

Working Time Reduction

Securing a good life for all within planetary boundaries requires profound changes of economy and society. The Degrowth Switzerland Policy Briefs discuss individual policy interventions and their potential to achieve social-ecological transformation.

Key Points

- Wage labour, and the amount of time spent on it, is a decisive factor shaping the economy and its ecological footprint as well as people's daily lives
- Reducing working time can increase people's wellbeing and contribute to a more equal distribution of work in society
- Working time reduction can help ease environmental pressures if designed for that purpose, and if combined with complementary measures. The specific way in which WTR is implemented determines its social, ecological and economic effects

I. Working time reduction in a nutshell

Proposals for working time reduction (WTR) seek to decrease the amount of time people spend in wage labour.

II. Relevance: The role of work in the economy – and its social-ecological transformation

Work is a central aspect of human life, and in capitalist economies it predominantly takes the form of wage labour.¹ The amount of time people spend in waged employment has wide economic, social and ecological consequences. Reorganising the economy so as to respect planetary boundaries and enable a good life for all therefore necessitates scrutiny of how we work, for what purpose, and how much.

III. Making it happen: concrete measures and examples for WTR

a. Implementing WTR

- WTR can be implemented in multiple ways. Working time may be reduced per day, week, year or over a person's lifetime.ⁱⁱ It may be introduced at firm level, sectoral or macroeconomic level. Reduction of WT may either be enforced or encouragedⁱⁱⁱ
- Specific policy measures include:
 - Imposition of legal maximum of weekly working hours per worker^{iv}
 - Strengthening workers' rights to demand WTR, e.g. in the form of sabbaticals and part-time work^v
 - Benefits and tax credits for firms and individuals opting for WTR^{vi}
 - Longer education and early retirement to reduce total years a person spends in waged work throughout his or her life^{vii}

b. Exemplary cases

- **Iceland:** Trials for shorter working week with full wage compensation and subsequent reduction of working hours by 86% of the population^{viii}
- **Sweden:** Publicly funded temporary reduction of the work week to 30 hours in a nursing home in Göteborg^{ix}
- **France:** Gradual reduction of legal work week from 39 to 35 hours/week between 1998 and 2008^x

IV. WTR for wellbeing and equality? The social potential and caveats of WTR

a. Potential

- **Increased wellbeing:** A reduction of working time at the individual level is likely to increase people's wellbeing, e.g. by freeing up time for creative activities, sport, rest as well as social relations^{xi}
- **Work sharing:** Reducing working hours per person can facilitate a more equal distribution of work both within the labour force and society more generally. Work-sharing can target different dimensions.
 - WTR could target the redistribution of work between people who are overworked and people who are seeking a job^{xii}
 - Much essential work, care and reproductive work in particular, is carried out 'for free' by women. A reduction of waged work would free up time for these tasks and thereby enable a more equal distribution of reproductive duties between genders^{xiii}
 - Work-sharing can also involve the fairer distribution of undesirable and burdensome jobs which are often low-paid and precarious^{xiv}

b. Caveats

- **Wage cuts:** WTR with a simultaneous reduction in wages may have adverse effects on wellbeing of lower-income households due to reductions in purchasing power. High earners may benefit disproportionately, thus increasing inequality^{xv}
- **Coordination:** Neither work-sharing nor the more equal distribution of work are automatic results of WTR. For instance if voluntary, women may opt more frequently for WTR and continue to carry out the brunt of reproductive work in the household.^{xvi} Achieving a fairer distribution of work may require additional efforts, such as dedicated coordination mechanisms, education and training^{xvii}

V. WTR to save the climate? The ecological potential and caveats of WTR

a. Potential

- **Downscaling:** The reduction of aggregate working time can decrease environmental impact by facilitating downscaling and stabilization of economic output, and related resource use and GHG emissions.^{xviii} By reducing hours per worker instead of the number of jobs WTR can counteract unemployment arising in the course of economic downscaling and sectoral phase-out^{xix}
- **Lessening growth dependence:** WTR can lower the pressure to pursue economic growth as a means to prevent ‘technological unemployment’, i.e. unemployment arising because labour is made redundant due to labour productivity increases^{xx}
- **Sustainable living:** At an individual level, less time in wage work enables slower and more sustainable lifestyles, e.g. travel by bike instead of car, train instead of plane.^{xxi} WTR without full wage compensation would reduce people’s purchasing power, and thus potentially consumption-related environmental impact^{xxii}

b. Caveats

- **Automation:** If WTR increases labour costs for firms it may stimulate the substitution of labour with machinery so that production and related environmental impact would stay constant or grow^{xxiii}
- **Aggregate working time:** WTR at an individual level does not automatically reduce working time in the economy as a whole.^{xxiv} WTR may allow more people to work so that aggregate WT increases, enabling continued output growth^{xxv}
- **Labour productivity:** Labour productivity may rise as a result of WTR thanks to an increase in workers’ wellbeing and health. This feedback effect could allow output to increase or remain stable despite WTR^{xxvi}
- **Time rebounds:** Newly gained free time may be used for carbon- and resource-intensive consumption and living, such as intensified air travel.^{xxvii} Full or high wage compensation may increase the likelihood of such.

VI. Working time reduction for system change?

a. Potential

- **Shifting priorities:** WTR allows more time to be spent on uncommodified and unmonetised activities.^{xxviii} It could help shift the current focus on monetary and material wealth to ‘time wealth’^{xxix}, from production to reproduction and care^{xxx}
- **Participation:** Time liberated from wage labour facilitates social and political engagement and can thereby contribute to the strengthening of democratic and participatory processes – an important aspect of a social-ecological transformation^{xxxi}
- **Rethinking work and economic organisation:** WTR could open up space and demand for a more general reorganisation of work, production and provisioning^{xxxii}

b. Caveats

- **Profit dependence:** In a competitive economy in which firms' survival depends upon profit, firms are under pressure to raise output, labour productivity and working time^{xxxiii}. WTR is thus likely to be met with resistance.^{xxxiv} Moreover, firms may react to WTR by adopting practices that allow for continued growth and profit-making but may be socially and environmentally undesirable, e.g. downward pressure on wages or intensified energy and resource use as a means to substitute for human labour^{xxxv}
- **Global competition and growth dependence:** International competition and growth dependencies within countries are further obstacles for the adoption of WTR as they put pressure on individual firms and governments^{xxxvi}
- **Wage dependence:** Reducing WT does not dissolve people's dependence on wage labour, which persists as long as access to essential goods and services requires monetary payment^{xxxvii}

VII. Key challenges and ways forward

a. Determining necessary and desirable work(ing time)

The total amount of work needed in an economy is neither fixed nor given. It depends on many factors, including technology, desirable levels of output and work as well as their respective quality. For instance, prioritising care and sustainable economic practices may well lead to an increase in necessary labour time^{xxxviii}. Any working time regime needs to be designed with respect to existing conditions and envisioned trajectories of the economy^{xxxix}

b. Social-ecological allocation of work

Aligning the amount and kind of work in the economy with social and ecological targets demands coordination, e.g. a decrease of WT in the fossil industry and an increase in renewable energy generation. To ensure need orientation and support for such transformations, to empower workers and strengthen democracy this should involve participatory deliberation processes, including in the workplace^{xl}

c. Wage compensation

Adverse social, ecological and economic implications related to wage compensation must be tackled head-on. This may include:

- Differential wage compensation, i.e. full or high wage compensation at lower-income levels and no or low wage compensation at higher income levels^{xli}
- Universal provisioning of sufficiency-oriented basic services, including housing, food and electricity, to facilitate sustainable lifestyles and ensure people's need satisfaction regardless of wages and hours work^{xlii}

d. Time use

The social and ecological effects of WTR will vary depending on how people spend their newly gained time. Sustainable time use can be promoted and enabled via:

- Provision of Universal Basic Services^{xliii}
- A ban or regulation of advertising and other ‘sales efforts’ to limit the permanent stimulation of new wants, thereby curbing excessive consumption^{xliiv}
- A decided reform of education^{xliiv}
- Regulation of carbon- and resource-intensive luxury consumption, e.g. a frequent flyer levy to curb excessive air travel^{xlivi}

e. Preventing ecological overshoot

WTR alone will not solve the climate crisis. Alongside changes at the individual level, the establishment of absolute caps on emissions and resource use may prove important to set the scope for how much can be extracted, emitted, produced, and consumed in the economy^{xliivii}

f. Overcoming growth and profit dependence

The pressure to pursue growth in output and profit may impede the socially and environmentally desirable effects of WTR. Reducing growth and profit dependence would require systemic shifts in the organisation of the economy, including alternative fiscal and monetary arrangements as well as common and democratic forms of ownership and governance of essential resources, provisioning systems and organisations^{xliiviii}

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