

SOU 2018:24

Development in a timely manner

Summary

In this interim report, the Inquiry on sustainable working life over time (A 2017:02) presents considerations and proposals concerning working time ‘banks’ (working time accounts), working hours arrangements as a component of attractive working environments, costs associated with stress-related sickness absence, and the potential of working part-time. The Inquiry also presents proposals on opportunities for employees to develop and adjust during their working life, while others receive the opportunity to gain work experience. The Inquiry proposes introducing a model for development leave.

Adjustment and skill upgrading to secure a sustainable working life

There will be a major need for structural transformation in the labour market in the future. At the same time, people’s working lives need to be extended as the population ages. The overarching challenge facing society is to secure the supply of skilled labour in a rapidly changing labour market. We believe that investment in a more sustainable working life is absolutely essential. One way to ease the supply of skilled labour is by creating better conditions for people to adapt to new demands later in life, or to adjust and find a new direction.

The social partners currently assume a major and important responsibility in labour market adjustment, above all in situations when there is a shortage of work and employees have been given

notice. Examples of good practice can also be found that indicate the emergence of adjustment agreements offering preventive support for continuing professional development and adjustment. There is no similar explicit responsibility on the part of the social partners with regard to the need for supplementary training and basic training for employees who want to, or must, change career path. The public sector is largely missing as an actor today.

Sustainability issues, regardless of whether they concern the environment or working life, all share the need for a long-term perspective and the courage to prioritise what is needed in the long run ahead of what is easiest in the short term.

Working time models and working time accounts

Knowledge of how working hours arrangements are linked to the attractiveness of workplaces remains relatively limited. Regarding the impact of working hours arrangements on health, it is possible to draw some conclusions. Shift work and lack of rest to recover between shifts have negative effects. Employee influence on working hours has both positive and negative effects. A person's experience of influence over their working hours is an important health factor, although it can also lead to shorter rest periods and less time for recovery.

The Inquiry's review of various working time models shows that experience has been mixed. In light of the fact that knowledge in the area is limited and that compilations of knowledge are lacking, we propose that the new agency for work environment awareness take stock of the current knowledge available on working time models.

The Inquiry's survey of working time accounts shows that 62 of the 181 collective agreements included in the survey contain some form of accrued reduction of working hours or working time account. It is estimated that these 62 agreements cover 900 000 employees. The balance of the working time account can be taken out in the form of free time, a pension allocation or cash remuneration. It has not been possible to conduct a comprehensive survey of how these working time accounts are used. The information we have been able to obtain indicates that it is common for employees to

choose free time, which means that working time accounts impact the actual hours worked.

In light of how the Swedish labour market model is structured, it is the Inquiry's assessment that it is not appropriate for central government to legislate on working time accounts. It is the responsibility of the social partners to make the assessments and adjustments necessary if they are of the opinion that working time accounts should be available to more employees.

Costs associated with stress-related sickness absence

There is no support in research indicating that shorter working hours or leave from work can reduce the problems of stress-related ill health, even though at the individual level such a connection may naturally exist. The lack of gender equality in both the labour market and society as a whole may lead to a risk that shorter working hours or a model of development leave further reduce gender equality.

In our view, increasing awareness of stress-related mental ill health is vital. It is particularly dissatisfactory that the level of knowledge is so low concerning what works well for individuals who return to work having suffered burnout.

Based on available statistics and research, the remit to survey and analyse the costs associated with stress-related sickness has proven to be a challenge, and the cost estimates we present should be seen as rough estimates and calculations. A more detailed analysis would provide a much better and more accurate picture of the costs associated with stress-related sickness absence. We therefore propose that the Government task the Swedish Social Insurance Inspectorate with increasing knowledge about costs associated with stress-related sickness absence.

Opportunities to reduce working hours

In addition to employees and employers being able to agree on employee working hours, the current legislation on leave offers a variety of opportunities for employees to influence their working hours. For specific purposes, employees are entitled to be fully or partially on leave from their employment. Collective agreements

also contain provisions on shorter periods of leave. The opportunity for individuals under collective agreements to reduce their working hours towards the end of their working life – known as partial separate occupational pension schemes, partial pensions or flexible pensions – covers approximately 2 350 000 employees according to our survey.

Roughly 380 000 employed individuals who are currently working full-time would like to reduce their working hours. Statistics Sweden conducted a questionnaire on behalf of the Inquiry. It shows that the primary reason for wanting to work less is the desire to have more leisure time, although caring for children and excessively strenuous work are also common reasons. The reasons for wanting to reduce working hours vary depending on age and family situation, industry, union membership and income. Around one in four of the full-time employees wanting to reduce their working hours have asked their employer about the opportunity to do so, while three in four have not. Approximately one third of those who have not asked state that the reason is because their workload would not change. Almost four out of ten state that the reason is due to the potentially adverse impact it could have on their career opportunities, future wage or pension. One in four cite another reason for not asking. Of those who have asked their employer about reducing their working hours, half received a positive response, while the other half received a negative response or no response at all. Of those who have asked their employer but received a negative response, one in three received no explanation.

The Inquiry has chosen to see the issue of the possibility for individuals to voluntarily reduce their working hours as an issue of the potential to be partially on leave from their regular level of employment. The existing legislation on leave is all based on there being a specific purpose for the leave. The Inquiry's assessment is that this principle should not be abandoned. For regulation by law to be warranted, it is essential that the interests of society in the employee being able to take leave take priority over an employer's right to direct work and that the purpose of the leave is so important that the right should be available to all employees.

In light of this weighing up of interests, the Inquiry proposes that the right to be on full-time leave to run a business be expanded to include a right to the reduction of normal working hours by up to

half. The Inquiry also supports the proposal in the Ministry Publications Series (Ds) 2015:58 *Reformerade stöd till barn och vuxna med funktionsnedsättning* (Reformed support to children and adults with disabilities) regarding the expanded right to a reduction of working hours for certain parents.

The Inquiry also proposes the introduction of a provision stating that employers are to inform employees of the opportunity to request part-time leave and that employees, on the rejection of such a request, are entitled to a written explanation. The purpose of the proposal is to promote clearer and more open dialogue between employers and employees and, through this dialogue, to increase employee influence over their working hours. In the Inquiry's assessment, our proposal may help to break the norm that it is primarily women who are expected to reduce their working hours.

Experience from sabbatical years and other leave models

Experience from a variety of leave models shows that the leave was greatly appreciated by the individuals taking it, while the substitutes who replaced them noted a strengthening of their position in the labour market. However, evaluations reveal that those on leave seem to have received somewhat lower income. Nor is there any evidence to indicate that those taking leave had extended their working life or improved their health. For society as a whole, the effects are likely small or slightly negative.

Our survey shows that a variety of leave models have been tested in several European countries.

The Inquiry's model for development leave

The Inquiry considers that the opportunity for employees to take development leave should be introduced in Sweden. The aim is to address the need of those participating in the labour market to upgrade their skills or develop new skills to adjust in a timely manner to new labour market conditions.

Subject to the agreement of their employer, established employees will have the opportunity to apply for and be assigned development

leave. The leave can be granted if the employee fulfils the qualification requirements for development leave and if the leave is used to strengthen the individual's position in the labour market. Leave may be dedicated to education, validation, a work placement scheme, trying out other work or duties, or starting a business. Employers will be required to hire a substitute at the same employment level as the person on development leave.

Leave may be taken for three to twelve months, and is to be full-time leave from the individual's current position.

Compensation to the individual on development leave is payable in the form of an activity grant and is income-related for those fulfilling the requirements for income-related unemployment benefit. We propose that the level of compensation throughout the entire period of development leave should be 100 per cent of the compensation that would have been paid in the event of unemployment.

Development leave is an opportunity for employed individuals to dare to try a new career path in an organised format. The proposal will result in more people developing their skills and adjusting midway through their careers. For society as a whole, the proposal will raise the level of skills and increase adaptability in the labour force, and improve the functioning of the labour market. It is highly probable that substitutes will also strengthen their position in the labour market.

In our assessment, the proposal will improve gender equality. We believe that more women than men will both take leave and be substitutes, and that more women will thus benefit from the positive impacts. Another gender equality effect we particularly want to highlight is that gender segregation in the labour market may decline if more employees are given the opportunity to adjust to a new occupation later in life.