



**Conference on shortening working hours:  
Background and summary of talks**

**Held at Harpa Conference Centre,  
Reykjavík, Iceland,  
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*Conference on shortening working hours: Background and summary of talks*

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## I. Background

During the last few years, the demand for the shortening of working hours has been on the rise in Iceland. The demand was non-existent in 2012 when *Alda – Association for Sustainable Democracy* started drawing attention to the benefits of working less, but it has grown considerably during the last three years.

Alda's campaign has primarily drawn attention to Iceland's lack of productivity, much longer work hours, longer working-life, culture of overwork and seemingly less organised culture of work in general in comparison with Scandinavian countries. In this regard, the campaign has used publicly available statistics which have been compiled into graphs and arguments that point to Iceland's lack of work-organisation but has also relied on international studies on the effects of long working hours. Alda's campaign has been visible to members of the public via newspaper articles, blog posts and commentary to Alþingi, the Icelandic parliament, in addition to interviews in mainstream TV news and radio. The campaign has been run without any salaries being paid for it. Recently, Alda collected information from employees at various workplaces where members of Efling, a union in Iceland, work. This was done in co-operation between Alda and Efling, and the aim was to be able to convey in more practical terms how the reduction in hours can be achieved. The aim was also to assist in the pay-and-benefits negotiations that started last year.

Members of parliament in Iceland have been interested in shortening working hours, primarily the Icelandic Pirate Party, which holds a few seats in parliament, and the Social Democratic Party, which is marginally larger in Alþingi. Neither is currently in government but the Social Democratic Party has been previously, most recently from 2009-2013.

The Pirates have put forward, a few times, a bill to legally cut the number of weekly working-hours from 40 to 35.<sup>1</sup> This bill, if approved, alters a paragraph in the law that states that usual hours per week is 40 – in effect, it means that full-time work per week is 40 hours. All contracts on the Icelandic labour-market take account of this law in one way or another. This law has remained in force since 1972 without alteration of the number of hours considered usual.<sup>2</sup> So far the bill has not been voted on, but it has gone through the first round of discussions more than once and gone through a stage where commentary is sought after from interested parties by parliament – many associations have commented on it positively including associations promoting children's interests and unions, but corporate special interest groups have been against it.<sup>3</sup> It remains to be seen if the bill can be passed due to the dominance of right-wing parties influenced mostly by neoliberalism and corporate interests. The political climate in Iceland has changed in the last few years and unions have gained more strength and shown more willingness to act, so there is a possibility.

As mentioned earlier, the campaign for shortening working hours has been re-invigorated during the last three years. One of the major reasons for this has been trials run by BSRB – an umbrella association of unions – in co-operation with Reykjavik city council, and another trial BSRB has run

1 The bill is available on Alþingi's website (in Icelandic): <https://www.althingi.is/altext/149/s/0184.html>

2 It should be noted that contracts can state lower number of hours, and many do. The law allows for this. The law is available in full on Alþingi's website (in Icelandic): <https://www.althingi.is/lagas/nuna/1971088.html>

3 Commentary is available on Alþingi's website (in Icelandic): <https://www.althingi.is/thingstorf/thingmalin/erindi/?ltg=149&mnr=181>

with the Icelandic state. The trials aim to study the impact of shortening working hours including effects on productivity, health, stress, organisation at workplaces and satisfaction with services provided by the workplaces that take part. This has been a great success, with demonstrated positive impact on stress, health, working practices and little to no negative effects on services provided. Currently, around 2,000 employees take part in the trial at Reykjavik city<sup>4</sup> and a few tens at the state.

Reykjavik City has held a few public meetings presenting the results of the trial which the media reported on, strengthening the argument hours generally in society. This helped re-invigorate discussion of the issue of shortening working hours in general. Another factor helping is that the economy has been growing for more than a half a decade, and thus economic problems are not taking away as much focus as they otherwise had in general discussion. It has also helped that this growth has coincided with debts reducing, so debt-worries have lessened as well.

Yet another reason the shortening of working hours has gotten more focus lately is leadership-change that has taken place at several unions and their umbrella associations. Two major unions saw their leaders challenged and replaced in the last two years or so – these were Efling and VR, which represent about 60 thousand people (around 30% of all employed). There was also a leadership-change at ASÍ, which is an umbrella association of unions representing 133 thousand people. In all cases, the new leaders are very interested in the shortening of working hours. These organisations have powerful influence due to their size and negotiating power. Their leaders are also frequently interviewed on mainstream television, and thus they are able to influence views and discourse.

The issue of working hours is currently a hot topic in Iceland and as an example of this articles have recently been published in mainstream media articulating the benefits of working less – articles written by people outside of Alda and the unions. The idea has gotten hold in society at large. Even the minister for social affairs has embraced the shortening of working hours as virtuous,<sup>5</sup> but that does not imply he has the ability to get the aforementioned law passed – the real power in this case is outside of government, for the time being anyway.

In October 2018, Alda's board came to the conclusion that there were opportunities given the public discourse and the upcoming pay-and-benefits negotiations (which started at the end of 2018). It was felt that emphasising the benefits of shortening working hours was needed so this important issue would not be forgotten in the negotiations. It was decided that a conference would probably be a practical way of conveying this message, and that it would be best to do this in mid-January. Mid-January is good timing in Iceland as the country has not fully resumed to “normal” after Christmas, parliament is not in session normally, and “politics as usual” has not taken off again. Also, the pay-and-benefits discussions would just have started – and the media is usually very keen on anything related to that.

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4 Details on the trial are available on the website of Reykjavik city (in Icelandic): <https://reykjavik.is/stytting-vinnuvikunnar-hja-reykjavikurborg> – There is also information available on BSRB's website: <https://www.bsrb.is/is/skodun/malefmin/stytting-vinnuvikunnar> – Both retrieved on 20<sup>th</sup> of July, 2019.

5 The minister wrote an opinion article on this, available in Icelandic: <https://www.stjornarradid.is/raduneyti/felagsmalaraduneytid/felags-og-barnamalaradherra/stok-raeda-felags-og-barnamalaradherra/2018/02/15/Avinningur-af-styttingu-vinnuvikunnar/>

## **II. The conference**

The conference was held on 12<sup>th</sup> of January, 2019, at Harpa, the largest conference centre in Reykjavík. It was held and organised by Alda, and sponsored by BSRB, ASÍ, Efling and BHM. Speakers at the conference were:

- Aidan Harper, researcher at the New Economics Foundation in London, United Kingdom
- Sonja Ýr Þorbergsdóttir, leader of BSRB
- Ragnar Þór Ingólfsson, leader of VR
- Ragnheiður Þorleifsdóttir, CEO of Hugsmiðjan
- Guðmundur D. Haraldsson, board member of Alda

At the end of the conference there was a panel composed of three of the speakers: Sonja, Ragnar and Guðmundur, as well as two members of Parliament: Halldóra Mogensen from the Pirate Party and Ólafur Þór Gunnarsson from the Left-Green Movement, and also a representative of Efling: Viðar Þorsteinsson. Katrín Oddsdóttir, human rights lawyer, was moderator during the whole conference, and Björn Þorsteinsson, board member of Alda, opened the conference.

It should be noted that the minister for social affairs was invited to take part, as well as a representative from the Federation of Icelandic Industries, but neither accepted the invitation.

In the following section, the talks will be summarised. It should be noted that the summaries were written according to the talks, and there have been developments after the talks were given; these developments are summarised in section IV.

### III. Summary of the talks

#### Aidan Harper – New Economics Foundation

Aidan Harper is a researcher at the New Economics Foundation in London, United Kingdom, where he heads efforts to shorten the working week. He also leads the 4Day Week campaign.

Aidan presented the general case for shorter working hours, which can be broken into four parts: benefits for the economy, benefits for gender equality, benefits for society, benefits for health and well-being, and benefits for the environment.

The benefits for the economy include increased productivity, as well as future-fitting the economy, so that increased automation will not cause great disruption and inequality in the next decade or so. His talk also emphasised that economies which have lower hours of work are usually stronger – there is thus not a clear positive link between working hours and wealth among countries of the world (see Figure 1). Restrictions in hours should not be seen as a restriction on the economy, but as a healthy boundary on companies to make them more fit and less likely to cause negative impact on their workers and society.

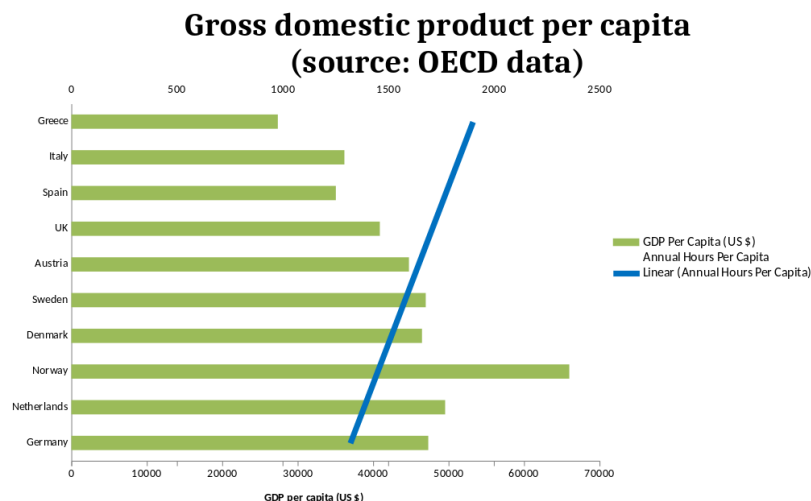


Figure 1: Gross Domestic Product (GDP) per capita versus working-hours per capita. The higher the GDP, the less hours are worked. Working more does not necessary mean more wealth.

The benefits in terms of gender equality include distributing the unpaid labour of women in the household more equally between men and women. Shortening of working hours is likely to result in men taking part in more household tasks – this has been shown by past research.

Benefits in terms of society, health and well-being include having more time for friends and family and less stress and anxiety due to work (a major cause of stress in modern times) – with women being impacted more by stress than men. He also noted that costs to employers due to poor mental health amounts to tens of billions of pounds a year (in the UK). Health services would see reduced strain as a result of less stress and more time to take care of oneself.

The impact on the environment could be big: there is a link between high working hours and energy intensive, environmentally damaging patterns of consumption. Countries with lower hours of work tend to have lower carbon and ecological footprints, and lower carbon dioxide emissions, compared to countries with higher working hours. With fewer hours spent at work behavioural patterns are likely to change, which includes cooking with fresh materials instead of ready-made meals (the latter having a high impact in terms of carbon emissions).

Aidan proposed that changes towards shorter working hours should be:

- collective and gradual
- bottom-up and top-down – meaning that they could be influenced by workers and government alike
- part of broader reforms
- led and overseen by unions.

Additionally, changes should be driven by (a) public-sector vanguards – with the public sector experimenting with reduced working hours, (b) generational agreements where younger workers gradually replace older ones, (c) creation of new public holidays, (d) rethinking and redistributing pension payments, and (e) extending and enforcing existing rights to free time. A major issue to tackle while working towards a shorter working week is to reduce inequality, reducing the proportion of workers on low pay and reconsider what is generally thought possible within our economies.

One of the major points Aidan stressed throughout his talk is that the subject of working hours has previously been a point of political discussion, and that it needs to become political again. Work-time is not politically neutral nor is it determined by law of nature; it is up to us to decide hours of work.



## *Sonja Ýr Þorbergsdóttir – BSRB*

*Sonja Ýr is the leader of BSRB, the confederation of public sector workers in Iceland. BSRB has been a pioneer in trials of shorter working hours in Iceland during the last few years. One of BSRB's demands is a cut in working hours.*

Sonja started her talk<sup>6</sup> by presenting the two demands that BSRB has conveyed to the employers' associations: that a full working week shall be 35 hours, and people who work on shifts earn full pay even though they work only 80% of full-time hours. She then presented the trials which have been ongoing at Reykjavik City. The first trial started in 2015 with two workplaces: a service centre – for Árbær and Grafarholt – and the office of the Reykjavík Child Protection. Both workplaces are offices and the number of hours cut each week ranged from 4 to 5. The total number of staff was around 70 and the cut in hours was without reduced pay. The results were very positive, with staff reporting higher work satisfaction, less sickness and fewer symptoms of mental and physical stress. After this positive outcome more workplaces were added in 2016, so that about 300 staff took part at that point. The workplaces taking part at that time included a playschool, service stations (servicing streets, streetlamps, flowerbeds, etc.), a city-wide service station (servicing turn-signals, bridges, etc.) and a community service for the elderly (provided in the home). In 2017 Reykjavik City Council decided to continue the trial, and at the end of 2018 it reached about 2,000 workers in total. The ones mentioned above continue to take part, but added are more playschools, service centres, service stations, offices and so forth. The results of the trial continue to be excellent and have outperformed expectations.

Importantly, while the number of hours has gone down for workers, the workplaces are able to function as before with no impact on total performance.

The trial at the government level has been ongoing since 2017. In 2015, the minister for finance signed a statement indicating the willingness of the state to launch a trial of shorter working hours and in 2016 a working-group was set up to organise the trial. When the trial started in 2017 four workplaces took part: (1) Offices of the Directorate of Internal Revenue, both in Akureyri and Reykjavík, (2) Registers of Iceland, both in Akureyri and Reykjavík, (3) The Directorate of Immigration in Kópavogur, and (4) Police in Westfjords. In these workplaces the work week was shortened to 35 hours from 40. The first three are offices, but the fourth includes an office and on-call officers as well as shift-workers.

First results of the government level trial were positive and so another workplace was added in 2018: a department in a health care facility in Akranes, also a workplace with shifts. More studies into the effects of shorter working hours are upcoming.

Sonja then detailed what the main effects of shorter working hours have been: less stress, fewer workers suffering from burnout, and better work-life balance.

During the trials, worker strain; mental and physical symptoms of stress; and symptoms of burnout were all recorded, both for participating workers and a control group (which had no change

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6 Sonja's slides are available on BSRB's website (in Icelandic):  
[https://www.bsrb.is/static/files/Glaerur\\_og\\_fundargogn/malthing-um-stytttri-vinnviku-syth-12-1-2019.pdf](https://www.bsrb.is/static/files/Glaerur_og_fundargogn/malthing-um-stytttri-vinnviku-syth-12-1-2019.pdf)

in hours). Sonja presented the results of these which are summarised in Table 1. The numbers shown in the table are for workers participating in the government-level trial. As the numbers show, stress and other factors go down for participating members while for the control group these change little or even worsen. This points towards the change in hours driving the change in symptoms.

*Table 1. Change in symptoms during government-level trial for different groups.*

<i>Measure</i>	<i>Group</i>	<i>April 2017</i>	<i>October 2017</i>	<i>June 2018</i>
Worker strain	Participating	3.32	3.05	2.82
	Control	3.37	3.39	3.47
Mental symptoms of stress	Participating	2.04	1.71	1.65
	Control	2.02	2.12	2.20
Physical symptoms of stress	Participating	2.04	1.76	1.66
	Control	2.16	2.25	2.35
Symptoms of burnout	Participating	2.04	1.74	1.61
	Control	2.17	2.32	2.29
		<i>Scale is from 1 to 5. Higher numbers are worse.</i>		

Other statistics were also collected: quality of work, conflict between work and private life, and balance between work and life. The statistics for these are detailed in Table 2.

*Table 2. Change in symptoms during government-level trial for different groups.*

<i>Measure</i>	<i>Group</i>	<i>April 2017</i>	<i>October 2017</i>	<i>June 2018</i>
Quality of work (higher number better)	Participating	3.99	4.12	4.20
	Control	3.76	3.66	3.63
Conflicts between work and private life (lower number better)	Participating	2.85	2.35	2.27
	Control	2.72	2.85	2.91
Work-life balance (higher number better)	Participating	4.04	4.30	4.35
	Control	3.93	3.87	3.70
		<i>Scale is from 1 to 5.</i>		

Again, the results are similar; for participating workers the indicators head to a positive direction while for the controls there is little change or a worsening.

In summary, with a reduction in working hours, stress due to work decreases; there is less sickness among workers; performance of participating workplaces remains the same even if hours are cut; and workers gain more energy for daily tasks and life in general. Workplaces where hours remain unchanged do not see these changes.

Managers in participating workplaces have been positive, with two managers quoted saying:

“The morale here has always been strong, but it did improve [...], co-operation between departments increased. And people were more willing to help out”

And:

“Performance is better because working hours are shorter. Hence, productivity is better during these fewer hours”

Managers note more joy at work, better morale, that workers have to work more swiftly but they are better rested, and that performance is similar or better. They noted that there is less stress amongst managers and workers, and that services provided have not been impacted.

Workers are happier as they gain more time for other aspects of their lives, as one female worker noted:

“[Working less] increases the potential for women to be able to properly participate in the job market, instead of always being on the run, trying to cram everything into their schedules. This enhances gender quality, mental health, family life and relationships with the children”

And a male worker also commented:

“I often use the extra hours to clean at home, and without hesitation if I’m alone there [...] So I participate much more in cleaning and tasks around the house”.

More results from ongoing studies are forthcoming, and the trials are still ongoing.

## *Ragnar Þór Ingólfsson – VR*

*Ragnar is the leader of VR, a union of shop and office workers. It is the largest such union in Iceland. VR demanded a cut in working hours for its members.*

Ragnar emphasised in his talk that during the last 100 years, one of the main goals of unions has been to shorten the number of hours people work, and that this had succeeded partially, especially if modern hours are compared to the situation around a century ago. But even though gains have been made, there are still significant hurdles facing us today. These include too much stress at work, burnout, long hours compared to the neighbouring countries, and Iceland's poor standing in OECD's tabulation of work-life balance among its member countries. The weekly hours actually worked (42.9 hours on average by members of VR per week in full employment) are significantly longer than contractual hours stipulate (37.5 hours).

Ragnar emphasised as well that stress is an important factor that needs to be considered, and that the constant interruptions caused by mobiles, emails after work, etc., all contributed towards burnout, mental health issues, and various bodily ailments. He said that burnout is on the rise in Iceland, as well as related disorders such as depression, and that it could be seen in all age-groups irrespective of education and job types. At VR, there has been a marked increase in applications for financial support by members due to mental health issues – around 300% in the last decade, although rise in membership has only been 20% during the same period. This fact was one of the main drivers for the union's demand for a cut in working hours, in addition to the fact that there is a real longing amongst the members for a shorter working week, as indicated by a poll done by VR.

While VR demanded a cut in hours, the aim was not disruption of the economy but rather that ways were to be found so that companies could operate as before even though hours were to be cut – it of mutual interest to workers and companies that people can have more time off from work. The aim would be for reduced hours for the workers, less disruption after work, and making it possible for people to have time off for themselves and their families. The aim would also be for workers to not have to work faster and in a more stressful way as a result of this. A new focus of unions should be this, and a part of that would be to find ways to genuinely shorten working hours without disrupting the whole economy. In some workplaces costs could indeed rise, but that should not be a major hindrance. The ways of implementing the cut in hours would include using time in a more efficient fashion, changing shifts to allow for shorter hours where possible, and shortening the opening hours of shops and service providers. He asked if the long hours of shops – sometimes 24/7, sometimes late into the evening – is really needed.

Ragnar stressed that companies are flexible, and that they could adjust to changes in their workers' hours. This has already been shown to be the case both in Iceland and abroad in trials of shorter working hours – for instance in the trial at Reykjavik City council and Hugsmiðjan, but also at a Toyota service centre in Gothenburg and at Perpetual Guardian in New Zealand. It is merely a challenge to rise to, and changes are possible. The discussion on cutting working hours is ongoing in Iceland and there will clearly be changes, he said.

## *Ragnheiður Þorleifsdóttir – Hugsmiðjan*

*Ragnheiður is the CEO of Hugsmiðjan, a private company specialising in developing web-solutions for their clients. About 23 work for Hugsmiðjan. They are based in Reykjavík, Iceland.*

Since 2016, Hugsmiðjan has operated on a six-hour working day without reduced pay.<sup>7</sup> For instance, workers can arrive at work at nine in the morning, take a half-hour break for lunch and then leave at half-past three. Ragnheiður said that this was originally started as a trial within the company, as many felt it could boost productivity, lessen sickness and provide better work-life balance to the employees. While some were sceptical at the beginning, the trial has turned out remarkably well, both for workers and the company. The trial has become permanent.

According to figures collected within the company, productivity has boosted by 23%, sick days have reduced by 44%, and satisfaction of workers is at top levels. Including the fact that work-life balance has increased, people have noted more time for self-learning and professional development, more time for taking care of oneself and less stress when having to take care of any kind of irregular occurrence.

Hugsmiðjan had the initiative to publicise their results and this reached mainstream media and attracted significant attention nationwide. They have been keen on presenting the results of their trial, and hope that other workplaces will follow suit nationwide.

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<sup>7</sup> Information is available about this on the website of Hugsmiðjan (in Icelandic): <https://www.hugsmidjan.is/6klst/>

## Guðmundur D. Haraldsson – Alda

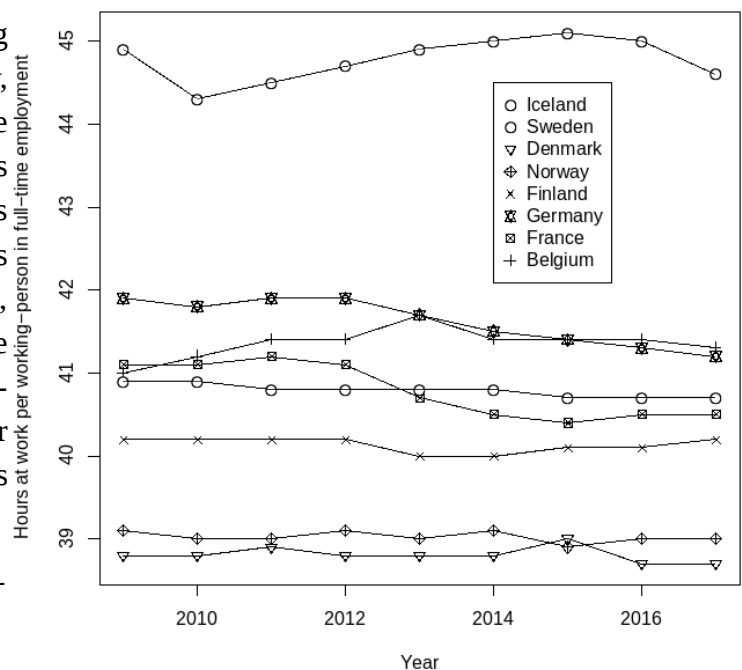
Guðmundur is a board member of Alda, Association for Sustainability and Democracy. The aim of Alda is to deepen democracy, and an essential element of that is less work to enable participation. Less work also has positive effects on sustainability, another aim of Alda.

Guðmundur emphasised in his talk that, in the past, economists foresaw a world with less work due to increased productivity and more automation. This is, for instance, evident from this quote by John Maynard Keynes, one of the world’s eminent economists in his time:

“We shall endeavour to spread the bread thin on the butter – to make what work there is still to be done as widely shared as possible. Three-hour shifts or a fifteen-hour week may put off the problem [of satisfying the need to work] for a great while.”

This quote is quite well known and is often cited. However, while this was Keynes’s utopian vision, the utopia has largely been *technologically* fulfilled with ever more automation and reduced need for manual work. Machines take care of many aspects of work that needed manual involvement before, such as payment, making of clothes, typesetting of text, and even baking bread – automation plays a vital role in these activities. To take a concrete example, in the factories of Fiat in 1900, fifty employees produced 24 cars per year – around half a car each – but in 1949 it had risen to 1.3 cars each, then to 19 in 1980 and 44 in 1993.<sup>8</sup> This is the dramatic rise in productivity we have seen in the last century or so in capitalist economies. And even though it has continued in the last few decades – albeit at a slower speed – there is no large direct impact of this on the number of hours of work in the last three decades in Iceland (and many other countries around the world). Changing this should become a focus, and it is essential that politicians, unions and companies start working according to it.

Guðmundur then presented a graph that shows that actual weekly working hours in Iceland are greater than in the neighbouring countries such as Sweden, Norway, Denmark and Finland – countries that are considered to enjoy similar living standards to Iceland in many aspects. The graph shows that a full-time worker in Iceland works about four hours more per week, on average, than a worker in Sweden and about six more than in Denmark. An average worker in full-time employment works about 45 hours per week in Iceland (see Figure 2).<sup>9</sup> This is



8 These figures are from Basso, P. (2003). *Modern times, ancient hours: Working lives in the twenty-first century*. London: Verso. See page 208.

9 The graph is drawn according to data from Eurostat. The data is available on Eurostat’s website: <https://ec.europa.eu/eurostat/web/>

Figure 2: Hours of work per working-person in full-time employment in Iceland and various other countries of Europe. Source of data: Eurostat.

according to figures from Eurostat. He emphasised that in Iceland participation in paid work is very high, in fact one of the highest within OECD – at around 87%.<sup>10</sup> Also, about 75% of all workers currently work full-time. While high participation rate is positive, long hours are not.

Another key issue is that working-lives in Iceland are longer than in neighbouring countries. While workers in Iceland can expect to work for 47 years on average, workers in Norway can expect to work for 39 years, 42 years in Sweden, 38 in Finland, 39.6 in Denmark, and in the European Union as a whole around 35.9 years (see Figure 3).<sup>11</sup> Again, these are figures from Eurostat. There are plans to extend the working-life further by increasing the retirement age in Iceland.

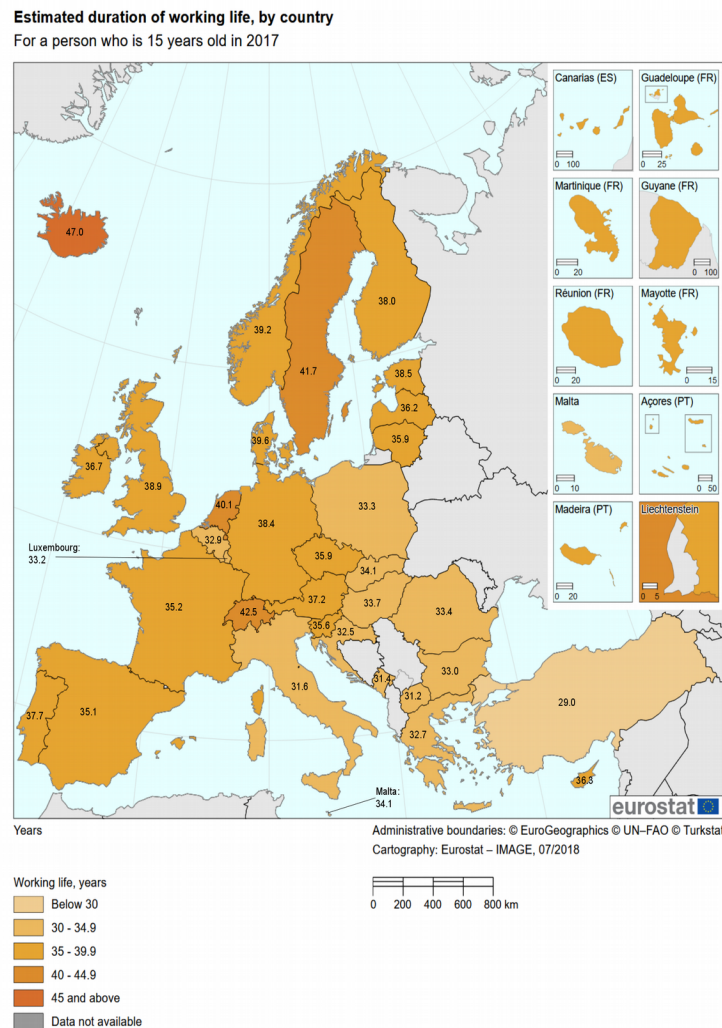


Figure 3: Expected duration of working-life in Europe in 2017. Source: Eurostat.

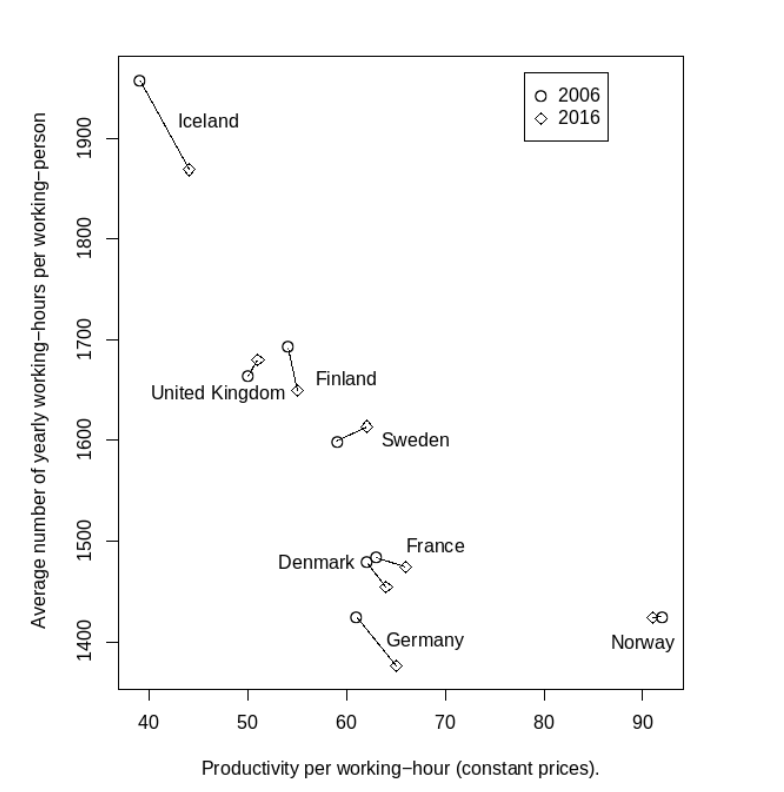
He presented figures from the OECD that show productivity to be lower in Iceland than in the neighbouring countries, and that there is correlation between more productivity and fewer hours of

products-datasets/-/tps00071

10 See data from OECD: <https://data.oecd.org/emp/labour-force-participation-rate.htm> – Retrieved on 20<sup>th</sup> of July, 2019.

11 The figure is from Eurostat, and is available on Eurostat’s website along with more detailed discussion: [https://ec.europa.eu/eurostat/statistics-explained/index.php/Duration\\_of\\_working\\_life\\_-\\_statistics](https://ec.europa.eu/eurostat/statistics-explained/index.php/Duration_of_working_life_-_statistics) – Retrieved on July 20<sup>th</sup>, 2019.

work among these countries (see Figure 4). While it might seem obvious that countries with higher productivity might *use* their higher productivity to work *less*, the relationship is not that clear-cut: countries with higher productivity and less work are more likely to give their workers time away from work, and thus they will be better rested and will enjoy better work-life balance. In fact, the neighbouring countries outperform Iceland in the standing of work-life balance; for instance, in the OECD's Better Life Index, Iceland ranks among the bottom countries in terms of work-life balance.<sup>12</sup> In an international study performed more than a decade ago, workers in Iceland complained the most about not being able to attend to household tasks because of tiredness due to work.<sup>13</sup> Hence, this seems not to be a new pattern for Iceland.



*Figure 4: Relation between annual number of working-hours and productivity per hour. Generally, the higher number of hours, the less productivity per hour. Iceland has higher number of working-hours than these countries and less productivity as well. In the figure it can also be seen that the effect of cutting hours generally correlates with higher productivity, as can be discerned by looking at differences in hours between years. Source: Total Economy Database.*

Indeed, he said, because working hours are longer, productivity is lower, working-lives are longer, and work-life balance is poorer, there is good reason to believe that productivity in Iceland could be boosted by working less, which will then again positively boost work-life balance in the country. There is some evidence pointing towards a higher incidence of burn-out and occupational

12 See discussion on Iceland on OECD's Better Life Index website, at <http://www.oecdbetterlifeindex.org/countries/iceland/> – Website viewed on July 20<sup>th</sup>, 2019.

13 Kolbeinn H. Stefánsson (2008). *Samspil vinnu og heimilis: Álag og árekstrar*. Rannsóknarstöð þjóðmála: Félagsvísindastofnun Háskóla Íslands. Óútgefið handrit.



stress in Iceland; shorter working hours could positively impact this as well. Hence, we should continue the process John Maynard Keynes emphasised in the earlier quote: increased productivity should go hand in hand with fewer hours.

Guðmundur suggested that a short-term goal should be to work less and to reorganise working practices to accommodate the cut in hours, but no change in pay should take place as a result of this. The trials that BSRB initiated at Reykjavik City and the state-levels guide the way forward and tell us how we can implement the required changes in more workplaces around the country. But while we implement these short-term goals, there should be long-term goals as well. These should involve more democratic workplaces – ensuring that new machines and work-practices really enable workers to work less, if they so want – and changed culture around the meaning of work – instead of being the purpose of life, it becomes a means to survive – but also enabling people to live off part-time employment – this means strengthening the right to part-time work, as is practiced in the Netherlands.<sup>14</sup> These goals go hand in hand. The long-term goals do not conflict with the short-term ones.

It is essential to continue to think of work as something to be reduced, not because it is something to be avoided in itself but because work should be a way to sustain oneself in this world and not the meaning of life. We should continue to reduce hours and fulfil Keynes's dream vision of the future; it should indeed be our dream.

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14 More details on the law and practice in the Netherlands can be found in Hayden, A. (2013). Patterns and purpose of work-time reduction – a cross-national comparison. In Anna Coote og Jane Franklin (editors) *Time on our side: Why we all need a shorter working week*, pp. 125-141. London: New Economics Foundation.

## IV. Developments since the conference

### *New contracts on pay and benefits*

Since the conference was held, major collective contracts on pay and benefits have been signed in Iceland. These agreements impact most workers in Iceland in one way or another, with almost every working person in the country benefiting, at least, from an increase in pay. Significantly to the subject of this summary, these contracts have provisions in them about working hours.

Some of the contracts have provisions that result in a flat cut in working hours for workers. This is, for instance, the case with contracts signed by VR,<sup>15</sup> the largest store and office workers' union in Iceland. The contracts cut hours by 45 minutes per working week (net), taking effect on 1<sup>st</sup> January, 2020. While this is a small cut in hours, it is a step forward, and over a full year amounts to around a full working week. Crucially, the implementation of the cuts is flexible and can be tailored to each workplace with the following possible strategies:

- Each working-day is shortened by 9 minutes  
or
- each week is shortened by 45 minutes  
or
- accrued time during the year calculated at the end of the year  
or
- other forms of cut in working hours

There is also another provision in VR's contracts that can result in a further cut in working hours. The provision gives workers the right to draft a plan on how a cut in working hours can be achieved, which they and management then have to agree to. Workers will have to give up their coffee breaks in exchange for the cut in hours — coffee breaks are generally of 15 to 35 minutes in duration (total per day).

Again, the implementation can vary depending on the workplace and type of work. For office workers the shortening can be implemented in a flexible way:

- shortening by 2 hours per week  
or
- 8.6 hours per month,  
or
- 94 hours per year,  
or
- 13.23 days per year.

And for front-line workers similarly:

- shortening by 3 hours and 40 minutes per week,

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15 Details on the agreements are available on VR's website, in English: <https://www.vr.is/en/new-collective-wage-agreements-2019/shortening-of-the-working-week/> Retrieved on the 20<sup>th</sup> of July, 2019.

- or
- 15.87 hours per month,
- or
- 172.33 hours a year,
- or
- 22 days per year.

Note that this is in addition to the 45 minutes cut in hours mentioned above. Also note that while this latter provision might not seem to give much benefit to workers, as it is not enforceable towards employers, in reality it might be very beneficial in workplaces where there is currently room for a cut in working hours but cultural factors impede its implementation. A report written by Alda last autumn identified a number of workplaces where this was the case.

Efling — a major union in services and manual labour — managed to get a provision for a cut in hours based on a plan management and workers agree to, but unfortunately no flat cut in hours. If this route is utilised, workers give up their coffee breaks in exchange for a cut in hours. Their provisions also allow for flexible ways of implementing the cuts:

- shortening by 53 minutes per working day,
- or
- each Friday shortened by 212 minutes,
- or
- every other Friday off,
- or
- a custom plan.

Rafiðnaðarsambandið — a union of electricians, electrical engineers, phone engineers, and others — also signed a contract that has provisions on working hours. In their contract there is a provision allowing for a cut in hours from 1<sup>st</sup> April, 2020, and from that day on workers can cut hours to 36 hours per week (from 40 hours) in a similar way as described in the case of Efling (giving up coffee breaks). However, from 1<sup>st</sup> January, 2022, workers can unilaterally decide to cut hours to ~36 hours, even if management is against it — this amounts to three hours and 45 minutes per week, with the pure shortening of hours being 50 minutes per day while coffee breaks account for two hours and 55 minutes of shortening. This is without any loss of pay.

Implementation of this will be flexible:

- shortening by 47 minutes per working day,
- or
- each Friday shortened by 188 minutes,
- or
- every other Friday off,
- or
- custom plan.

The reason behind the clear difference between contracts is differing demands between unions towards employers, and that their pay-scales differ.

It should be noted that two of the unions mentioned — Efling and VR — represent about 63 thousand workers out of 200 thousand in total in the Icelandic labour market (about 31%). It should also be noted that these are just the contracts these particular unions made, and that there are other unions who might have negotiated in a different way. Nevertheless, these contracts are significant.

In the coming weeks or months further contracts will be signed, including for BHM – confederation of university graduates – and BSRB – federation of state and municipal employees – which together represent around 41 thousand workers. BSRB has been a pioneer in trialling shortening of working hours in Iceland, in co-operation with Reykjavík City Council and the government of Iceland. These forthcoming contracts might also entail shortening of working hours for workers affected by those contracts.

### *Parliament and working hours bill*

Since the conference was held, the working hours bill put forward by the Pirate Party has been voted out of a committee in parliament.<sup>16</sup> The committee, whose subject is everything related to welfare, voted to stop any further work on the bill in parliament and to ask the minister for social affairs to continue work on it. There is therefore no possibility for the bill to be voted on during this parliament's session, but it can be put forward again later. It remains to be seen if the minister will actually commence work on the subject, as the voting does not bind the hands of the executive.

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<sup>16</sup> More details on this vote can be found on Alþingi's website (in Icelandic): <https://www.althingi.is/altext/149/s/1428.html> – Retrieved on the 20<sup>th</sup> July, 2019.

## V. Miscellaneous information on Iceland

### *Economic indicators in general*<sup>17</sup>

- Population: 348,450 – 1<sup>st</sup> January, 2018
- Working population: 206,700 – Q3, 2018 (est.)
- OECD employment participation 88.3%
- GDP per person: 55,330 USD (PPP) in 2017. Continuous growth since 2011.
- % working full-time or more: 79% – Q3, 2018.
- Unemployment rate: 2.29% – Q3, 2018.
- Total number of workers participating in trials of shorter working hours: ~2,000

### *Unions and confederations mentioned in the summary*

*ASÍ*: Largest confederation of unions in Iceland, representing around 133,000 workers in total. 47 unions are members and five regional federations. ASÍ represents constituents towards parliament, government, employer associations and institutions of various types. ASÍ also provides services to its members.<sup>18</sup>

*BSRB*: A federation of state and municipal employees, and the largest federation in the public sector in Iceland. BSRB is a federation of 23 unions, representing over 23,000 workers of which two in three are women.<sup>19</sup>

*Efling*: One of the largest unions in the country, with around 27,000 members. It represents workers in a variety of sectors, including factories, fish and other industry, health sector, public sector, transport, hotels, restaurants and more.<sup>20</sup>

*VR*: Is a union of shop and office workers. Members are around 36,800, making it one of the largest unions in the country.<sup>21</sup>

*BHM*: A confederation of university graduates, with a total number of 14,000 members. Members work within a variety of professions such as architecture, arts, research, healthcare, therapy, and law.<sup>22</sup>

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17 Figures from Statistics Iceland, [www.hagstofa.is](http://www.hagstofa.is)

18 Based on information from ASÍ, [www.asi.is](http://www.asi.is)

19 Based on information from BSRB, [www.bsrb.is](http://www.bsrb.is)

20 Based on information from Efling, at [www.efling.is](http://www.efling.is)

21 Based on information from VR, at [www.vr.is](http://www.vr.is)

22 Based on information from BHM, at [www.bhm.is](http://www.bhm.is)