelling over night or participating in work-related occasions outside the working-time. The stress experienced at work was parallel to increasing age, and thus more often felt by those who no longer had under school aged children.

For one reason or another, the great majority of working Finnish parents who were studied felt that they are able to manage their everyday life. However, when speaking about the combination of work and family, employees speak particularly about working times, shifts and time shortage. In Finland, for example, people do not expect the employer to arrange day care. *Two out of five felt that they have spent less time with their family members* (spouse, children, parent) than they wish. This feeling was common especially among male blue collar workers and female upper white collar workers; in addition, the younger the smallest child, the more often the shortage of time was felt. During the 1990s, the compromises done by women for the family, became more rare that obviously tells about a more demanding working life (Lehto & Sutela 1999).

When the combination of family and work is pondered, 'the family' is usually understood as children, particularly preschool children. Nowadays, as people live longer, the population structure is ageing, and more and more

expectations are put on the caring role of the informal sector, it is not only childcare but also *taking care of elderly parents* or sometimes spouses that figure into the everyday lives of today's working people. Even though in Finland the public sector is seen as being mainly responsible for the care of the elderly, spouses and children have natural ties to their close loved-ones, and most of the assistance given to the elderly is from family and friends, rather than public services (Lehto et al 1997). Common today is family members visiting hospitals and institutions in order to insure the provision of good care in these facilities.

This question is even more important since traditional caregivers, middle-aged women, are themselves employed in wage work; and recent policy demands that they remain in working life longer. Thus, the informal care of the elderly must be combined with wage work. According to a survey covering people of different ages and in different life-situations, half of the respondents whose parents are alive visit with them at least once a week; telephone contacts to parents generally occur on a daily or weekly basis. Approximately 10% of those whose parents are alive help them at least weekly with household chores, shopping and transport. Another 12 to 16% help their parents at least once a month. The period before the death of a parent or parent-in-law, can be very stressful, both physically and psychologically (Lammi-Taskula & Suhonen 1999). Those taking care of their own parents, parents-in-law or spouses, have less social rights than the parents of small children. However, new family leave has just been introduced, which gives some support to temporary absence for compelling family reasons.

In another study (Kandolin et al 1997), new working time arrangements (a compressed week, six-plus-six) were felt to be more family-friendly (facilitating family life) than usual daytime work, and especially more family-friendly than traditional shift work. Even if most working people with families feel that they are able to manage, the result of the study reveals that some alternative patterns could help everyday life. In addition, the flexible combination of work and family was the most important predictor for satisfaction with working hours – and traditional shift work was another important predictor for dissatisfaction. Kandolin et al conclude that new working time patterns are worth developing as an alternative to traditional shift work.

### *.. and wish more flexibility*

While studying the previously mentioned surveys and the preferences expressed within them, the family situation – being married or unmarried, having someone to take care of or not – does not seem to significantly influence desires regarding working time arrangements. The Finns are used to arranging their

lives, including family lives, according to full-day work. However, those who live with preschool aged children are distinctive in that they wish to vary the length of working time according to their own life situations more often than those who do not have young children. There is no difference between the wishes of mothers or fathers (54% of mothers, 53% of fathers).

The aforementioned project also included a survey which, according to its results (Lammi-Taskula 1998 b) showed that the most popular desire amongst respondents was the possibility of saving or accumulating some longer free time period. The experience of too little time spent with family, exhaustion or worry about health, increased this desire (Salmi 1997).

In Finland, time needs are not channelled into part-time work, but rather flexibility. As Salmi states, what people seem to want is a rather *vague flexibility of working time that conforms to one's life situation*; this wish is particularly true for those who live with a person in need of extra care. That the wish is vague, is shown by the fact that it is not easy to specify what this flexibility is. However, when people express their own wishes – in their own words – they speak expressly about the flexibility of working times. Obviously we have a young, or otherwise different, generation in working life for whom 'flexibility' is a positive vision, not a source of fear and a target of resistance.

*The Finnish model of combining family and work leans on the role of the state*, on parental leaves and day-care services, provided by the state and municipalities (Salmi 1999). The social rights guaranteed by the state are irreplaceable to families. However, this reliance on the state leaves *enterprises untouched*, and does so in a situation in which the kind of flexibility people long for is something which can be negotiated only in the workplaces.

One example of how a social right is not sufficient is parental and care leaves, and men's non-use of these leaves. In Finland, fathers have the right to paternal leave of 6-12 days immediately following the birth, and 6 days more later on; following this, they can use six months of parental leave (maximum 26 weeks), and after that, care leave until the child is three years old (Nikula 1999). The popularity of paternal leave has increased steadily since its introduction in 1978 (in 1997 two thirds of fathers used at least some days). During paternal leave, the mother and father are together at home with the child, while in the aforementioned schemes the father is alone with the child while the mother goes back to work. This opportunity is used very seldom, and the gender equality takes place only 'on paper', not in practice. At the same time, in attitude surveys, people think that the fathers should participate more in the caring and rearing of their children (Melkas 1998).

There are surely many reasons why men tend not to utilize family leaves, a great deal which can be attributed to family dynamics. And, the state can do something more if there is a will, as the example of Norway shows: a part



of the leave can be reserved only for fathers. However, the companies and workplaces have a crucial role. As Susan Lewis (1999) says, men in spite of their formal right don't feel themselves entitled. The companies and workplaces should be more active in changing behaviour and supporting men in their fatherhood. According to the results of the aforementioned project (Lammi-Taskula 1998c), men believe less than women that their family-related absences and leaves are accepted at their workplaces.

All in all, Salmi (1999) and den Dulk et al (1999) ask whether it is true that an active national social policy on reconciling work and family life discourages firms from realizing work-family arrangements? Or is it the case that a political culture that emphasizes equal roles of men and women, and points out the necessity for work-family arrangements, invites employers to create substantial supplementary provisions?

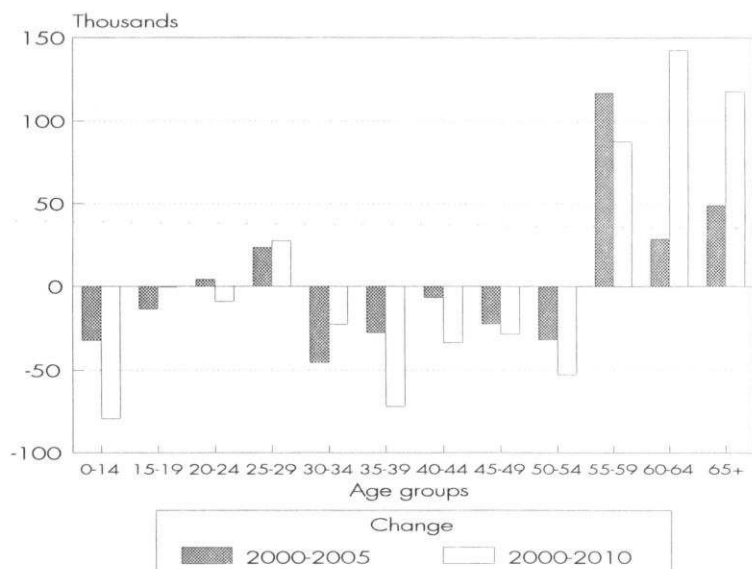
The Finnish experience reveals that it is not easy to have family issues on the agenda at workplaces (Salmi 1999, Liikanen 1998). In Finnish workplaces there are seldom any organized, legitimate practices which employees can use in order to make their life situations known and to request support in combining work and family, nor are there any active family-work arrangements on the part of firms. The process of making family issues visible is slow and contains many obstacles, beginning with the universal norm that everyone must have the same rules at work, in spite of the wide range of variation in personal and family situations.

## Flexible working patterns for the ageing workforce

All over the Western world, a search is underway for new innovations and means in order to "combat age barriers in employment" (Walker 1997). Organizations, governments, officials, foundations, researchers, and all possible parties, are attempting to find new ideas and the 'best practices' in order to keep the older age groups employed, to combat ageism, and support the maintenance of working ability and the working motivation of ageing people.

The Finnish population, too, is ageing. The growth of older age groups is more rapid than the European average, due to the exceptionally large groups born after the Second World War (baby boomers in 1947-51). The number of retired pensioners is growing, and so is the average age of the working age (15-64) population. During the 1990s, the average age of the labour force has increased from 38 to almost 40 years, and the average is still growing.

FIGURE 9.1. The change of the population in different age-groups between 1998 and 2010



Source: Kansallisen ikäohjelman seurantarjestelmä 1999, 5; Tiainen 1999, 5-7

In addition to ageing, the other factor in the formulation of new policies is the frequency of early retirement. The formal pension age in Finland is 65 for both women and men. Nevertheless, the actual average pension age at its lowest was 57.7 in 1994, from which it increased slightly to 58.7 in 1998 (Ehdotus Kansallisen Ikäohjelman seurantarjestelmäksi 1999). The Finns do not depart much from most Central Europeans, although they do clearly depart from other Scandinavians. The difference is largest in the *age group of 60-64*, in which the share of pensioners varies from 27% in Iceland, to 81% in Finland (Social Protection in the Nordic Countries 1996):

Iceland	27
Norway	34
Sweden	38
Denmark	61
Finland	81

The third factor is the rapidly deteriorating situation of the aged unem-

ployed both during and after the depression of the 1990s. Unemployed people in the 55-64 age group have a marginal possibility of being rehired. Thus, unemployment has become a common path out of working life (Aho & Österman 1999, Sorsa 1999).

This situation has received quite a lot of political attention. As mentioned previously in connection with family and work times, it is typical in Finland that social policies are government induced and government led. In many other countries, big companies play quite a central role in the innovation of new practices (examples are cited in Walker 1997); in Finland, large firms have been active in using the possibilities of early retirement in improving their competitiveness.

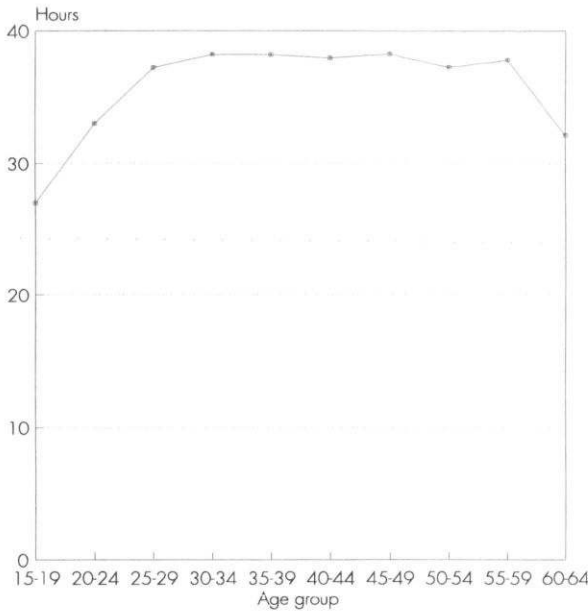
The promotion of the employment of ageing workers is the central aim in the comprehensive National Programme for Ageing Workers (1998-2002) launched by the government (Sorsa 1999). The measures aim at

- maintaining working ability
- preventing age discrimination
- improving occupational skills
- increasing the share of aged in subsidized employment
- improving the employment counselling of the aged
- removing the incentives in pensions systems of the non-hiring of the aged
- promoting flexible working time arrangements.

The means recommended in achieving these aims are training, rehabilitation, counselling, subsidized employment, and changing the attitudes of all parties (aging people themselves, young people, employers, social state officials). Flexible working time arrangements are mentioned as one possible way of attaining this goal.

*Today, working hours are to some degree adapted to age and life cycle.* The working times of the young and the aged are shorter than those of the middle-age groups. The working hours in the *age-group of 60-64* years are approximately six hours shorter than among those aged 34-39 years, and five hours shorter than the average. On the other hand, this reveals that working times in Finland do not react much to family life and the birth of children; men, in particular, increase their hours with the birth of children. Is that so that working hours react better to the changes in working ability than to the time-pressures created by family life? Those aged 60-64 and still employed evaluated their own working ability on a quantitative scale (from zero to 10) 13% lower compared to the average, and by accident, so was their working time 13% shorter than the average (Quality of Work Life Survey 1997).

FIGURE 9.2. Actual weekly working hours by age in 1997



Source: Quality of Work Life Survey 1997

Besides fewer hours, the aged workforce does regular daytime work more often than the average, and remarkable less night or shift work compared to younger workers. In addition, the ageing workers experience less competition and conflicts within their workplace. It seems as if, to some extent, they had been able to calm down their existence at work. In spite of this, they have unrealized desires regarding retirement and ending their working life. Even if such 'calming down' is reasonable from the point of view of ageing workers, perhaps the working communities or employers are not ready to accept any mental disengagement.

On the other hand, in the *age group of 45-54 year olds*, long hours are still quite common. In fact, in Finland, it is this age group that feels more work-related insecurity, threats and strain as compared to the oldest group (Niemelä et al 1995). For example, they more often feel physically and mentally strained from their work. One interpretation is that their working ability is slowly decreasing, but that they themselves and the working communities have not acknowledged this, and require maximum effort. At least this peak of 'the fifty years old's unhappiness' reveals that the efforts for sustaining working ability and motivation must begin sufficiently early in one's working life.

## *Shorter and flexible hours?*

In principle, the working times of ageing employees should be proportionate to their capability and ability to work, in such a way that there would be the possibility to reduce work strain (Huuhtanen et al 1999, Marin 1995). The problems in realizing this ideal principle are the same as with all other *particular needs*, be they affected by age, heavy work, parenthood or family responsibilities. Should the adaptation take place through individual or collective solutions, and who should be responsible for paying for the shorter working time, the individual or society?

If ageing people shorten their working time at their own cost, they will be, in effect, punished twice. In addition of incomes, their employment pensions will deteriorate. According to the new rules in Finland, employment pensions are determined according to the income of the last ten years of work (in each single employment relationship). People in later middle-age might have the economical possibility of reducing their income, but they are careful not to deliberately reduce their future pensions. This is the possible reason why older employees (55+), seldom use the job alternation leave, for example. We propose that attractive arrangements for older employees to reduce their working time should include the promise of not reducing the pension in any noticeable way.

The subsidized way for aged people to reduce their working hours is *part-time retirement*. In some countries part time retirement schemes have either been tightened, or terminated, as in Sweden (Walker 1997). So far, the Finnish labour market organizations, the government, and media have been favourably disposed toward the part-time pension. It was only when the number of part-time pensioners started to grow in the autumn of 1998, that the first clearly critical comments against the part-time system began to appear in the press. The part-time pension was criticized for being an expensive and luxurious pension alternative (Takala 1999).

Thus, it is possible that in the near future, the tensions surrounding the part-time pension will intensify. While the employment effect of part-time retirement is not especially favourable, the scheme must be justified by some other arguments than passing work from older to younger people. While the government's main target is to increase the total labour output and employment rate, the question arises: what will the main impact of the part-time pension be? Will part-time pensions keep those people in the labour force who would otherwise apply for 'full-time pensions', or will part-time pensions, only with public support, lessen these people's work effort by half? There is no definite answer to this crucial question, and the cross-sectional study and follow-up made by Mervi Takala (1999) about the Finnish scheme

could not establish whether the ageing part-time pensioners remain in working life longer than persons of the same age brackets who work full-time.

However, flexible working patterns are generally recommended as a means of keeping ageing workers employed. *What do employed people themselves think about the means that would help maintain their working ability?* This was asked in the 1997 Quality of Work Life Survey. The ranking order was almost identical amongst the aged and the entire employed population. The desires concentrated on rehabilitation, vocational training, ergonomic improvements, and health services (nearly 80% thought that these could be useful). However, *the flexibility of working times was ranked quite high* (67% of all and 60% of those 55-64 years old believed so). Conversely, part-time work was evaluated as useful by 30%, and together with the sabbatical, was the least preferred of all given alternatives.

All in all, the age group of 55-64 year olds was seldom, at least in comparison to younger workers, interested in any of the alternative working time patterns which were examined in the 1993 and 1997 surveys (see Tables 9.1 and 9.2). Their typical answer to all alternatives was "no interest". Nor were they interested in long distance working.

The dilemma, which we have already identified, that people desire flexibility in a rather vague way, is marked in the expectations of the aged workforce. They are only marginally interested in any given alternative working time pattern. Yet they do want more flexibility, and believe that it would help them to maintain their working ability. Obviously, flexibility is something that would need processing in the workplaces in order to become realized in concrete arrangements.

All in all, a crucial element is the *interlocking of government and company policies*. It seems clear to us that there must be a policy of national objectives and incentive measures. However, national policies are not sufficient if the firms do not actively provide part-time jobs or other flexible arrangements, and reorganize work functions to be suitable for ageing people.

## The Post-Tayloristic organization of time

Ideally, work restructuring in a Post-Tayloristic way, local bargaining and the time autonomy of workers would go hand in hand, supporting each other. The reorganization of work in a more flexible way is crucial to the success of firms. However, work restructuring is a process which can benefit personnel, too. Work reorganization involves changes in a variety of employment practices, including multi-skilling, team work, semi-autonomous produc-

tion groups, contingent pay, participatory programmes, and training (Niemelä 1999). Demolishing stiff Tayloristic or Fordist working patterns is a precondition for the use of all the possibilities of new technologies (Julkunen 1987), not to mention the creativity, initiatives, and involvement of workers.

In principle, this is well known and acknowledged, although in practice it is not so easy to achieve. Even the EU-Commission has prepared a Green Paper entitled "Partnership for a New Organization of Work" (1997). Its purpose is to promote discussion and learning based on the good examples of EU countries. The problem is that the reorganization of work requires cooperation and partnership on the firm level; flexible, self-regulating working patterns cannot be dictated, they must be embedded in the local culture and social relations.

The increased importance of work organization and shop-floor issues has, for its own part, led to the decentralization of bargaining and the redefinition of agendas, for example, in defining working time issues as predominantly questions of production and organization. The employers aspire to an increase in local bargaining, not only due to ideological or power reasons, but because negotiations over work restructuring can only happen at the local level (Niemelä 1999). The identification of innovations and the successful implementation of new employment practices require direct participation by workers and local union officials.

It is quite difficult to determine what is actually taking place in working life. On the one hand, there is some evidence of a transformation toward more multi-skilled and challenging working patterns (Lehto & Sutela 1999, Ylöstalo 1999). On the other hand, there are those researchers claiming that Tayloristic patterns and principles are reproducing themselves, in spite of more modern rhetoric and doctrines (Kevätsalo 1999, Blom et al 1998, 1999). We maintain that new examples of self-managed and self-regulated working times are rare. "Free" working times exist in those structural positions, where they belong by virtue of tradition and privilege! Even when working patterns are redesigned in a way allowing more multi-skilling and self-management, time-autonomy might be neglected.

This was the experience of Dutch researchers (de Lange et al 1999) who have attempted to find cases about time-autonomy during a time in which self-management teams are more popular than ever. However, the researchers had difficulties in finding proper cases. Most working times in celebrated cases were traditional. Although the reorganization of work is one of the main themes on the agendas of enterprises, so far it has seldom had consequences for the working time of employees.

Finally, they located four cases with some autonomy (a residential home, a tax office, a low-voltage-components group, a machine-construction group).

Self-management teams or groups, and the agreements between management and groups, were the keys to the reorganization of the working times. The members of the teams could, for instance, choose the length of their working time; an employee could contract a new working-time arrangement at any time (residential home); groups planned their own schedules and when necessary, extended production in some way (temporarily increasing the number of shifts, introducing overtime).

The results were in many ways promising with regard to satisfaction, motivation, absences and turnover. However, with greater responsibility, stress and pressure tended to increase, too. Although they are rare, such cases indicate that the organization of working times in a more autonomous way is possible in many kinds of jobs and tasks, on the condition that there is a sufficient amount of desire and trust to do so.

The Finnish social partners have collected new examples of good working time practices in different branches and sectors (Käytännön työaikatarkaisuja 1998). They are quite interesting examples, and they reveal that better performance can be achieved by giving up some features of the traditional industrial time regime. The cases are from tax offices, field practices of the armed forces, road maintenance, a local youth centre, a central hospital, local agricultural locums, clergymen at a local parish, an organization arranging holiday services, a central store of a retail chain, a logistics centre, counselling services for agriculture, credit card services open 24 hours a day, order led production in the manufacturing of industrial switchboards, computer production, and a power station and its distribution unit.

First and foremost, the examples are intended to demonstrate the employers' thesis about how different the working time needs are in different industries and occupations, and how the performance of organization can be improved by allocating working times according to the needs of customers or clients, or sometimes according to the weather or other cyclical or irregular factors. Without dispute, the points of view of production are the predominant ones in every case. However, most cases involve some element of increasing autonomy or choice offered by flexi-time, combined with time-bank, different shifts provided, or team-working. In light of these examples, it is a time bank or account that Finns hope for. One problem is that sometimes mainly in non-manual work, employees cannot use their plus balances, and they are not compensated for overtime.



## *Two divergent cases*

*ABB Electrical Distribution* is a Finnish daughter company of the big transnational company, ABB, and the Finnish unit is known for its steady organizational changes. At least a couple of years ago (the data was collected in 1996), an exceptionally flexible and self-managing working time pattern among blue collar workers was realized (Liikanen 1997, 1998).

The start of the new working time patterns in blue collar work was connected to the outlines of the parent company, to the recession, and to the company's participation in 1993 in the metal industry's bipartite national project aimed at the enhancement of new working time patterns. In the beginning of the 1990s, management's proposal regarding flexibility had aroused too much suspicion and resistance to become realized. Management's long-term objectives of the flexibilization of working times became possible with the changing climate during the depression and through gradual experiments.

In 1996, the working time pattern of blue collar workers in the firm was a great deal more innovative and self-managing as compared to any white collar group. The workers used a time bank, which allowed the working day to vary between 1-12 hours. Within the firm this arrangement was referred to as 'flexi-time' or 'working time collection'. The worker could work between the period of 6.00 and 18.00. The agreement provided that in allocating their working time the workers first take into consideration the work load, followed by their own personal needs. The working time was mainly determined on the judgement of the workers, who received daily information about the workload and orders. The wage was paid according to the regular eight-hour day. Thus, the wage remained regular and predictable.

The limits of flexitime varied between 40-80 hours; the period of averaging the hours was a year, by which working time became annually based. When necessary, overtime was assigned by the foreman, and was not included into the time bank. Overtime was encouraged, and the workers could count on regular and predictable overtime earnings. The motivation and climate had improved, along with new working time arrangements, to the extent that the same personnel had increased production by half. The shop steward explained that the results came from increasing responsibility. Even, and especially, those men who had been the most resistant earlier were now extremely enthusiastic about their new found self-regulation, being their own bosses:

...and those who were most against the idea are now getting in at six in the morning and have collected the most amounts of plus hours. They really like that a lot.. And now they really are at work almost before six. They wait over there, eager to begin...(Liikanen 1998, 97)

However, even in this case, the negotiation process took years and required stepwise progress, experimentation, building up mutual trust, as well as the shocking economic crisis.

In working time literature, the following anecdote from *Italian Zanussi* (Alaluf et al 1995) is told. Seventy women did very monotonous, heavy, and low paid work in assembling refrigerators. The benevolent management aimed at the progressive 'management of human resources' and suggested self-regulating working time. The workers would have been able to freely arrange their working times, provided that the operation time was 108 hours a week and production results were fulfilled. The women did not comply. In addition of being bored and tired with the work, they did not want to take on the nuisance of work organization.

### *The working less culture*

The examples and experiments thus far, prove the existence of economically reasonable possibilities to organize working times in a more autonomous way. This autonomy belongs to some positions by virtue of tradition and privilege; but also to those jobs organized traditionally in a repressive way, less repressive time and work organization is possible (also Julkunen 1987).

One such essential technique in manual work is self-management teams or semi-autonomous groups. It is possible to delegate to a team the management of time, the decisions concerning short absences, the presence of manpower, decisions about overwork, and responsibility of achieving results in timetables.

New, more autonomous and multi-skilled working patterns and more autonomous working times can nourish each other. Increasing autonomy in work organization is the only way to increase time-autonomy. On the other hand, more autonomy in arranging one's working time can attract more motivation and performance.

However, in the realm of market and economic necessities, the essence of 'autonomy' is self-management and self-regulation. Self-management certainly is in many respects more pleasant and more comfortable than detailed and repressive control, and from the point of view of the firm, also more profitable.

In a highly competitive economy, labour markets and work communities, self-regulation and increasing responsibility, are however inclined to lead to growing effort and strain and the prolonging of working times. Thus, Colette Fagan (1999a) makes a suggestion, that *self-regulation should be completed with incentives and encouragement of "working less culture"*.

As far as we know, in Finland, organizational time cultures are quite an unexamined topic. However, in light of prolonging working times, we suppose that especially the upper white-collar cultures support long hours. At least the work culture in the private sector resists the use of existing state-subsidized opportunities for part-time, sabbatical or men's parental and care leaves. As Fagan (1999a) notes, such arrangements are often seen as perks which disrupt the workplace, so that employees have a low sense of entitlement to these arrangements, and this deters them from taking up opportunities to work part-time or to take extended leaves.

Is there anything to be done to those organizational discourses in which time inputs signify productivity, commitment and value, and encourage the excessively long hours worked by many salaried employees, Fagan asks? Fagan ponders the policies accessible to governments. The government can initiate a shift in organizational culture as the public sector employer, through rewarding managers and supervisors who develop more flexible working-time arrangements, reduce the hours expectations associated with full-time jobs, and who reach defined goals regarding leave, particularly parental leave for men. In the Finnish society this "working less culture" should, for example, have a lot to do with encouraging employees, especially men, to take advantage of the working time rights to which they are entitled.

## THE WORKING TIMES OF THE NEW CENTURY

### Goodbye to normal working time?

Karl Marx wrote in 1867 that working men have to put their heads together in order to come up with such a compelling, superior social obstacle that would prevent them from selling themselves and their descendants to death and slavery. This superior social obstacle was the normal working day forced by law.

The normal working day is the *essence of the industrial time regime* (Garhammer 1999a, b; Ellingsaeter 1999). Normal working time has many positive functions and meanings for all parties with regard to its provision of predictability and coordination, both for working people as well as for firms, and pacifying and calming the productive scene; you have not all the time to negotiate or dispute about time, about the limits of working day.

By using Ulrich Beck's modernization theory, the social construction of 'the normal', which can be described as a project of the first modernity, industrial society, is however, basically a counter-modern tendency, and as such, tends to be challenged (Beck 1986). In spite of the many securities and certainties that 'the normal' provides, the erosion of old normalcies and the arrival of the differentiation, localization, depoliticization, destandardization and fragmentation of working times seems inevitable, as if a necessary companion of the "second modernity", new flexible capitalism or global networking information society.

We have not tried to develop a theory of capitalism, or even link our analysis to any systematic description of capitalism. There are several ways to describe and analyze the shift in capitalism, from organized to disorganized (Lash & Urry 1987), from Fordism to flexible accumulation (Harvey 1989), from industrial to the information age and network society (Castells 1996). All in all, the trend is toward a less regulated capitalism ordered by a more impatient and mobile capital, which aims at rapid wins without caring much about the long term consequences, and thus is an ultimate risk producing the fragility of social life.

We, of course, see that the changing landscape of working times is to be attributed to changing capitalism, however, is not to be reduced to the logic

of new flexible capital. It is our contention that institutions will still matter in the new century and within global capitalism.

Instead of operating within some theory of capitalism, we have used a *sociological theory of modernization*, particularly as presented by Ulrich Beck. While it is not sufficient to reduce working times to 'capital', it is also not sufficient to be content with theoretical generalizations given by some theory of postmodern fragmentation or individualization. We find it important to highlight the *social and institutional processes, politics and policies, as well as discursive strategies*, that produce the new social order and new social practices. We hope we have succeeded in showing some of the processes that promote or create space for the erosion of the normal working time and the arrival of a more differentiated and flexible landscape of working times.

How will the old normalcy erode? First of all, the new, post-industrial working time regime has *many dimensions*. As we mentioned above, these dimensions can be characterized as flexibilities, deregulation, differentiation, depoliticization, local bargaining, deinstitutionalization, variability and fragmentation.

In the context of the coming of this new regime we have underlined the impact of the *economic and social crisis*, and the anxiety aroused by mass unemployment. In Finland, as elsewhere, the crisis (or recession) legitimated the demands of employers and forced the government to launch some new innovations. However, the crisis was only the final impetus to give up old practices and institutions. We agree with Ulrich Beck when he describes the coming of "second modernity", *a creeping rather than a revolutionary process*. The process can also be described as creeping in that sense that it is gradual, as opposed to producing any radical turn around. This is valid even in Finland, where according to the logic of a small periphery, many changes are initially relatively delayed, after which they are implemented quite suddenly. Thus, the preconditions for giving up old working time rules, both institutionally in new laws or agreements and in everyday practices, have already matured and the momentum is laid, when the final impetus is created by some shock.

It is common to see the forces bringing more differentiated and variable working time practices on the sides of both firms and employees. We emphasize the *role of firms* and management as mediator of the consequences of the global economy and of the differentiation of jobs and the workforce on working times, and thus as an *active modernization agent*.

In light of the Finnish experience, the process of the deregulation and depoliticization of working times is a project of economic organizations and employers, and to some extent, of political institutions, who react to the demands of those holding economic power or to social problems (such as

mass-unemployment). Working people are adapting to changing patterns rather than taking change into their own hands. However, many simultaneous modernization processes create a sense of *readiness and willingness to accept* the changes. A new socialization process is going on, and the first signs of a new self-evident willingness to accept an imposed or self-regulated variation of the working day, as opposed to the routine of an invariable and given working day, are beginning to emerge. Nevertheless, it is our contention that, step by step, these processes are inclined to lead to more active demands for working times that are adapted to personal lifestyles, life-choices and most important, the changing life-situations and life-cycles.

Beck speaks about the individualization in many tones, some of which we agree with, and some we do not. All in all, we cannot share his belief in the decisive agency of individuals. However, we find the idea of the '*the individualization of institutions*' quite fascinating. The individualization of the institution of normal working time means that it is more dependent on the consent of individuals. This is not necessarily a result of the strength of individuals, but because the institutions have become contradictory and weakened by many gradual changes.

As we mentioned above, one of the most common explanations for the differentiation in desires or new expectations is the *entry of women into labour markets*. Feminists criticize full-time work as a male model of living. In Finland, women were integrated into labour markets with full-time employment, the gender difference in working hours is smaller than in any other EU-country, and women – women's trade unions and other spokesmen – are committed to full-time work.

However, even in Finland, women are 'time pioneers', at least in the following sense. Women use the new possibilities for the reduction of working time which are offered and compensated by the government. Were it not for the fact that women are more interested in utilizing care leave, subsidized part-time or (partly) paid leave than men, the schemes provided by the government would have remained extremely marginal. In addition, despite the fact that women are committed to full-time work, structural processes and images connected to women result in their working more often in atypical and precarious employment – also in Finland.

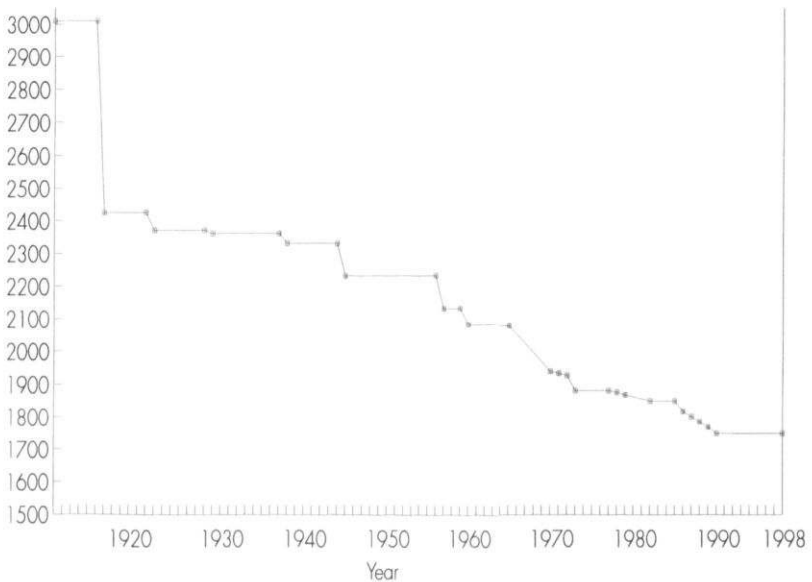
*We suggest that the differentiation of jobs and the productivity of workers is a more powerful mechanism in differentiating working times (the length, rhythms and shifts, as well as the placement of free time) than individual preferences, although they do matter, too: some work longer and some normal hours in the same task and within the same working community. Some of the differentiation by occupation might be reasonable and fair as related to different job contents, conditions and productivities, but not if we value the maintenance*

of the relatively equal distribution of working time. In order to resist the trend of prolonging the working times of the highly educated workforce and fragmenting the working times of the less educated workforce, we should be able to maintain some equality in jobs as such, in their productivities, qualifications, loads, rewards, challenges, and autonomy.

## The ever-escaping time prosperity?

Historically, the normal working time has decreased in steps – in Finland this has occurred in ‘good times’, in times of good economic and productivity growth, which simultaneously have provided unions with power. Because of the incremental – yet continuous – trend, it was still possible in the 1960s and 1970s in Finland, and elsewhere, to expect a continuing trend of working time reduction, behind which a leisure society would be waiting. Nowadays, such a prospect is not self-evident, nor is it even credible? The American example convincingly reveals that the trend can turn up; in the beginning of the 21th century, the working times seem more or less ungov-

*FIGURE 10.1. Regular working hours per year of industrial workers (daytime work). Source: Tiainen 1999, 178.*



ernable, and the future seems occupied by “the new obscurity” (as Jürgen Habermas says).

However, thus far there have been *different routes of modernization*, and for example Esping-Andersen continues to insist (1999) that there can be different kinds of post-industrial economies and societies. The American economy is an example of case in which the productivity growth is low, working days long, and income differences growing (Bosch 1999a).

Juliet Schor (1991, 147) provides the following example from the United States. If 2% of the yearly growth of productivity were directed to reducing working times, in 2010 the average working hours would be 1373, and in 2020, 1126 hours instead of the 2000 hour average in 1991. However, this development seems impossible, despite the fact that critical American writers like Juliet Schor (1991) and Jeremy Rifkin (1995) roll out facts about how the Americans, in fact, want shorter working hours. In a highly individualized and competitive culture, in which unions have lost their power, there seems to be no way to govern such a development. The question is, whether Europe – or at least the least Anglo-American parts of it – can find a more balanced way to move forward, to keep up productivity growth and also direct it toward the reduction of average working time. Are Europeans even capable of potentially governing this development?

The liberation from work is an old socialist dream or utopia. Herbert Marcuse wrote in 1964 about two alternative ways forward, either the pacification of existence or the perpetuation of drudgery and the growth of frustrations. After that, there are few signs of the pacification of existence, rather, the opposite is true. It is reasonable to pose the question of whether time prosperity is doomed to lose to material prosperity, which in itself is distributing more unequally?

Manfred Garhammer (1999b) has handled *time prosperity* in an interesting way, and has included some other features than just the amount of leisure time:

- the availability of appropriate leisure time
- individual time-sovereignty
- embedding of life in collective time institutions, which ensure a sense of security and the possibility to plan one’s everyday life and time.

We find this “time prosperity” to be an important human and social value. The relationship between new working time trends and time prosperity is contradictory. Both the first and third conditions seem threatened by the destandardization and decollectivization of working times, and their relation to the second condition, individual time-sovereignty, is ambiguous.

We cannot easily agree with Beck, who sees overall individualization as a



mechanism of increasing free time, and more powerful individuals as striving especially for more free time. The recent experience indicates the opposite. If the time is not embedded in collective institutions, people in a highly competitive economy and society, in which jobs are ever more self-regulated, compete to the degree that working times rise.

Are there any counter-forces, any *forces acting towards time-prosperity*? In addition to other feminist critics of the male-model of working time, Sirianni (1991, 263, cited by Garhammer 1999b) identifies several sources of social pressures for a new politics of time. First, there is a growing ecologically-based critique, second, a growing awareness of symptoms caused by the stress of an exaggerated sense of urgency, lack of time and 'a sickness of being rushed'. Like many other everyday activities, occupational work is being accelerated and compressed, and the feeling of being rushed has spread throughout the field. Third, there are some pockets of resistance to contemporary life, which has become impoverished by an over-riding sense of time scarcity and has caused some materially successful professionals to 'drop out' or 'downsize' in the United States. We would still, in spite of ambiguous evidence, like to add to the list the unions, as well in Germany (Sirianni is a German author) as in Finland.

Furthermore, Sirianni very interestingly shows the dimension of *moral economy of time*.

... The relative scarcity of time and its different forms shape the ways we make our commitments, excuse and failures, rationalize our guilt... Political economies of time are thus moral economies in a very fundamental sense. An important prerequisite for enhancing moral responsibility is the ability, indeed the right, to structure our time more freely and deliberately. (Sirianni 1991, 276-8)

While comparing the working time of today and that of a hundred years ago, one might think that we now have a sufficient amount of free time from work, that we have achieved the time prosperity. However, this does not correspond with the everyday social realities of people, in which the experience of scarcity of time is prevalent.

The *scarcity of time* in modern society is neither an invention of the 1990s nor of the period of flexible capitalism and the dissolution of the industrial time regime. The scarcity of time is some kind of constituent of modern living. For example, thirty years ago (1969), Staffan Burenstam Linder analyzed the time scarcity amongst material prosperity. Modern societies are characterized by the paradox of time becoming more and more scarce. The more time is saved and the more economically time is used, as it is in modern rational economy and societies, the more scarce it becomes.

By these comments we do not aim to deny the *particularities of the 1990s*, the new demands of effectiveness and flexibility, new signs of precarious working models, and signs of the prolongation of working times, all of which cause people to feel as though they have too little time under their own control, and also cause the feeling of being rushed, exhausted and insecure. To be honest, the postmodern differentiation is valid even here; while the overall diagnosis, based on the experiences of busy middle class people, stresses the 'hurry sickness', there is a great deal of working people in Finland – supposedly mostly men without family duties – who feel that they do have a sufficient amount of time under their own control, prefer more money instead of an increase in personal time and do not consider the reduction of working hours worth striving for. This sentiment is also shared by many people working involuntarily in part-time positions, who are concerned about having too few working hours.

In spite of this differentiation, we pose the question of whether the widely shared feeling of exhaustion – and the widely shared interest in time prosperity – will become a politically influential force in the dynamics of working times. It is worth of noticing that the Finns feel more often hurry at work than the Europeans on the average (Lehto 1999b). At least in Finland, the solidarity toward unemployed people did not reach such a position. The neoliberal-social democratic ideology and mentality of activation – activating people even to 'bad' and precarious jobs, to longer hours etc. – was more attractive and powerful than the solidaristic idea of sharing work and reducing working hours. However, this collective worry about hurry is currently so strong, that at the moment it seems that these *collective feelings of exhaustion* might become an influential force in the shaping of working time politics.

We cannot be sure about our thesis, because ideas and trends often come and go within the context of public policy, opinions, and discussions. The coming years will reveal whether the collective worry about exhaustion will result in any changes in working time policies, and also whether or not it will assign some degree of cultural value to the 'working less culture'.

## The empowerment of individuals

The industrial time regime, with its four time institutions – free evenings, free weekends, annual holidays and retirement – realizes many social and human values: for example, collective embeddedness and some sense of security and predictability in life. This collective embeddedness of time institutions – in collective agreements and laws, or in collective social traditions, habits, rules and norms – ensures a sense of security and the ability to plan

one's everyday time and lifetime.

However, this is no reason to idealize the industrial time regime. It forced our working lives into a mould, in which an individual had to work during exactly the time and for exactly as long and intensively as dictated by the employer. The new hopes directed toward the post-industrial time regime concern increasing personal autonomy.

Ulrich Beck is one of those authors who claims that individuals are no longer content with and no longer subject themselves to uniform, stiff, and inflexible working arrangements. For Beck, destandardization and individualization not only (or mainly) mean working times tailored to the needs of flexible companies, but also more autonomy and control over one's working life and life style. In his essay 'Freedom's Children', Beck (1998b, 8) notes that:

The old and apparently eternal pattern of 'more income, more consumption, more career, more conspicuous consumption' is breaking up and being replaced by a new weighting of priorities, in which immaterial factors of the quality of life play an outstanding part. What does this imply? For one thing, control over a person's 'own time' is valued higher than more income and more career success, because time is the key that opens the door to the treasures promised by the age of self-determined life: dialogue, friendships, being on one's own, compassion, fun and so on.

We agree with Beck's point that in the modern society the vague, not easily-expressed desire for "life" – one's own, authentic, self-managed life – dresses itself as a desire for personal time and the autonomy of time. Among the Finns, the desire for more control over one's own working time is common and is expressed in the form of the 'time-bank' or flexibility. On the other hand, not much – at least in Finland – seems to prove that people were to a large extent abandoning the industrial aims of income, career or consumption. On the contrary, the desire for more time autonomy should be reconciled with post-industrial working life, with all its demands of effectiveness.

We agree with Boulin (1998), who thinks that as a consequence of working time policies thus far, two issues are now beginning to play a role in working time policies, and will play a crucial role in the future: first, the development of individual autonomy as distinct from productive flexibility, through broader possibilities of choice between different working times; and second, the implementation of better social organization, with the main field of application being the organization of time in cities – or as we would like to stress, better social organization of combining working and family lives in the urban way of life.

Obviously there is a *lag* in 'offensive' working time strategies throughout the European countries; Finland is not an exception. The issues Boulin mentions were well-recognized twenty to thirty years ago (Julkunen 1979), without any significant breakthrough of employee-induced flexibility having taken place after that. Yet we continue to find it reasonable to expect that the paced dissolution of old routines, certainties and self-evidencies will create space for more active demands regarding choice and autonomy.

It is commonplace in connection with many modernization changes – such as flexible production, IC-technologies, or the whole new flexible capitalism – to distinguish between *winner*s and *loser*s. According to Garhammer (1999a), the winners in the new time regime are individuals who are capable of finding the required competencies necessary within the environment of competition, or 'time pioneers' (Hörning et al 1995) who deliberately seek to escape from both the securities and the constraints of the routines of the standard working time. The losers are presumably those individuals who do not possess the prerequisites of social, temporal and spatial flexibility: those who are not sufficiently mobile due to family, other commitments or shortages of resources and competencies.

In a way, the competitive individuals in positions of strong individual negotiation might be the winners; on the other hand, the tendency of prolonging working times concerns just them, at least in Finland. A strong individual labour market position and demanding job do not as such seem to guarantee time prosperity, or the individual ability to resist the demands of extending working times. There is not much use for self-regulation if the working time simply is very long.

There is an overall trend in other spheres of social life and social policies too, in which the old collective social rights with uniform practices are weakening, and individual rights, opportunities and choices getting more weight both ideologically and in social policy institutions. Who and what can empower individuals as far as working times are concerned?

We assume that the empowerment of individuals *presupposes a combination of the following strategies*:

- experimenting with new innovative employee-friendly working time models
- local bargaining in firms: creating local arenas in which to get needs arising from personal choices and family life on the agenda
- social rights and constraints guaranteed by law and central agreements
- public opinion and discussion giving support to the 'working less culture'.

Local bargaining and individual agreements carry a seed, although mainly unrealized thus far, of increasing autonomy. The increasing differentiations of working times and local bargaining are necessary but not sufficient prerequisites for increasing autonomy. Maybe it is justified to say that the development in enterprises thus far has not been very imaginative, and for example in Finland, the condition of wide unemployment has not been supportive of new employee-friendly practices.

Clearly, the possible shortage of labour might empower employees and cause firms to compete over the workforce with innovative working time practices. However, Finnish history has made us slightly of forecasting the shortage of the labour-force, even if the demographic trends seem to speak for it. Both in the early seventies and early nineties, economic crisis replaced the expected labour shortage in the form of a growing rate of unemployment and an oversupply of labour. In addition, the varying cycles of demand and supply of labour do not eliminate the need for working time politics and policies.

## New partnerships

There has been a lot of discussion about the end or death of the state, or at least about its diminishing power. We think that the state has resources, and that it is still capable of prescribing rules – the standard or maximum hours, social rights of individuals to long leaves, and subsidies for shorter working time or leave. But as Beck says, there is the danger that these *rules are more and more like the inside of institutions, while at the same time life-world realities are moving further and further from those images*. Currently, it seems as if the normal working time is “the inside of institution”, while actual working times are fragmentating downwards and upwards from the standard. There is no state power of implementation, surveillance and inspection with which to enforce standard hours if enterprises, unions and individuals do detach from those rules.

In Finland, as in other Nordic countries, the overall way of action is or has been *state-centred*. If problems are encountered, people look to the state and society, which they equate with one another, and expect that society to do something. The wide social profile of early industrial factories has been downgraded; the overall social responsibility belongs to the state, as does the responsibility to create the conditions (such as caring services) for access into labour markets.

In some other, less state-centred countries, the enterprises are more active

in making social arrangements, for example, for the combination of work and family (den Dulk et al 1999) or ageing and work. Is it reasonable to suspect that active public policies prevent or free firms from realizing, for example, work-family arrangements or arrangements suitable to ageing people? We suggest that the Finnish enterprises feel that they have been freed from social responsibility and from developing such arrangements that include some social dimensions.

The role of the state is currently changing even in Nordic countries. Instead of being an omnipotent authoritative state, it is a *negotiation state* forced to look after new kinds of partnerships. In Finland, following the EU-strategies, the rhetoric of partnership has been adopted, and certainly new kinds of networking and companionships between different actors are now being pursued.

As far as working times are concerned, the states (or national social partners) are not sufficient actors. Even if we in Nordic countries have reason to be proud of our social rights (such as long leaves or maximum hours), many employee-friendly possibilities of working times can only be realized at the local level. In addition, the workplace arrangements and workplace cultures do matter, even with regard to the possibility to utilize the legal working time rights. It is clear that *the levels of company, organization and workplace are increasingly important arenas* for working time dynamics, and thus also the local partnership of management and personnel in shaping working times.

The companies' interest in working times tends to be narrow. That is why the role of the government, parliamentary politics, unions, national collective agreements, public discussions, research institutions etc. will be necessary even in the future. However, these actors, while perhaps able to present visions how to use working times as a means of social development, might not have enough enforcing power to implement these visions if they cannot persuade the individuals and firms to join forces with them in these visions and policies.

Even if the state as such is unable to enforce a morally and culturally binding working time norm, it is not without power. The state can build incentives and opportunities. It can still act in ways which advance the possibilities of the equal distribution of working times and autonomy of working time. In relation to this Gerhard Bosch (1999a) mentions the Post-Tayloristic organization of work, individual options for flexible life courses, public social services providing access into labour markets, taxation and social security rewarding short hours, and one of the most important aspects, a high level and equality of education and human investments, which foster the growth of productivity and create possibilities for reducing working hours.

## Regulation in a post-regulation society

In future studies, even weak signals will be justified. We reiterate the fact that we have paid attention even to weak trends, tendencies and signals; thus far, there has yet to be a total upward turn in the institutions of industrial society. Nevertheless, the current stage of modern capitalism is characterized by the deregulation of institutions, and the depoliticization of social issues. Tasks previously defined by institutions are being redefined as a *private matter*; in this sense, 'the social' is being displaced. In a more self-regulated time culture, the timing of social relationships, even work, passes from institutions to individuals. However, if there are only or mainly individual time rhythms, if times are disembedded from social ties and norms, something essential is going to disappear.

Boulin (1998), among others, asks how to establish *clear limits of working times which are considered socially acceptable*. If working time rules are disembedded from industrial certainties and securities, traditions and emotions, if the intellectualization and informatization of work dislocate the natural location of work to certain places and times, where are they re-embedded?

Alexandra Wagner (1999) speculates that if we do not succeed in finding our way back to a complete registration and regulation of working times, the trend toward performance intensification will continue. The key to 're-regulation' would seem to lie in the employees themselves regaining their *sense of time-consciousness*.

Obviously, the organization of work is becoming more self-regulatory. This is also backed by the informatization and intellectualization of work. In a way, we have to rely on individuals, the self-protection and self-restricting of working, and the resistance of the colonialization of lives by companies and organizations. There are some signs of "time pioneers" (Hörning et al 1995), who deliberately restrict their work and pacify their lives. Such cultures can act as subpolitics, which foster working less cultures.

The diminishing power of the law in people's life-worlds does not mean the straightforward submission of working times to markets. There are intermediating social and cultural structures – unions, local bargaining, workplace cultures, family cultures and norms, negotiations within marriages, social ties, caring duties, and attractions of life outside work – which might include resisting norms.

Although there is no way to organize working times according to some fair and just social plan, this does not mean that even the government is without arms; the state is still able to impose individual rights, incentives, and guiding structures. In addition, the joint European working time poli-

cies, rules and examples will have an increasing level of significance.

Perhaps the state (or European states together) cannot no longer enforce a working time norm. We, the authors, are not ending the state, although we admit, that its ways of acting must become more indirect. Working time is not an isolated phenomenon, but is interlinked to the aforementioned structures, institutions and cultures. The government can build incentives and opportunities toward a socially desirable development in working times. Thus, the sources of re-regulation are not only in personal resistance and self-restriction, but also in collective action in workplaces and in the acts of government.



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**The main lines of the modernization of working times** are identical throughout Europe. Patterns of working times are becoming differentiated and individualised, and the institutional frame is becoming more flexible and local.

**Different countries have their own working time profiles,** and in spite of European economic and political integration, there is quite a large degree of variation between the working times in different countries. Finnish characteristics include, for example, a low level of popularity of part time work and the smallest difference between the hours of men and women in the EU.

**Finland endured a deep economic and social crisis** in the 1990s. The Modernization of Working Times delves into the role of the crisis in the modernization of working times. How did flexibility and local bargaining make a breakthrough in Finland? What happened to the idea of work sharing? What sort of new innovations took place? What was the role of the government in promoting societal aims?

**The book is completed with a discussion** about the new risks and possibilities of working time modernization, and vision of working times for the next millennium.

RAIJA JULKUNEN & JOUKO NÄTTI

**The Modernization of Working Times**

Flexibility and Work Sharing in Finland

BRAND JOURNAL & JOURNAL NÄTTI THE METHOD OF KRISTINA SUNDIN