



Conference note

About Time: Developing the case for a shorter working week

A shorter working week could provide the solutions to a number of the economic, social and environmental challenges we face. Earlier this year, **nef** assembled a panel of leading economists for a series of events to develop the case for moving to shorter, more flexible working hours. This briefing captures the main arguments made.

Time matters

The hours we spend in work have a major impact on the social, environmental and economic condition of all our lives. Considering time as a variable is a neglected though practical way to understand – and to help us to resolve – the crises we face today.

In 2010 **nef** published its *21 Hours* report, which set out the arguments for moving towards much shorter and more flexible paid working hours, with the ultimate goal of achieving a new standard working week of 21 hours. The report drew on research findings and case studies to show how this could address a range of urgent, interlinked problems: overwork, unemployment, over-consumption, high carbon emissions, low well-being, entrenched inequalities, and the lack of time to live sustainably, to care for each other and participate in society.

The case for a shorter working week was further examined at a major event in January 2012 at the London School of Economics. 'About Time' – a public lecture followed by an expert seminar – was organised by **nef** in partnership with the LSE Centre for Analysis of Social Exclusion (CASE). It

brought together experts from different disciplines to explore the case in some depth, build the evidence base and examine ways of overcoming practical and cultural barriers.

This is a summary of the main arguments, with selected highlights from the speakers, and from essays commissioned for the event. It identifies key themes emerging from the debate, as well as opportunities for further research. The summary has been produced by **nef** to offer a flavour of the discussion, rather than a full account of the contributors' views.

The case for a shorter working week

As the economic crisis deepens, there is a hunger for new ideas - for alternatives to 'business as usual'. Judging by the enthusiastic and widely-shared response to *21 Hours* and the event, this is a proposition whose time has come. Economic, environmental and social factors are converging in favour finding new ways of valuing, using and distributing time.

“ Working time is one of the most powerful levers for making transformational change in the system and also one of the most

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under-appreciated... Reductions in working hours offer what we call in economics a 'triple dividends possibility': the potential to simultaneously improve the employment picture, ecological outcomes and quality of life. **Juliet Schor**

Better for the economy

The UK has the longest average working hours of all the major economies in Europe, including some of the longest hours for full-time workers in the European Union. Indeed, what constitutes 'full-time' work has not changed in the last twenty years, despite increases in productivity and the rise in part-time working. According to the UK Labour Force Survey, 2.7 million people (nine per cent of people in work) are 'over-employed': they want to work fewer hours and say they would accept lower pay to achieve this. According to the TUC, if all hours of unpaid overtime (more than two billion in 2011) were converted into jobs, it could help create one million new full-time jobs.

This makes even less sense in a time of recession. Reducing the working week is one way of managing an economy that isn't growing. It helps to spread paid employment around more people, creating more jobs and cutting the benefits bill.

“ The UK has entered a period of high and chronic unemployment and underemployment... Work-time reduction becomes the key to restoring balance in the labour market. **Juliet Schor**

“ Work sharing could be used to attenuate the rollercoaster effect of economic activity by stabilising employment and consumption and, by extension, investment and output. ... A systematic, predictable, transparent, and equitable hours adjustment process could substantially improve economic stability by stabilising incomes with relatively low levels of government spending. **Robert LaJeunesse**

Better for society

The proposal to reduce working hours should not be seen as a temporary response to the economic crisis. Reducing the length of the paid working week could help reduce income inequalities and benefit society generally. People

on higher incomes tend to work longer hours, while there is a growing pool of people who have less work than they need or none at all. Shorter working hours gives more people a chance to earn a living.

“ This is a kind of structural underemployment that occurs when working hours are too high. Redistribution of hours is therefore central to a programme leading to more egalitarian income distributions. **Juliet Schor**

Of course, if they can many people are working more as a result of increasing pressure on household finances. There is a 'time-squeezed middle' of low-to-middle income households who work long hours and are experiencing increasing pressures in relation to income and time. Those working long hours report significant work-life balance issues, including strains on their personal relationships, and the UK is a historically poor performer in child well-being rankings, something which has been attributed to the long hours UK parents put in at work.

Reducing working hours would help to distribute unpaid time more fairly between women and men. It would free up time, for men as well as women, to devote to family and household responsibilities (and also to participate in society more widely, for example, by volunteering). By creating the conditions for men to play a more equal role at home and for women to play a more equal role in the workplace, overall reductions in working hours could help to break the pattern of women's dependence on low-paid, casual part-time jobs, which is closely linked to the fact that they bear the main burden of unpaid labour.

“ The way we spend our time is bound up with the gender division of labour and deep seated gender identities. A radical reduction in the 'normal' paid working week would therefore disrupt our understanding of what it is to be a man or a woman in Britain today. **Valerie Bryson**

In France, one year after the government introduced a 35-hour week for companies with more than 20 staff (the *Reduction du Temps de Travail* or RTT), a large-scale survey of employees showed that the biggest beneficiaries were the parents of young children.

“ Men and women with children under the age of twelve came out overwhelmingly in favour

of the *RTT*. Almost half of the parents of children under 12 years claimed to spend more time overall with their children since the *RTT* (almost as many men as women). These employees spent more days of holiday with their children or more time on Wednesdays or another day of the week... Around three parents in ten with school-age children devoted more time to the education of their children. In total, a third of those interviewed claimed that the reconciliation of work and family life became somewhat easier after the *RTT* (32 and 38 per cent for men and women respectively). **Dominique Méda**

Shorter working hours would also be better for our health and wellbeing. Around a quarter of days lost through absence are due to work-related ill-health, such as physical and mental illness brought on by stressful working conditions, and a conservative estimate suggests that worker ill-health costs more than £21 billion in lost productivity. One long-running study shows that people who work long hours are twice as likely to suffer from major illness and depression. A more sensible and balanced approach to working hours could reduce the economic, social and personal cost of work-related ill-health.

For older people, the transition to retirement could be transformed if the normal working week was shorter, creating opportunities for a smoother pathway out of full-time work that could taper gently over a number of years.

“ The mind set of cliff edge retirement will have to end. There are many examples of organisations recognising that a change in job roles for older workers can be very helpful. Older employees in the Vattenfall power company in Sweden are allowed access to an arrangement that allows them to work 80 per cent of their normal hours on 90 per cent pay with pension rights being preserved at 100 per cent of accrual rates. **Chris Ball and Paul Cann**

We do not assume that everyone will benefit from shorter working hours. A great deal depends on how the transition is made and what other measures accompany this move. We return to this later.

Better for the environment

Time is running out for us to find ways of living sustainably within environmental limits. Reducing working hours can help to reduce greenhouse gas emissions and depletion of natural resources. Working hours affect the scale of production and consumption, and also the way people use their time.

“ Working hours is a large and powerful variable in reducing ecological and carbon footprints. ...If you work more, you create more and outputs increase... People also change what they do depending on their time budgets and households that are time-stressed behave in more carbon-intensive ways. They travel faster and eat out more. **Juliet Schor**

A growing number of studies now point in that direction, including a comparison of shorter-hours scenarios in the UK and Netherlands.

“ A general reduction in full time working hours would have a substantial effect in reducing greenhouse gas emissions from working age households – by 4.2 per cent in the UK and 6.4 per cent in the Netherlands. The marked differences between the two countries... reflect differences in socio-economic conditions and household behaviour. **Martin Pullinger**

Recent research by Schor and others covering 29 OECD countries from 1970 and 2007 found that annual working hours are a strong predictor of ecological outcomes.

“ The findings show that hours reductions are an effective mechanism for slowing growth and reducing eco-impact. Labour market policies that reduce average hours will be among the most effective – if not *the* most effective – that governments can institute. In contrast to policies that deliberately slow down productivity growth, shorter hours of work yield high benefits to populations. **Juliet Schor**

Why do we work such long hours?

If shorter hours offer such gains for the environment, as well as for society and the economy, we need to understand why a long-

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hours culture has developed as a first step towards considering how this might be changed.

Unlike other European countries, the UK (and even more so the US) has since the 1980s ceased to trade productivity growth for reductions in working time. Instead, working hours have lengthened. This goes against the grain of standard economic analysis, which assumes that people only work up to the point where the 'marginal utility' of one extra hour's income is worth no more than one extra hour of leisure. According to this analysis, as productivity improves people are supposed to work less as it takes less effort to obtain the same basket of goods.

“ Keynes wrote an essay in 1930, *'Economic Possibilities for our Grandchildren'*, in which he predicted that today people would be four or five times richer and would work on average 15 hours a week. In fact they work 40 hours a week. What's happened is that an inverse relationship has developed between income and work: the richer you are the more hours you work. **Robert Skidelsky**.

Why has productivity not been translated into more leisure time? Two important reasons are the structure of power in the economy and new patterns of consumerism. Employers have responded to competitive pressures by working their existing workforces longer and harder, rather than by creating more jobs. But when the economy isn't growing, this approach can lead to continually rising unemployment.

“ If GDP growth is zero, then the normal workings of the economy will lead to progressive reductions in the demand for labour. Each year a given level of output can be produced with fewer hours of work, on account of productivity growth. Firms can lay off workers, because they are no longer necessary to produce the (stable) level of production that is required in the no-growth economy. If productivity rises by 3 per cent annually, 3 per cent of workers will be made redundant... each year the pool of unemployed will grow. Clearly, this is not a feasible scenario. **Juliet Schor**

The desire to earn more to buy more is integral to modern capitalism. Since the power of workers to negotiate higher wages has also diminished, they must work longer if they want more money.

“ The inability of workers to realise their desire for less work and more leisure is compensated by the illusive promise of more consumption. The power of capital in the labour market has its exact counterpart in the growth in the pressures of consumerism. **Robert Skidelsky**.

Key themes emerging from the debate

If we are to make the transition to a shorter working week, there are (at least) five areas for further consideration.

1. Developing policies to address barriers and inequalities

To realise the vision of shorter working hours it will be necessary to tackle a range of issues including low pay, inequalities, employers' incentives, and prevailing assumptions about what is 'normal' and possible. This is a complex undertaking that will require action on many fronts.

“ There is no single policy prescription, intervention or change that could be expected to bring about the transformation in time use that is proposed. Rather, a 'surround sound' approach will be required, identifying key leverage points where change is most likely to have the necessary scale and impact. These will include influential individuals, innovative organisations, supportive associations and progressive policies. **David Fell**

The growing inequality in working hours – between long-hours (often well paid) workers and those who struggle for a decent number of hours or any work at all – has been a key cause of increasing inequality. A major challenge is then to ensure that shorter hours do not further penalise the poor and powerless – to develop ways in which this agenda enhances social justice and equality. Workers with few resources at their disposal and heavy responsibilities (for children or other dependent relatives, for example) are most vulnerable, so it will be important to put them at the centre of many measures.

“ A cap on working hours without improving the returns to each hour of paid work for the low-skilled (for example, by significantly raising the minimum wage,

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enhancing tax credits, or adding supplements to reflect the social benefits of some low-paid work), or tackling the underlying distribution of human capital in the population (through more effective training, access to re-training and genuinely comprehensive education from pre-school to university), would be disastrous for the household economies of these families. **Tania Burchardt**

“ How to deal with the problem of workers in low pay? Solutions include raising minimum wages, in-work credits and more redistribution in the economy, taking money away from capital and giving it to labour in one form or another. There are not enough people as carers because our public services have been starved. Yet we can afford very large bonuses for our bankers. That is crazy accountants' logic which makes no sense in any economics I am aware of. **Robert Skidelsky**

A range of policy options were discussed at the event, including legislation.

“ The simplest route would be to promote work-sharing by legislating for a progressive reduction in the hours of work, for example by limiting weekly hours and/or increasing statutory vacation times. There is a long history of such initiatives from the Factory Acts of the 19th century to the European work-time directive. Our government opted out of the directive, which is why the British work more than most Europeans, as do the Americans, without any apparent gain. Such a framework is not totalitarian, but would allow employers and workers to work out their own bargains in a flexible way. **Robert Skidelsky**

“ Work time reform should include legislation that prohibits disparate treatment on the basis of work hours. Modelled on the Dutch and German “right-to-request” laws, this would protect part time workers from discrimination in wages, promotions, scheduling, healthcare, retirement and other forms of compensation and working conditions. **Robert LaJeunesse**

There was general agreement on the need to understand what deterred employers from

reducing hours and finding ways to overcome such barriers.

“ A principal obstacle to payroll expansion in many countries is the level of per worker benefits paid by firms... Therefore, policies that reduce the fixed costs of labour (such as healthcare reform in the United States) can encourage payroll expansion... policy changes that allow firms to pay non-wage benefits on an hourly basis are likely to increase the willingness of firms to redistribute work hours and experiment with the size of their payrolls. **Robert LaJeunesse**

There were differing views about where to begin the process of introducing shorter hours. Starting with job seekers is one option, although that would tend to widen income inequalities. Starting with better off, better educated workers, who are often keen to reduce their hours, is another option; however, while that might begin to narrow inequalities in pay, it would do nothing to reduce time poverty among low-income groups.

There was considerable debate about whether shorter hours were best achieved by trading productivity growth for hours rather than money, or whether depending too heavily on the pursuit of productivity to achieve a more balanced economy would ultimately be self-defeating. Trading productivity growth for shorter working hours could help to overcome opposition from employers and from workers, as part of a gradual transition strategy.

“ In a no-growth economy, the alternative to an expanding pool of unemployed is to reduce hours of work for all employees, by an amount equivalent to the rise in productivity growth. This will avoid increases in unemployment, and provide the benefit of more free time across the labour force. However, to achieve this outcome there must be countervailing factors to firms' preferences for longer schedules... Policy interventions that restructure the incentives facing firms will be necessary. There are also tax and subsidy policies that can provide positive incentives for firms to reduce hours, such as tax credits for avoiding layoffs, and use of the unemployment insurance system to facilitate shorter hours of work. **Juliet Schor**

At the same time, there are large sections of the economy where increasing productivity can undermine the quality of both the experience of work and its effects.

“ Where has chasing productivity left us? It has left us with an economy that is incredibly fragile because it has no real manufacturing base and because the professions, which rely on service activities, are denigrated as unproductive... There's a need to resist the constant urge towards productivity growth, particularly in those sectors where human services are traded between people. And this is a sector that seems to offer what Juliet Schor calls the 'triple dividend': to increase employment, to reduce carbon intensity and to increase the quality of work experience. **Tim Jackson**

2. Reassessing how we consume

Pressures to consume more provide much of the motivation for people to work longer hours. They also play a significant role in determining the size of our ecological footprint. Greenhouse gas emissions and non-renewable natural resources are embedded in most of the products we buy. Without reducing levels of consumption in the rich world, it will be impossible to reduce global emissions sufficiently to avert catastrophic climate change. Time use and carbon are intimately linked: on average those who work longer hours have larger ecological footprints, while those who have more hours of unpaid time tend to have smaller ones. It is time to reassess our need to consume at current levels.

“ A lot of our consumption is pathological. Money is a means, not an end, so that to mindlessly pursue it – to get more and more of it in order to buy more and more stuff – is rather like saying that the purpose of eating is just to get fatter and fatter. **Robert Skidelsky**

Modern consumerism has complex effects on the quality of our lives. Buying more 'stuff', beyond a certain level, does not improve well-being.

“ Do we have too much stuff? There's a variety of means to persuade you that you haven't and advertising is only one of them. We can provide you with money you don't have to spend on things you don't

need to create impressions that won't last on people you don't care about. This is pathological and system-driven. **Tim Jackson**

3. Examining how we experience time

“ It's not naïve to ask ourselves what is the value of our time; and what is the quality of our experience in that time? When you begin to ask these questions you discover that time itself has some rather malleable qualities. It isn't always a simple division between work and leisure, good and bad, pleasure and un-pleasure: it's a very slippery commodity. More things can happen in a very short space of time doing absolutely nothing, than can happen in a very full working day in a conventional job. Those questions enable you to think differently about time. **Tim Jackson**

The way we use time is not fixed or inevitable. The familiar 12-hour clock is a relic of the industrial era. It tells us that 'time is money' and regiments our lives around paid employment. This needs to be challenged.

“ The dominant time that enters public policy and underpins the economic relations of work, is not the variable time of life and death, growth and decay, of seasons and opportune moments, of hopes and visions for the future, but the abstract time of the clock where one hour is the same irrespective of context and emotion. Locally and globally, it is the invariable time, that goes round and round in a circle, which is imposed on the variable cycles of nature and social life. Moreover, only the quantitative, invariable, divisible time of the clock can serve as an economic exchange value. Only as an abstract, standardized unit can time become a neutral value in the remuneration of work and the calculation of efficiency and profit. A whole raft of economic and social consequences arise from this skewed relation to time. **Barbara Adam**

Today we are increasingly being driven down the fast lane by new technologies, working anywhere and anytime. As we consume ever more sophisticated technologies, we experience time much more intensely. Mobile, global and online communications technologies promise to save

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time but in fact speed up the pace of life and can crowd-out tangible human relationships.

“ In desperately trying to cope, let alone to ‘get ahead’, the preferred strategy of contemporary men and women has been to embrace new communications technologies because of their basic marketing promise, namely: to allow us to do things more swiftly, and to allow us to circumnavigate the allegedly tedious, awkward and time-consuming business of having to encounter other human beings in their proximate physicality... In so doing, however, we are each increasingly devoid of meaningful human face to face contact in our daily lives... [This] is fundamental to an ethical life lived in the company of others and its growing absence from our everyday lives presents a moral problem unique to our times. **Mark Davies**

Instead of having more time as ‘productivity’ increases, we have less and less. We are caught in a time warp where conventional values and assumptions about time are out of step with our lived experience. Indeed, such technologies may be changing fundamentally our conceptions of time.

4. Understanding inequalities in time and their effects

While we all have the same number of hours in the day, we have widely varying degrees of control over our time. This depends not only on employers’ requirements but also on a range of personal circumstances.

“ The individual’s decision about how to allocate her time is constrained in two ways: firstly by the *resources* available to her, and secondly by the *responsibilities* for looking after herself and others which she must meet. Some individuals enjoy... plenty of scope to pursue their own projects and goals, over and above what is required for just getting by and meeting responsibilities in a minimally acceptable way. Other individuals have a much more restricted range of combinations of free time and disposable income available to them. Lone parents, for example, are shown to have much less free time to start with, and their additional paid work hours increase their income only slowly, because

of the need to pay for childcare (if they work outside school hours or have pre-school children). **Tania Burchardt**

We must also develop a more nuanced understanding of how different ways of using time impact on the environment. For example, although longer working hours are clearly linked with higher greenhouse gas emissions, it does not simply follow that having more leisure time will reduce emissions.

“ A simple transfer of time from paid work to the household may be employed in more or less carbon intensive ways... Much will depend on whether reduced working time means reduced income, on whether reduced income leads to significant changes in non-working time allocation, and on whether the reduction in working time is shared equally between men and women. **Angela Druckman et al.**

5. Learning from other countries’ approaches to work-time regulation

There are lessons to be learned from several EU countries which have schemes that make it easier for people to work shorter hours. Notably, Germany and the Netherlands have shorter working hours than the UK and the US, without any apparent damage to the strength of their economies.

“ The difference in working hours between the US and Germany is about 20 per cent. German workers work on average 20 per cent fewer hours than American workers. This means that every employer who wants to generate a new job needs roughly 20 per cent more revenue to do so. With high working hours, the bar for creating new jobs is much higher. **Juliet Schor**

There are lessons from the French experience of reducing working hours between 2000 and 2008. A 35-hour week was introduced by two laws in 1998 and 2002 – the first aimed primarily at creating more jobs, while the second increased flexibility to the advantage of employers. The scheme had lost a large amount of public and political support by the time it was put to rest in 2008.

“ The laws relating to the reduction in working hours were affected by several

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limitations. They very quickly came up against extremely fierce management opposition, to such an extent that the second law did not succeed in remaining an effective tool in the creation of jobs and became a vehicle for the intensification and flexibility of work, which contributed to a deterioration in working conditions. In addition, the laws did not have the time to demonstrate their full potential because from 2003 onwards, they were 'unpicked' by the incoming government after the election. Finally, they were not used as a tool to facilitate a rebalancing between the sexes with their different uses of unpaid time. **Dominique Méda**

A more enduring model has been developed in the Netherlands.

“ Consider the Dutch route. Change started within the government labour force. All new government workers in the 1980s went into jobs that were 80 per cent. They worked four days a week on 80 per cent salaries. These were new hires who were happy to get jobs. The government was able to employ five people at 80 per cent as opposed to four at 100 per cent. Eventually the whole Dutch financial system adopted this arrangement and shortened hours spread throughout the labour force. In the Netherlands they have a labour market that allows flexibility. **Juliet Schor**

Coming next

Later this year, we will publish the essays and speakers' contributions in full. Watch this space for more news about time and the move towards a shorter working week – and please do send us your views: time@neweconomics.org

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