

Whatever happened to the 15-hour workweek?

October 9 2017, by Joshua Krook



Credit: Tan Danh from Pexels

In 1930, the economist John Maynard Keynes [predicted](#) that technological change and productivity improvements would eventually lead to a 15-hour workweek. But, despite [significant productivity gains](#)

over the past few decades, we still work [40 hours a week](#) on average.

[Keynes's reasoning](#) was that by producing more with less (also known as being more productive), all of our needs would be met through less work, freeing up more time for leisure. But the data and research since Keynes's time suggest that companies have kept the benefits of [productivity](#) for themselves.

In his own time, Keynes witnessed the rise of automated factories, mass production and the greater use of electricity, steam and coal. He [writes of a 40% increase](#) in factory output in the United States from 1919 to 1925. This productivity increase allowed for a higher standard of living and radically transformed the working world. It was not a stretch for Keynes to predict future technologies would do the same thing once more.

A productivity explosion

According to one study, productivity in "office-based sectors" has increased [by 84%](#) since 1970, almost solely due to computing power. In other words, an office worker today can do in one hour what an office worker in 1970 took five hours to do. A full workday in 1970 can now be completed in 1.5 hours.

We are now twice as productive as Keynes imagined. The digital revolution has drastically increased the amount of work each individual worker can do.

Industries that benefited the most from new technology, including agriculture, [had a 46% increase](#) in productivity from 1993 to 2004 alone, at the height of the tech boom. Innovation in [farming technology](#) was the root cause of this "productivity boom."

In the legal industry, the idea of a "paperless" office dramatically [increased productivity](#) at the largest law firms from the late 1990s, when the internet came into play. Now, large law firms are [investing](#) in new technologies like cloud computing, document management systems and even rudimentary artificial intelligence. The latter could be [particularly transformative](#), allowing firms to quickly analyse large documents and data sets.

Thanks to all of this technology, [one report](#) found that for "80% of matters" a recent law graduate is more productive than someone with ten years' experience at a law firm. In other words, technology is increasing productivity so fast that it is outpacing the productivity benefits of having actual work experience.

Stagnant work hours

Yet these significant [productivity gains are not](#) translating into fewer working hours. The reason for this is partly political and partly economic.

Instead of reducing working hours, productivity gains have been met by calls for greater productivity gains. Malcolm Turnbull and Bill Shorten, for instance, are [in agreement](#) that "higher productivity ... leads to more jobs and higher wages." Keynes, on the other hand, was [arguing](#) for an economy with fewer jobs, less working hours and, paradoxically, higher wages.

At an economic level, productivity gains have been absorbed into most companies' bottom line. While employee wage growth has stayed flat, CEO pay has risen dramatically over the years, stalling only recently. A [report](#) from the Economic Policy Institute found that CEO pay has increased by 937% since 1978, compared to a mere 10.2% increase in average wages. In other words, the benefits of productivity have gone

straight to the top.

In many industries companies have used productivity improvements to get larger, increasing the amount of business they do. By the end of the tech boom of the 1990s, for instance, Australia [had six of the world's 40 largest law firms](#). In accounting, the Big Four accounting firms have had [record-breaking increases](#) in revenue in the 2010s, while their employees are reportedly "[worked to death](#)."

Instead of discussing the benefits of [increasing productivity even further](#), our politicians and business leaders need to start discussing the missed opportunities of our productivity boom. Like the missed opportunity of taxing the mining boom, Australia is missing out on a massive reduction in working hours due to us from the productivity boom of the 1990s and early 2000s.

As the spectre of AI and robotics looms ahead of us, and people again start talking about future techno utopias, we must deal with the economic realities of the past. Technology, far from freeing up our lives, has been used to keep us working the same amount of time, benefiting only the top of our society.

Properly conceived, new [technology](#) should give us greater leisure time than ever before. But, to do so, increases in productivity need to be directly tied to wage growth and working hours. Increases in productivity should be met either with increased wages, or a reduction in working hours at the same wage level. Failing this, the few will continue to benefit from the harder and harder work of the many.

This article was originally published on [The Conversation](#). Read the [original article](#).

Provided by The Conversation

Citation: Whatever happened to the 15-hour workweek? (2017, October 9) retrieved 26 April 2024 from <https://phys.org/news/2017-10-hour-workweek.html>

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