Time for Life

Why a four-day, 30-hour working week can create a stronger economy, a more equal society and greater life satisfaction for everybody

Pat Kane, Isobel Lindsay, Gillian Wales and Ben Wray

April 2014
Time for Life

Why a four-day, 30-hour working week can create a stronger economy, a more equal society and greater life satisfaction for everybody

Pat Kane is author of ‘The Play Ethic: A Manifesto for a Different Way of Living’. Pat is a consultant on the power and potential of play through his website theplayethic.com. Pat is also a musician in the band Hue & Cry.

Isobel Lindsay is an industrial sociologist who lectured at Strathclyde university for over 40 years.

Gillian Wales is involved in community activism in Gorbals, Glasgow and Larkhall, Lanarkshire. She formerly worked in the IT industry and has degrees in both Business and Human Geography from Strathclyde University.

Ben Wray is Policy Coordinator for the Jimmy Reid Foundation

Acknowledgements

Thanks to Anna Coote, head of Social Policy at New Economics Foundation, for opening up the case for a shorter working week and for comments on this report.

With thanks for comments from Iain Cairns, Allen Worwood, Joseph Ritchie, Gordon Morgan and Craig Wales
Executive Summary

In Britain workers work among the longest hours in Europe. This has many damaging effects. The economic impacts of overwork include diminished productivity, absenteeism and a knock-on cost for welfare. The social impacts of overwork include impact on family life, poorer quality of service for customers from exhausted staff, a damaging emphasis on constant consumption, a low level of civic participation and problems of gender inequality. The psychological impacts of overwork include stress, ill-health and low levels of happiness. There are also many environmental impact of overwork resulting from the power consumption of offices and workplaces that are open for long periods of time, the impact of commuting and the over-consumption of processed foods.

Overwork creates significant economic, social and psychological harm. To create a Common Weal economy we must try to create the sort of working culture they have in Europe’s most successful economies where working smarter is the aim, not working longer - and where happiness and family life are not secondary issues.

In this report we show that there is the capacity through reducing working hours towards 30 hours a week to create sufficient new jobs to achieve full employment. This can be achieved through a ten-year transition process. There are many steps that can help this process:

- Reduce the general cost of living
- Gradual transition for those approaching retirement age
- Create a high-pay economy
- Consider wage ratios
- Tie pay to value through a pay commission
- Prevent employer discrimination against workers who desire shorter schedules
- Greater control through industrial democracy
- Improve and extend government-funded lifelong learning
- Getting more women into the workforce
- A phased transition that is public-sector led and is assessed by government at regular intervals to evaluate effectiveness
- Accepting (for a period) that there will be exemptions and contingencies
- Using school hours contracts/flexible working benefits

The report outlines the many benefits that come from changing a pattern of long-hours for low-pay for Scottish workers, including the economic boost that would come from a widespread three-day weekend.

This has all been shown to work in other places. The State of Utah in the US ran a successful four-day week policy, the Dutch have the lowest working hours in Europe and so-called ‘daddy days’ are a sign of how much weight is placed on work/life balance and France also had a successful 35-hour week policy.
The ten-year transition strategy would have four stages:

- **Stage 1: years 1 – 3:** should offer solutions to challenging issues such as the quantity of 16-24 year olds out of work or underemployed and getting those currently out of work into work. Four-day week, 30-hours contracts should be utilised as a means to address these three key areas of concern. Additionally, any new roles advertised within the public sector should tie in with the four-day week, 30-hours contract wherever possible. Stage 1 should also offer a gradualist approach to introducing the shorter working week for many other workers via 35-hour contracts. Pay must be protected via a living wage and universal Citizens’ Income so that low-pay workers see no reduction in take-home pay (the living wage should be introduced for public and private sector). Productivity levels should be monitored during this period and potential skills shortages noted. Skills gaps should also be monitored and addressed via specifically tailored training. Absenteeism rates should be analysed to account for any change. Those already in employment will benefit from more leisure time and those with families should see a reduction in childcare costs and an increase in time available to spend within the nuclear family. Higher earners should be incentivised to move towards a 35-hour working week model. Stage 1 should be understood as a gradualist step towards Stage 2.

- **Stage 2: years 3 – 5:** many people will have experience of working full time at either four-day week (30 hours) or 35 hours per week. Data will be available to measure success and identify areas that require more input. Employers will have benefitted from incentives to recruit from the now more highly skilled 16-24 year old bracket. Many public sector employees will have benefitted from increased training to augment their skill set and plug skills gaps in the workplace. The transition to a 30-hour week for public sector workers will have less impact due to the 30 (working) plus five (training) model currently in place. Skills shortages will still require careful management and incentives for higher earners must remain in place at this Stage 2. Many more people will experience movement in their working week at Stage 2 as the 30-hour week is rolled out more generally and a 40-hour legal limit is introduced in public and private sector.

- **Stage 3: years 5 - 10:** by Stage 3, five years worth of data will be available to measure effectiveness. All public sector workers (apart from skills shortage/exceptions) will be working four-day, 30-hour contracts. Many in the private sector will be on four-day, 30-hour contracts via incentives and all on maximum of 35 hours. Employers will be fully aware of the proposed move to a maximum working week of 40 hours (regardless of contractual terms) by Stage 4 and be supported in this transition. At Stage 3 all employees not currently on four-day, 30-hour contracts will be offered this option. Any exclusions will be minimal and managed accordingly with the target of a four-day, 30-hours by year 10. Government funded training will be further extended as public finances are freed up from reduced welfare payments and increased tax take.

- **Stage 4: 10 years +:** most workers should now be on four-day, 30-hour contracts, exemptions have been managed by increased training and skills and no-one works in excess of 35 hours per week
Introduction

According to a UK survey of over 2000 workers, half say they do not have a good work/life balance (Innes, 2014). A third are consumed by thoughts of work from the moment they wake, whilst one-quarter only stop thinking about work just before they go to sleep. One in five don’t manage to make dinner until after 9pm, whilst 40 per cent of women and 30 per cent of men say they rely on sugar and caffeine to get them through the day. Fifty seven per cent of respondents said that their personal lives had been affected by overwork and 40 per cent said they were unhappy. It wasn’t supposed to be this way.

In 1930, John Maynard Keynes wrote an essay called ‘Economic possibilities for our Grandchildren’. He predicted that within a century we would be living in “a new era of leisure”, we would all be working only 15 hours a week but four to eight times richer. Technological advancement would mean that our material needs would be met through an ever-declining amount of human labour.

The dreams of ‘a new era of leisure’ seem oddly utopian now. Rather than technological development being used to ease the workload of everyone, it has created a ‘rat race’; the endless pursuit of more profit, leading to endless consumption. ‘Work to earn to consume’ is the mantra of modern life. Our “time, like work, has become commodified – a recent legacy of industrial capitalism” (NEF, 2011: 2). Even if this era of consumption was the optimum solution, it would still be environmentally unsustainable. The fact that it is both an unhappy arrangement whilst simultaneously damaging the planet, only emphasises the need for change.

Of all the solutions to create a sustainable planet with a stronger economy, greater equality and a happier population, the redistribution of working-time is one of the most under-appreciated. In the era of industrial capitalism, shortening the working week was a common slogan of the labour movement. It is therefore surprising that in the internet age, where place and time have been compressed, the issue of working time rarely seems to hit the headlines. Doubly so since the imbalance between overwork and un(der)employment is greater than ever.

In Scotland, we are currently engaged in a debate about our nation’s future and how best to allocate our resources, both human and natural. It is only right, therefore, that the issue of time is put back on the agenda, and that an assessment of whether it can be useful in solving numerous problems – societal, environmental, economic, psychological – is made.

In this report, we assess the damage caused by overwork and un(der)employment. Current employment patterns do not benefit anyone. Many people work too much whilst others struggle to find work, resulting in a dissatisfactory life pattern for all concerned. This is an entirely inefficient and unsatisfactory way to organise society. No-one would have deliberately built a system like this.

We then analyse the impact of a four-day, 30-hour week upon the Scottish labour-market, what contingencies could be put in place to offset issues such as the problem of low-pay, the potential
of a three-day weekend, examples of a shorter-working week elsewhere and the importance of employee-led flexibility. We then look at the challenges involved with a transition to a four-day week, from the perspective of workers, employers and government. We take a holistic approach to solving such challenges, making sure that the lowest paid do not suffer further and placing priority upon an intensive skills training programme that will ensure that skills shortages are filled. Finally, we propose a timed and measured transition plan to move towards an optimum four-day, 30-hour working week.

This paper aims to make the case for a four-day week, not as a stand-alone solution, but as an integral component of a wider package of measures to create an economy that meets the needs of Scottish society and its environment – a Common Weal economy.

1. The problem of overwork

The economic impact of overwork

The dominant narrative of work is that we are not working hard enough. If we were willing to put more hours in and the ‘work-shy’ had a work-ethic of old, the economy would grow and we would all be better off, or so the story goes. We refute that narrative of work, arguing instead that Scotland has an extremely time-imbalance labour market. Many people work far too much, whilst many others don’t have as much work as they want and/or need. Many more can’t find work at all. If all full-time employees in Scotland worked an optimal 30-hour week, there would be enough hours left over to provide every single person in Scotland seeking employment with up to 30 hours (see below). This demonstrates the scale of the uneven distribution of working hours in the Scottish labour market.

Overwork and un(der)employment have multiple negative impacts on the economy, each of which we will examine.

*Diminished Productivity*

According to figures from the Organisation for Economic Co-operation and Development (OECD) for 2012, twelve European countries have lower average hours worked per person than the United Kingdom. Of these twelve countries, eleven have a higher GDP per hour worked (productivity), than the United Kingdom. Only Slovenia does not. Norway has the third lowest number of average hours worker per person and yet manages to deliver the highest productivity. German workers work the second fewest hours and Dutch workers the fewest and yet both countries far outstrip the United Kingdom in terms of productivity. Thus an inverse relationship can be identified: working shorter hours appears to create better productivity in the economy as a whole because workers are more motivated and because there is a higher employment rate.
### Table 1: Average hours worked per person per year against Productivity, 2012

<table>
<thead>
<tr>
<th>Country</th>
<th>Average hours worked per person per year</th>
<th>GDP per hour worked (productivity), current prices, USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Netherlands</td>
<td>1384</td>
<td>60.2</td>
</tr>
<tr>
<td>Germany</td>
<td>1393</td>
<td>58.3</td>
</tr>
<tr>
<td>Norway</td>
<td>1418</td>
<td>86.6</td>
</tr>
<tr>
<td>Denmark</td>
<td>1430</td>
<td>59.5</td>
</tr>
<tr>
<td>France</td>
<td>1479</td>
<td>59.5</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>1509</td>
<td>82.1</td>
</tr>
<tr>
<td>Ireland</td>
<td>1529</td>
<td>71.2</td>
</tr>
<tr>
<td>Slovenia</td>
<td>1537</td>
<td>39.2</td>
</tr>
<tr>
<td>Belgium</td>
<td>1572</td>
<td>61.8</td>
</tr>
<tr>
<td>Austria</td>
<td>1576</td>
<td>53.7</td>
</tr>
<tr>
<td>Switzerland</td>
<td>1619</td>
<td>55.1</td>
</tr>
<tr>
<td>Sweden</td>
<td>1621</td>
<td>54.7</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>1654</td>
<td>48.5</td>
</tr>
<tr>
<td>Euro Area</td>
<td>1557</td>
<td>52.9</td>
</tr>
</tbody>
</table>

Source: OECD, 2012, Labour productivity levels in the total economy.

On a micro-economic level, there is a direct link between overwork and decreasing productivity. A study of 88 projects in the construction sector found a distinct decrease in productivity as the number of hours worked per week and/or length of project increases. In white-collar jobs, productivity decreased by as much as 20 per cent when 60 or more hours were worked per week (Golden, 2011).

It is not just excessive work hours that cause lost productivity; general fatigue from not enough time-off also plays its part. If a worker is fatigued from their previous two weeks of overwork, they are almost three times more likely to experience health-related lost production time than those not reporting fatigue (Brogmus, 2007). The New Economics Foundation (2013) found that “1 in 2 people in the UK said that, more often than not, they did not feel fresh and rested when they woke up in the morning.” The UK ranked the worst in Europe on this scale.

When workers are pushed into overtime, there is evidence that productivity does not just decrease within the overtime timeframe alone but declines overall, as Golden (2011) outlines:

“...manufacturing productivity does not necessarily improve when hours are lengthened... aggregate panel data for 18 manufacturing industries within the US economy suggests that the use of overtime hours actually lowers average productivity, measured as output per worker hour, for almost all of the industries in the sample, even when the data are controlled or corrected. More precisely, a 10 per cent increase in overtime resulted, on average, in a 2.4 per cent decrease in productivity measured by hourly output.”

**Absenteeism**

In 2011/12, 1,553,000 working days were lost in Scotland to injury or illness (HSE, 2012). In the UK as a whole, 27 million working days were lost, costing the economy approximately £15billion. Therefore, absenteeism cost the Scottish economy approximately £630 million in 2011/12.

Whilst a certain amount of absenteeism is inevitable, overwork is one of the main factors in exacerbating the number of working days lost. This is due to three negative impacts of overwork...
on the health of workers: diminished general physical health, diminished general mental health and injury hazards.

According to a study of more than 10,000 workers in the US, jobs with regular overtime schedules are associated with a 61 per cent higher injury hazard rate compared to those without overtime (ILO, 2007). A link between increased injury and excessive general working hours can also be identified. Working 12 hours or more per day increases the injury hazard rate by 37 per cent, while working 60 hours or more per week increases it by 23 per cent. The ILO concludes that a direct correlation exists between the length of work hours and the injury hazard rate.

More general physical ailments also take their toll due to excessive work, such as the common cold, fatigue and back pain. In the short-term, this manifests by people taking more days absent and working to a sub-optimal level. In the long-term, people experience “increased incidence of cardiovascular disease, gastrointestinal and reproductive disorders, musculoskeletal disorders... chronic infections” (ILO, 2007) which can lead to extended periods off work and early retirement. This has various economic implications for organisations (Johnson and Lipscomb, 2006), such as increasing the cost of premiums for company health insurance schemes.

Work-related stress and other mental health issues are also a major cause of absenteeism. As is discussed in detail below, the majority of work-related stress results from ‘working at a high-speed’ and ‘working to tight deadlines’ (ILO, 2011).

‘Presenteeism’ - attending work whilst sick - increased by a third in British workplaces in 2012 due to the increasing pressure upon staff to meet ever greater demands and the fear of being made redundant (Telegraph, 2012). Not only does this trend to make the ill person more sick in the long-run, reducing their productivity in the short and long term, it also makes staff-mates sick too.

Employers may also have to pay employees compensation due to overwork. In 2011, over £650,000 worth of compensation was paid out to teachers in Scotland because of stress at work (The Scotsman, 2012). Ann Ballinger, General Secretary of the Scottish Teachers Association, said:

“Stressed colleagues describe lying awake thinking about marking or coursework at 3 or 4 am; of feeling tired and ill constantly and of family arguments because they’re always working... Many then go on to describe feelings of failure and worthlessness, of being too tired to undertake their duties properly and of a constant cycle of illness and exhaustion. Working during the weekend and holidays becomes normal practice and time to ‘switch off and recharge’ an unaffordable luxury.”

Finally, long hours push workers towards unhealthy lifestyle behaviours. When a person’s time is pressured, the likelihood of irregular and unhealthy eating habits increases, as does smoking and alcohol consumption. Reduced levels of participation in regular sports also occurs (Centers for Disease Control and Prevention, 2004). Multiple negative lifestyle factors have a synergistic effect upon health. All of this further intensifies physical and mental health related absenteeism.

Cost of welfare

The flip side of overwork is underwork and unemployment. 380,000 adults in Scotland are seeking work, 176,000 are registered as unemployed and 204,000 are economically inactive. A further 116,000 are in part-time work but are seeking full-time work (ONS, 2014). That is almost half a million people un(der)-utilised in a country with just over 2.5 million people in employment, nearly one in five.

Not only is that a waste of the potential of human labour, it comes with a cost in welfare payments - £461 million is spent on Jobseekers Allowance (JSA) in Scotland, £670 million on income support
and £1.7 billion on housing benefit. Overall, annual welfare payments in Scotland amount to nearly £14 billion (ScotGov, 2012). Whilst shorter working hours are not directly linked to some of these welfare payments, it is without question that costs associated with housing benefit and JSA would drop significantly under the current welfare system if there was a fundamental redistribution of working hours by supporting those currently un(der)employed into full time work.

Equity of working hours is not the only way of solving the problem of overwork and un(der) employment; there is widespread potential in Scotland for new job creation. However, as we discuss below, a radical redistribution of working hours could significantly re-balance the Scottish labour market, and in doing so free up funds previously spent on welfare payments. These funds could be used to invest in more pro-active forms of public spending, such as accessible lifelong learning and training opportunities.

**The social impact of overwork**

Overwork affects our quality of life. It also impacts upon the level of service we receive in our daily lives. As the New Economics Foundation describe in their case for a radical redistribution of working time, we need to challenge the "modern capitalist model of working to earn to consume, and consider what it takes to safeguard and improve well-being for all...“ (NEF, 2011).

**Impact on service users**

Just as overwork in the manufacturing and construction sectors creates declining productivity, in the service sector overwork creates declining quality of service. In a restaurant the implication may be a waiter taking an incorrect order. However, in a hospital it could have much more serious consequences upon the safety of patients.

The Royal College of Nursing Scotland released figures showing that 96 per cent of nurses said they worked in excess of their contracted hours, with 27 per cent saying that they did this overwork every shift. The BBC (2011) reported that:

> “29 per cent of nurses said they missed their mealtime at work at least three times a week, while one in six said they rarely or never took the breaks they were entitled to. About one in five nurses said that in the past six months they had spent a week or more at work despite feeling too ill to be there...RCN Scotland said it was worrying if some nurses felt they did not have enough staff to deliver quality care. The union warned that patient safety could be compromised as a result.”

A study in Philadelphia (Stone et al, 2010) has found a direct short and long-term relationship between overworked nurses and reduced patient care. In hospitals where nurse workloads were increased by just one patient above the average, an extra one in every 1000 patients suffered from a healthcare-associated infection. In the longer-term, ‘nurse burnout’ is caused by repeated overwork over many years to the point where nurses are working consistently at sub-optimal level. Every 10 per cent increase in the level of nurse burnout was associated with one additional healthcare-associated infection per 1000 patients.

**Consumerism**

Time-limited lifestyles are the direct result of spending too much time at work. Consumerism – the culture of buying products as a source of leisure – is not only re-produced because of advertising and marketing from corporations, it is psychologically woven into the consciousness of workers who don’t have the time or energy for other forms of leisure (as discussed further below).
The result is that the commodification of our working lives increasingly commodifies our non-working lives. When people have less time to cook they are presented with numerous timesaving solutions in the form of fast food and ready meals. Leisure offerings targeted at consumers include a plethora of computer games and television options that often replace physical exercise and sporting activities.

Face-to-face interaction is de-prioritised because of the need to save time due to overwork. Social media and remote correspondence options, such as email, increasingly supplant the physical act of meeting up with friends and family. Even the ways in which we meet a potential partner are increasingly organised through speed dating and online dating agencies that will aid us in quickly sifting through possible candidates based upon profiles and tick box selection procedures.

Our lives often revolve around our need to allocate time in a more convenient manner. As a society, this increasingly becomes a self-fulfilling prophecy – it is assumed that this is the way that we will always live and therefore it is the most satisfying way to live. We must ask ourselves if the commodification of leisure is making us happy and whether we are losing an essence of self-fulfilment in the process.

Tim Jackson, Professor of Sustainable Development at the University of Surrey, describes our leisure habits as “to spend money we don’t have on things we don’t need to create impressions that won’t last on people we don’t care about”. Many low-paid workers who work long hours will not see themselves in that description. However, once people reach a certain economic threshold whereby they and their family can live comfortably, there is no evidence of a positive relationship between increasing wealth and increasing happiness or between increasing consumer spending and increasing happiness (in fact, as we shall see below, there is evidence that the reverse is true).

Money can become an objective in and of itself, as a status criterion in social circles, especially in higher income groups. Keynes (1930) described this desire for money in itself as ‘the love of money as possession’. He said:

“There’ll come a time when the love of money as possession, as distinguished from the love of money as a means for the enjoyments and realities of life, will be recognised for what it is: a somewhat disgusting morbidity, one of those semi-criminal, semi-pathological propensities which one hands over with a shudder to specialists of mental disease."

We will show below how a shorter working week can create the time for more fulfilling, non-commodified leisure pursuits that lead to greater life satisfaction.

**Civic participation**

Exhaustion and overwork also detract from society, as a whole, in other ways. Those who are deprived of free time are less likely to become involved in activities at a community level (NEF, 2011). Participation in voluntary work, community engagement and political activities are reduced due to the pressures of paid employment and reduced leisure time. For an inclusive, closely-bound and well-rounded society to flourish we must re-engage with our surroundings and this cannot be achieved if we are constantly overworked, atomized and seldom present within our local environment.

**Re-producing gender inequality**

Overwork re-produces gender inequality. Women still disproportionately undertake more ‘unpaid labour’ than men (OECD, 2011; Sayer, 2005), particularly in relation to child rearing, domestic tasks and caring, but also volunteering (Budlender, 2010). The disparity between men and women’s time/use apportionment is reflected in employment patterns. Women account for over 48 per
cent of the Scottish labour force (ONS, 2014). However, 42 per cent of women employed work part-time compared to only 13 per cent of men. At the same time, 26 per cent of men work over 45 hours a week work compared to 8.5 per cent of women (ONS, 2014).

Women often reduce their working hours, take a formal career break or even leave the labour market entirely to start or expand their family. If and when they return to full time work, this hiatus in their career path can lead to lesser status in the workplace and career advancement, resulting in lower average pay, compared to men. In 2012, 27 per cent of female employees (and around 15 per cent of males) were paid below the UK living wage of £7.45 per hour (Joseph Rowntree Foundation, 2013). Women constitute 66 per cent of all low paid workers (The Fawcett Society, 2010), the figure exacerbated by the weighting towards part-time work. For many women, the costs of childcare make working uneconomical and prohibitive. The Daycare Trust (2011) states that:

“[T]he cost of a childminder for a child aged two and over in Scotland increased by 8.3 per cent - almost four times as much as much as the average wage. The average yearly expenditure for 25 hours nursery care per week for a child under two is £5,028 in England, £5,178 in Scotland and £4,723 in Wales”

Even when women are encouraged and supported to work more paid hours, there is some evidence to suggest that the result is yet more work, as unpaid domestic commitments will still be disproportionately met by women working a ‘second shift’ (Hochschild, 2003: Medeiros et al, 2007). In every European country, women work more hours than men when paid and unpaid labour is added together (NEF, 2011).

Therefore, the current imbalance in work patterns is discriminatory to women as they have less opportunity to achieve their career goals but still end up doing more overall labour. At the same time, it creates unsatisfying lives for men, as they spend too much time at work and not enough engaged in family and community life, meaning that they are in deficit of a rounded life experience. This is particularly the case for male parents as “one third of fathers spend more than 50 hours a week at work, frequently eating into their weekends, compared with a quarter of men without children” (Hamilton, 2003). As NEF (2011) put it, we need to “transform the distribution of choice and opportunity between women and men” to create more gender equality. To achieve this a greater equity in working hours is required.

There is also a demographic issue. In Scotland, our ageing population and increasing dependency ratio (projected to rise from 60 per 100 currently to 68 per 100 by 2033) (Scottish Government, 2014) is well documented. Our crude birth rate has fallen steadily from 15.0 in 1972 to 10.9 in 2012 (General Register Office, 2014). For women, the loss of workplace status and pay, together with an imbalance in paid and unpaid labour within the nuclear family can impact upon decisions about the number of children to have. Add to this the high cost of childcare and it is easy to understand how these issues can impact upon choices regarding family size. A shorter working week would enable more women to return to work, thereby offsetting some of the genuine concerns women have about managing a family life alongside a working life.

The psychological impact of overwork

There is a growing awareness of work-related mental health problems. In the 2000 European Working Conditions Survey (EWCS), work-related stress was found to be the second most common work-related health problem (at 28 per cent; only back pain was more common). The most common reason for work-related stress is time-pressure; i.e. overwork. A report by Eurofound (2007) into work-related stress, articulated a number of negative outcomes of this state of mind:
“These may include physiological responses (e.g. increase in heart rate, blood pressure, hyperventilation), emotional responses (e.g. feeling nervous or irritated), cognitive responses (e.g. reduced attention and perception, forgetfulness), and behavioural reactions (e.g. aggressive, impulsive behaviour, making mistakes). When people are in a state of stress, they often feel concerned, less vigilant and less efficient in performing tasks.”

Eurofound’s figures for EU countries from 1990-2000 show an increasing prevalence of time-pressured work-related stress. In 1990, 48 per cent of workers suffered stress from working at a very high speed, by 2000 this had increased to 56 per cent. In 1990, 50 per cent of workers suffered stress from working to tight deadlines, by 2000 this had increased to 60 per cent. The International Labour Organisation (ILO, 2011) reports that “those who experience higher levels of self-reported ‘overwork’ report a higher scale of stress and symptoms of depression, and poor health and self-care...”.

There were 27,000 registered cases of work-related stress in Scotland in 2011/12, whilst this was (statistically) significantly lower than in England and Wales (HSE, 2012), it is still a major section of the workforce, as a whole. Many people will not officially register work-related mental health issues or will not identify them as directly relating to work; therefore the figure is likely to be significantly higher. UK wide, there were 428,000 cases of work-related stress and 186,000 of these were connected to overwork.

Overwork, by its very nature, means putting demands on workers beyond the limits of what is healthy or desirable. This is causing mental and physical health problems for employees, which has an obvious rebound effect upon economic efficiency.

However, this is not the only psychological issue with overwork. A less studied factor is the impact overwork has on people during non-work hours. As discussed above, consumerism and long hours are interconnected and a high consumption and low social engagement lifestyle have negative effects on our mental wellbeing. Many reports have consistently found a link between consumerism and low mental wellbeing. One summation of the subject for the American Psychological Association said:

“...when people organise their lives around extrinsic goals such as product acquisition, they report greater unhappiness in relationships, poorer moods and more psychological problems... extrinsic goals – which tend to focus on possessions, image, status and receiving rewards and praise – from intrinsic ones, which aim at outcomes like personal growth and community connection and are satisfying in and of themselves.” (DeAngelis, 2004)

The culture of “live to work – work to earn – earn to consume” as NEF (2011) describes it, creates a vicious circle of trying to meet ‘extrinsic goals’ in-work (income-based reward) and out-of-work (consumption-based satisfaction) which ultimately creates an unsatisfying life experience all round.

The opposite of the degrading psychological effect of overwork is the ‘psychological surplus’ of an optimal work/life balance. When workers have more time to engage with their work in a way that allows for problem solving and creative thinking, there’s evidence that it leads to vastly improved results. As a Reid Foundation report on industrial democracy has shown, employee-driven innovation can vastly improve productivity (Duffy et al 2014).

There’s also evidence that the effect of parent-child play on early years childhood development can be very significant, if parents are given the extra hours needed to do so (Kane, 2005). The Scottish Government has attempted to integrate ‘play’ into their early years strategy, the Minister for Children and Young People, Aileen Campbell, has said:

“Play is vital from the early stages of brain development and bonding with parents and carers, and promotes independence and autonomy for the teenage years.”
Optimal working-hours could therefore help to strengthen this policy area in the Scottish Government’s early years development strategy.

The environmental impact of overwork

The global economy cannot continue to grow at its current rate if we are going to have a sustainable planet. To avoid catastrophic climate change we need a global five per cent reduction in carbon emissions every year until 2050 (NEF, 2011; Jackson, 2009). We therefore have to radically alter our energy creation towards green energy, but we also have to drastically reduce our output. This means producing less ‘stuff’.

Keynes (1930) predicted that technological development would reduce the burden of labour on workers, as it would require less work to produce more. What has happened instead is that technological development has led to more value being produced per worker, or in other words ‘labour-saving innovation’ (Harvey, 2011); whilst productivity has increased remarkably over the past forty years, the rate of surplus going to workers has been in decline (NEF, 2013). Labour-saving innovation means greater profitability for the company, but it also means more working hours for the worker and more unemployment for those who can’t get work. The way in which capitalist economies have got round this unemployment problem is just to produce more output; hence the emphasis on growth. If labour-saving innovation was translated instead into greater leisure time for the worker and more work for the un(der)employed, it would meet the needs of the labour market and reduce the necessity for growth, thus reducing the burden on the environment. A report from the Centre for Economic and Policy Research suggested a global shift to shorter working hours could reduce carbon emissions enough to halve additional expected global warming between now and 2100 (The Guardian, 2013).

On a micro-economic scale, as Schor (2010) has identified, there is a direct link between lower working hours and lower carbon footprint for three reasons. Firstly, it changes the emphasis towards higher productivity per hour rather than higher output per worker. Secondly, households that are time-stressed drive faster, eat out more, and generally engage in more carbon-intensive activity. Thirdly, those at the top end of the income scale tend to have a much higher carbon footprint, as is exemplified by the phenomenon of heated indoor swimming pools amongst the super-rich. More equality would make such carbon intensive luxuries less desirable. Finally, the number of days we work affects the amount of energy consumed for workplace necessities, such as lights in office buildings and cars to get to work. As we shall see below, the State of Utah cut carbon emissions by 14 per cent and saved over $4 million by shifting public sector workers to a four-day week, as state vehicles were driven one day less and buildings were closed one day more (NEF, 2011).

2. The Case for a four-day, 30-hour week

The impact of a four-day, 30-hour week on the Scottish labour market

Using Office for National Statistics (ONS) figures for the Scottish labour market for 2012/13, we can calculate the potential redistribution in working time if everyone in full-time work in Scotland
started working a 30-hour week. This can give us a clear indication of the extent to which a 30-hour week can help solve the problem of underemployment in the Scottish labour market.

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>1: How many hours of work could be made available per unemployed person who is seeking work if those in full-time work worked 30 hours per week?</td>
<td>32.39 hours per unemployed person (just over one full-time 30-hour week job per unemployed person seeking work.)</td>
</tr>
<tr>
<td>2: How many extra hours of work could be made available per unemployed person if just those who worked over 45 hours a week started working 30 hours per week?</td>
<td>4.26 hours per unemployed person (equates to a full-time 30-hour week job for approximately one-sixth of all unemployed people seeking work)</td>
</tr>
<tr>
<td>3: How many extra hours of work could be made available per part-time worker who seeks full-time work if (a) all full-time workers worked an optimal (30) hours, (b) just those who worked over 45 hours a week started working optimal (30) hours?</td>
<td>(a) 106.11 extra hours of work per part-time worker who wants full-time work (b) 13.98 extra hours of work per part-time worker who wants full-time work</td>
</tr>
</tbody>
</table>

All calculations in this report in Appendix 1

On the basis of hypothesis 1, 2 or 3, we can conclude that a transformational redistribution of working hours to meet the needs of everyone in the Scottish labour market is entirely feasible. On the basis of hypothesis 2, unemployment could be reduced by one-sixth and on the basis of hypothesis 1 we could achieve enough full-time work for every person out of work who is seeking work. On the basis of hypothesis 3 a) we could more than provide enough full-time work more than three times over for those in part-time work who want to work full-time and on the basis of hypothesis 3 b) we could offer part-time workers who work sixteen hours per week up to 30 hours.

This is of course highly theoretical. We are not suggesting that we could achieve the sort of redistribution and equity in working hours calculated here tomorrow, but we are suggesting that a transition towards greater equity in working hours is not only possible, it is entirely viable. There are also certain gaps in the calculations: part-time workers work different hours so will need different increases in hours to reach full-time work, and we don’t know how many who are unemployed and economically inactive but seeking work desire full-time work. These calculations do prove, however, that the uneven distribution of working hours in the labour market between those unemployed, those under-employed and those overworked is very significant. We can be confident that there are enough hours for everybody who seeks full-time work in the current Scottish labour market. Even on the most pessimistic measurements, there would be only a very small amount of underwork/unemployment.

Consequently, the four-day, 30-hour week should be taken seriously as a corrective measure to major imbalances in the current Scottish labour market. Government labour market policy should not just be assessed on GDP, employment and pay; equity in working-hours should be a barometer of policy success too.

**Redistributing public finances**

A 30-hour week will also have a dramatic impact on our ability to redistribute public finances away from direct cash transfers to life-long learning and training/skills upgrading. By redistributing working time to create full employment, unemployment and housing benefit payments would be
significantly reduced, whilst increasing tax take would boost income and national insurance tax revenue significantly. This would free-up public finances to spend money on improving the skills of those in work to create a more dynamic labour force.

**Addressing gender imbalances**

A move to a four-day, 30-hour week would also have a significant impact in tackling gender imbalances in working time distribution, to the advantage of men in terms of more family life and to women in terms of more full-time employment.

Men work, on average, 38.8 hours per week full-time and women 33.9 hours. 25.5 per cent of men work over 45 hours a week compared to 8.5 per cent of women. Therefore a reduction in working hours to 30 would have a statistically bigger impact for overworked men than women, allowing more time for leisure and community and family life.

Women, on the other hand, are far more likely to carry out more ‘unpaid labour’ in the home. The female employment rate (55.2 per cent) is more than eight per cent lower than the male employment rate (63.8 per cent) (ONS, 2014). Women also do significantly more part-time work than men. Therefore, with more employment opportunities available and with men working fewer hours, it’s likely that women will have to carry less of a burden in terms of ‘unpaid labour’ responsibilities and more women will have the opportunity to take on full-time work.

The overall trend in a four-day, 30-hour week would be towards much greater equality between men and women’s work/life balance.

**The problem of low-pay: the living wage as minimum wage and the citizen’s income**

The most common critique of a four-day, 30-hour week is that it will result in a major drop in income, especially for the lowest-paid. This is undoubtedly true if the policy was introduced without being combined with other pay-based measures. Equality of working hours is only desirable if it also coincides with a pay equality strategy.

**The living wage as minimum wage**

The living wage is a calculated hourly rate that a worker is paid in order to sustain the basic cost of living. Set annually by the Centre for Research in Social Policy at Loughborough University, the current living wage for the UK outside of London is £7.65.

The minimum wage is currently set at £6.31. This is a rate set by the UK government. It is a minimum every worker in Britain can be paid for one hour of work. If the minimum wage was set as the living wage, this would not only be a fair and scientific basis for judging what the minimum wage should be, it would also make it easier for low-waged workers to work fewer hours.

We can calculate how many more hours one would have to work on a minimum wage rate compared to on the living wage working an optimal four-day, 30 hour week:
Table 3: Calculation of impact on income of full-time workers at living wage rate compared to minimum-wage rate

<table>
<thead>
<tr>
<th>Calculation</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Living wage at 30-hours a week (baseline living income)</td>
<td>£229.50</td>
</tr>
<tr>
<td>Hours required to meet baseline living income at current minimum wage rate</td>
<td>36.4 hours (equates to 6.4 extra hours of work per week)</td>
</tr>
<tr>
<td>Current average working week of full-time worker</td>
<td>36.9 hours</td>
</tr>
</tbody>
</table>

Therefore, if we replaced the minimum wage rate with the living wage rate, a low-paid worker that currently works the average number of hours for full-time work (36.9) would earn approximately the same with a 30-hour week.

**Citizen’s Income**

Whilst the living wage as the minimum wage would improve the living standards of low-paid workers, £229.50 a week is hardly an adequate weekly wage. It could be combined with a universal Citizens’ Income, a proposal made by Sullivan and McKay (2014) in a recent Reid Foundation report on social security.

A universal Citizens’ Income is an “unconditional, automatic and non-withdrawable payment to each individual as a right of citizenship” (Citizen’s Income Trust, 2013). If implemented, it would replace various welfare benefits that operate in the UK currently like working tax credits, child support benefit, unemployment benefit and the state pension. It would also provide some income for people currently undertaking unpaid labour, such as the 650,000 unpaid carers in Scotland. Sullivan and McKay (2014) have calculated that the universal Citizens’ Income at the current rate of £71.10 would be “revenue neutral”. In other words, the universal Citizens’ Income would cost no more than the current welfare spending and tax allowances that it would replace.

A progressive Citizen’s Income would likely have a rate much higher than £71.10 a week (the European Social Charter recognises this as ‘manifestly inadequate’). However, if we use this as a starting point for calculation, we can see that the desire for low-paid workers to work long hours is reduced further when the Citizen’s Income is calculated in addition to the living wage. (This is especially true for parents, who would additionally receive a citizen’s income per child. The calculation in table 4 is on the basis of adults without children.)

Table 4: Calculation of impact of Citizen’s Income in addition to living wage on full-time workers compared to minimum wage rate

<table>
<thead>
<tr>
<th>Calculation</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Living wage working a 30-hour week plus Citizen’s Income</td>
<td>£300.60</td>
</tr>
<tr>
<td>Weekly working hours required at current minimum-wage rate to meet living wage working a 30-hour week plus Citizen’s income</td>
<td>47.64 hours (17.64 more hours than living wage working a 30-hour week plus Citizen’s income)</td>
</tr>
</tbody>
</table>

More than seventeen hours extra, approximately two working days, have to be worked by a low-paid worker currently to receive the same rate as the one we propose: the living wage and Citizen’s Income working an optimal, 30-hour week.

Whilst this is by no means definitive in erasing concerns about the impact of a four-day, 30-hour week on low-paid workers, it clearly makes the point that with even the most minimal
improvements in government income support and wage regulation, it’s possible for low-paid workers to work less than they do now and earn the same or more.

The Citizens’ Income also has a broader impact on the labour-capital relation, which works to the advantage of low-paid workers. If all workers have a Citizens’ Income they are less vulnerable to employers who want to force poorer wages, conditions and pensions upon them as they have a better safety net to fall back upon. Job insecurity is one of the most important issues for low-paid workers and therefore solutions to this end must be given appropriate attention.

**Other factors**

Indeed, greater equality in working hours across the working population helps to undermine aggressive employers in general. A higher employment rate makes it more difficult for employers to cut wages, pensions and employee benefits as there is a smaller pool of unemployed people to replace workers who refuse to accept adverse changes to their pay and conditions.

The flip side of pay is cost of living – the amount of money you need is relative to how much you need to spend. Therefore other policies which help to bring down the cost of living, like free childcare, free university education or reduced energy and food prices, tackles the same problem from the opposite direction. Working long hours wouldn’t be nearly as desirable for low-paid workers if some of the core needs to be met through wages cost less.

A whole range of further measures could and should be proposed to eradicate low-paid work and create far greater wage equality. In section 3 ‘Incentives and Challenges’ we will look at some further measures that would encourage employers and employees to tackle low-pay and embrace a four-day week.

### Downshifting: increased leisure time and three-day weekends

Is it possible (especially if you are in a higher income group) to trade wages for time? The weekly pattern is reshaped into a four-day working week and three-day weekend, freeing up more time for family life, community involvement and sociable leisure. A study into downshifting has shown that 25 per cent of UK adults downshifted during the period 1999-2003 (Hamilton, 2003). A person is classified as having downshifted if they answer in the positive to the following question:

“In the last ten years have you voluntarily made a long-term change in your lifestyle, other than planned retirement, which has resulted in you earning less money?”

Downshifters constitute a sizeable group of people, keen to gain more control over their time and improve family life. The majority of ‘downshifters’ were from suburban areas. The study asked those who downsized how it has impacted on their life:

“When asked to assess the life change, over 90 per cent of downshifters say they are happy with the change, with two in five saying they do not miss the extra income at all. Another two in five said they miss the extra income and 15 per cent admitted that, while they are happy with the change, they have found losing the income very hard. Only six per cent say they are unhappy.” (Hamilton, 2003)

There is a relationship between downshifters and regional inequality with areas like Yorkshire/ Humberside and London significantly less likely to downshift than those in the South East and South West. Downshifting occurred fairly evenly across ‘social grades’: 27 per cent of social grade ‘AB’ compared to 23 per cent of D and E.
Do people want more leisure time? As NEF (2011) comment:

“Juliet Schor has observed that, while people say they would trade time for money in future (more unpaid time, less income), they generally say they are satisfied with the way they currently use their time, even as their hours in paid work get longer. In other words, we adapt our preferences, ending up wanting what we get, not getting what we want.”

Hamilton (2003) found that those who have downshifted experience “the weight of social pressure over their decision”, even as far as being called “crazy”. Therefore, whilst there is a desire to downshift and clear evidence of increased happiness, the affect of hegemonic social norms discourages changes to their work/life balance.

There is evidence that when people are not in such a rush, it drastically changes their patterns of life. Rather than buying ready meal, goods or traveling by car, activities that are consumption and carbon-dioxide emission intensive, people cook and grow food in the garden, they walk and cycle more (Schor, 2010). Slowing down the pace of life allows people to experience and engage in family/community life more, thus improving mental and physical health.

A slower pace of life can lead back into the economy too if people begin to use the service-sector more, for example for three-day holiday breaks, rather than spending on products. The service-sector is labour-intensive, thereby creating more jobs.

A three-day weekend could also give workers the time to learn new skills, hobbies and training. Instead of being viewed as a means to recover from overwork (and/or engage in excesses), the weekend is now utilised in a far more varied and constructive way, offering increased opportunity for learning and active engagement with family, friends and the wider community.

Examples of a shorter working week

The four-day week in Utah, USA

From 2008 to 2009 the State of Utah in the USA initiated a mandatory four-day working week for public-sector workers. Working-hours stayed the same, but instead of 5 days at 8 hours a day they worked 4 days at 10 hours a day. In May 2009, 75 per cent said they preferred the four-day week set-up and more than 50 per cent said they were now more productive. Eighty two per cent of public-sector workers said they wanted the four-day week to continue after the test year. Carbon emissions fell by 4,546 metric tons (14 per cent) and petrol consumption by 744,000 gallons. The state also made savings: absenteeism and overtime dropped significantly and saved over $4million. Miles travelled in state-owned vehicles dropped by three million, saving the State of Utah $1.4 million over the first year (NEF, 2011). One in three members of the public thought there was a distinct improvement in public services. Whilst there were some initial complaints from businesses (primarily that they couldn’t get access to public buildings on Fridays) after only six months, complaints were reduced to zero.

The four-day working week was repealed in 2009, predominantly for political reasons. Governor Huntsmann, who led the introduction of the four-day week, was made ambassador to China by President Obama. The new governor didn’t fight to keep it. However, some cities in Utah did keep it due to its popularity, even after the state-wide repeal (The Guardian, 2013).

‘Daddy Days’ in Netherlands

Netherlands has the shortest average working-hours in Europe. The Dutch have traditionally had a culture of a short working week and part-time work; a great deal of emphasis is put on both
parents participating in family life. One in three men now work part-time or work a four-day week. One of those, Wouter Bos, a former finance minister, who works for accountancy firm KPMG for four-days a week, said:

“More men want time with the family, but without giving up their careers. And more women want careers, but without giving up too much time with the family.” (The New York Times, 2010)

Even surgeons work part-time hours, as a New York Times article reports:

“Of the 85 specialists at the Ziekenhuis Amstelland hospital south of Amsterdam, 31 are female and two-thirds work part time. Some surgeons even train part time, meaning a daily struggle to unify treatment of patients by several doctors. This would have been unthinkable even 10 years ago,” said Jacques Moors, the hospital’s chairman. “But if we insisted on full-time surgeons we would have a personnel problem: Three in four of our junior doctors are female.” (The New York Times, 2010)

The culture is born out of very conservative values: women did not work at all until labour shortages in the 1950s. There are still problems now with gender inequality – women earn 27 per cent less than men - and gender stereotypes that women do not work full-time. But the family life tradition is being “turned into a strength by the new generation”. Evidence of this is provided by the term ‘daddy days’ - work days where the kids are looked after by the dad – which is now a common term in the Dutch vocabulary.

The 35-hour week in France

Lionel Jospin’s Socialist Party Government introduced a 35-hour working week limit without loss of pay in 2000. In 2004, the legislation was pushed back by the Raffarin administration. The right to overtime was re-introduced and the working hours per annum limit raised from 180 to 220. The 35-hour week is still official government policy; however, in practice, workers work an average of 41.2 hours, only slightly less than Germany. Whilst many employers decided to keep the 35 hour week after it was officially repealed, evidence shows a combination of too much overwork and high unemployment exists in France, as in Scotland, with 3.2 million (eight per cent of the workforce) working so hard that they risk mental and/or physical breakdown (The Independent, 2014).

Whilst some have criticised the 35-hour week in France for “weighing down” growth (OECD, 2012), the evidence for this is unclear. For example, over the last 20 years private sector growth was at its highest when the 35-hour week law was at its strongest between 2000-2002. Hourly productivity, employment and ‘added value’ were also higher in this period than before or since (Heyer, 2013).

Nicolas Sarkozy’s Labour Minister Xavier Darcos said in 2009 that “This reform did not create jobs, but it has brought its fair share of perversity and generated stress for employees who must do their work in 35 hours when before they had 39”. However, this is likely the result of a lack of measures to encourage employers to take on more staff and spread workloads. The majority of French people still support the policy. One of them, Frédéric Garet, a graphic designer, said:

“The 35-hour working week is logical, it means we have lots of free time. We get home earlier and this means there is less pressure on our lives. When I hear tales of British workers eating their lunches at their desks and working all hours, I think it must be very bad for their health. People should not live with this level of stress.” (The Independent, 2009)
**Employee-led flexibility and family life**

A four-day week of seven and eight hour shifts is not ideal for everyone. ‘Flexibility’ is a word increasingly used to describe work patterns that do not correspond to traditional work hours. However, in today’s labour market, this tends to relate to employer flexibility more than that of the worker. Zero-hour contracts are the most high-profile example of this. In some situations, overtime is often not desired, regardless of being paid and is dictated by the needs of the business, not the worker. In many workplaces the culture dictates an expectation of excessive hours that are not classified as overtime but implied as part of the job expectation. This means such additional work often goes unpaid. In 2012, the Advisory, Conciliation and Arbitration Service (Acas) calculated that £157.2 billion pounds of unpaid overtime is worked each year by workers across the UK. Agency work and a growing theme of technology being used by employers to contact workers in out-of-work hours (BBC, 2011) creates flexibility for employers but does nothing to improve the working lives of employees.

A European study of workers shows that flexibility is amongst the highest priorities for workers along with fewer working hours (Eurofound, 2010). What workers are looking for is employee-led flexibility, which means work becomes organised around other aspects of our lives, instead of employer-led flexibility which disorganises the rest of our lives around the needs of work.

Flexibility is increasingly possible in the modern work environment. Since the dismantling of heavy industry throughout the 1980s the service sector has been the main employment sector in Scotland. In 2011, Gross Value Added (GVA) for the service sector outstripped that of manufacturing fourfold (£50.3billion versus £12.7billion) (Scottish Government, 2014). The six, key private sector growth areas for Scotland are sustainable tourism, energy, life sciences, creative industries, food and drink and financial and business services (Scottish Government, Government Economic Strategy, 2011). These industries do not require adherence to outdated work patterns that enforce rigid working hours. There is no justifiable need for all workers to be in one place at any one time.

In a concerted effort to reduce overheads, as well as carbon footprint, technology has enabled remote working, hot-desking and satellite offices; our place of work is no longer easily defined. The proportion of firms with employees working remotely has increased from 22 per cent in 2003 to 59 per cent in 2011 (CBI, 2013).

This flexibility in workplace location is not always translated into flexibility in working hours. Far too many of us still rush into and out of work at specific times, exacerbating traffic problems. Even those who need to be in one specific location to fulfil their job role have little need to be present within the same timeframe as other workers. By offering work patterns that suit individual lifestyles, employees benefit from choice and flexibility and employers benefit from increased employee happiness and loyalty (Eaton, 2003; Halpern, 2005). Employee-led flexibility would also encourage more people, especially parents, back into part-time and full-time work, thus benefitting the economy as a whole.

**Current challenges for working families**

Some parents feel unable to work or would like to increase their hours of work but cannot due to restrictive childcare options and an imbalance in working-time between parents. Many shape their careers and work choices around their ability to negotiate the school day, often shuffling children from one childcare fix to another. This is stressful and cannot benefit the general wellbeing of parent or child. Current work patterns rarely correlate to school hours. Many schools offer aftercare options in an attempt to create a temporal parity between the school and working day. Whilst this does offer choice, perhaps it is back to front. For many parents, this lack of cohesion
in our daily lives creates an ongoing challenge and excludes some people (usually women) from a return to work in the interests of maintaining a healthy family life.

In Scotland, there is a clear link between low household income groups and grandparents providing financial assistance (Scottish Government, 2012). Grandparents have also become an increasing informal resource for affordable childcare. Whilst this intergenerational influence will likely benefit many children, it is often a necessity more than a choice. This could also increase the ‘childcare deficit’ (demand outstripping availability) via a lack of account for such informal childcare arrangements (Wheelock, 2002). Many parents make decisions regarding childcare based upon cost and not quality of care (NEF, 2014). School holidays present even bigger challenges for working parents and often restrict parents (usually women) returning to work. Childcare costs are not the only consideration. Older children may not want to go to a child minder and parents are then left to make the difficult decision of whether or not to leave them to their own devices.

**School hours contracts/flexible working benefits**

Employee-led flexibility in working hours could account for differing family circumstances and life patterns. One solution is an alternative work pattern that mirrors the school day. As stated above, there are many job roles that do not need to be undertaken on a strictly 9-5 basis. Advances in technology and remote working, flexible shift patterns and the structure of our economy mean that a shorter day is not outwith our reach. School hour contracts would offer choice to families. They would entice non-working parents into work without the burden of childcare costs during term time, be more amenable to family life for those already in part time work and may even enable two parent families to both work in this manner, freeing up yet more time to spend as they choose and offering more balance for caring and household duties. School hours contracts would offer working hours that tie in to the rhythm of family time/use patterns, allowing for more parental input with children and placing the family needs at the core of how people utilise and prioritise their time.

School hours contracts (eg. 9am – 3pm) over five days would still meet the optimal full-time, 30-hour week scenario modelled in the previous section, but would fit those hours round the needs of the parent.

As well as term-time contracts to coincide with school holidays, more varied options for spreading working-time across the year could be adopted by employees. For some forms of work and for some people’s lifestyles, a better option would be to stick to the 9-5, five day week working-time and take blocks of ‘free time’ through the year instead, potentially one block of three months off work over the summer, for example. The point is that work should be organised to suit our non-working lives, not the other way round.

3. The Transition to a four-day week: challenges and incentives

So far we have identified the problems of overwork and made the case for a four-day, 30-hour week. Achieving this vision will not be straightforward. Re-distribution of working-time must be predominantly incentive-led. The process has to be a step-by-step transition so as not to cause skills shortages in the economy and to allow a re-balancing of income; this is not an overnight switch. Key stakeholders need to be convinced of the advantages of a four-day, 30-hour week.
and embrace it on that basis, not because they’re forced to. To do that we need to be clear about the challenges faced by a radical redistribution of working-time and suggest potential incentives that can be put in place for workers, for employers and for government. Additionally, we outline a proposal for a 10-year transition strategy to achieve this.

Challenges and Incentives for workers

**Reduce the general cost of living:** Income is relative to the cost of living. Parents on low and medium income salaries would be less concerned about working fewer hours if they knew it would cost less to care for their family. We have already set out ideas that offer reduced childcare costs. Working parents will also benefit from a lower requirement for childcare hours overall as now both parents can balance working and childcare duties more equally, lowering their requirement for formal, chargeable childcare. The 30-hour week will free up many women to return to work, helping to balance out any drop in salary for men working longer hours.

**Gradual transition for those approaching retirement age:** Below we account for those workers approaching retirement age who may wish to reduce their working hours in a gradual manner. The four-day, 30-hour week will be offered to those within five years of retirement and pensionable age. This proposal guarantees full time rights and protected pensions but also frees up working hours for those currently looking for more work. The benefits for those approaching retirement are clear. They can gradually reduce hours, without negatively impacting upon the pension earned.

**Create a high-pay economy:** Britain is the second worst for low-pay amongst all advanced economies (Boyd, 2013). This is because it provides incentives for corporate giants to build industry which is low-pay and low-skill, like call-centres, supermarkets and retail, but it does little to incentivise high-pay, high-skill employment in industries like nanotechnology and green energy infrastructure and manufacturing. If Scotland could become a high-pay economy as outlined in the original Common Weal policy document (The Common Weal, 2013) it would be less likely that people would want to work long-hours.

**Wage ratios:** greater equity in distribution of hours should coincide with a strategy for greater equality in pay. As mentioned above, the living wage and a Citizens’ Income are important ways of raising the income of the lowest-paid. A more general income equality strategy could be wage ratios: the highest paid employee in a company can’t earn more than a certain amount than the lowest-paid. This provides legal restrictions on company pay inequality.

**Tie pay to value through a pay commission:** There is little evidence of a coherent relationship between pay and the value of work (NEF, 2011). If workers were working fewer hours but were more productive in the hours worked, a rational approach would be to have a pay commission independently assess the value of different forms of work and set pay recommendations on that basis. This would be similar to the way one can have an independent assessment of the value of a house. This way, clear criteria could be created to make pay fair.

**Prevent employer discrimination against workers who desire shorter schedules:** In Denmark and Netherlands, two countries with some of the lowest average hours of work, it is illegal for employers to discriminate against workers who desire shorter schedules. This increases the confidence of workers to pursue a shorter-working week without feeling like they will be damaging their careers.

**Greater control through industrial democracy:** The recent Reid Foundation report ‘Working Together: A vision for industrial democracy in a Common Weal economy’ (2013) showed that workers in other European countries have Works Councils or Co-Operation Committees, that
give workers a say over important issues such as the organisation of work hours. If workers have greater control, they are more likely to implement work schedules that optimise work/life balance.

**Challenges and Incentives for employers**

**Replace National Insurance Tax with Total Hours Tax:** Employers are disincentivised from taking on more employees because they have to pay national insurance tax per employee. If instead they were taxed on the basis of total hours of labour it would encourage them to take on more staff. Additionally, employers can more readily address the issue of declining productivity from overwork as they are incentivised to employ more people for fewer hours.

**Improve and extend government-funded lifelong learning to create a more dynamic labour market:** the ‘skills shortages’ rate in Scotland is a very small proportion of the economy as a whole (0.3 per cent). Furthermore, what is described as ‘skills shortages’ can predominantly be put down to a problem of low-pay, i.e. the employer is not willing to pay enough to entice people with the required skills to take that career path. Evidence of this is the fact that the vast majority of what is labelled ‘skills shortages’ are ‘softer core skills’, like planning and communication, rather than harder technical expertise, like engineering. Therefore the potential problem of skills shortages from a 30-hour week can easily be over-exaggerated – it is the sign of a stagnant economy if there is never skills shortages as it means it is not continually renewing itself. However, there is still a need to improve the general skills of the Scottish labour market to make it more flexible and dynamic.

A Scottish Government study (2010) found that 139,100 current employees are not fully proficient. These deficits often relate to entry-level technical skills, such as IT proficiency in standard workplace software packages. If there was greater off-the-job access and reward for lifelong learning the burden would fall less heavily upon employers and it would be easier for employers to increase their recruitment levels. Another way to approach this would be government support for on-the-job training to take the burden off the employer. Our transition proposal at Stage 1 offers a means to increase the amount of training available for those in work already and therefore aiding the move towards a 30 hour week, paid for by reducing the welfare bill and increasing the tax base through an improved employment rate.

**More women into the workforce:** We have already discussed how a 30-hour, four-day week could reduce gender imbalances in the labour market. The 30-hour week will free up more women to return to the workplace and help plug skills gaps and shortages as well as boosting the tax base.

**Challenges and incentives for government**

We are fully aware that a four-day week may, initially, appear problematic from a political perspective (although the attractiveness of shorter working hours to voters should not be underestimated). However, if politicians are aiming for greater social security, better health outcomes and happier citizens, we need to find ways to make radical solutions politically viable.

**Prove it works in practise by implementing it in the public-sector:** The concept of a 30-hour working week can be proven to be viable in practise in order to gain agreement regarding its value. The government has control over one section of the economy – the public-sector. If a 30-hour, four-day week was gradually implemented in the public-sector, with the appropriate supportive measures in place, it could be independently assessed to measure success and identify areas that required attention. Once the concept has been proven to work, the transition towards a 30-hour working week for all will be more easily supported and politically viable. A cultural shift driven by new working arrangements in the public sector will place pressure upon private sector
organisations to offer similar terms to employees. This is what happened in Netherlands in the early 1990s, as the public-sector led the way in a shorter working week and the private-sector then followed suit (Simms, 2013).

Exceptions/Contingencies: The transition strategy must account for specific job roles where skills/resource shortages may be dangerous for the public. Contingencies should be put in place so that reduction in hours coincides with increases in training, so that for example ambulance drivers don’t work fewer hours until there is enough labour supply to cover the difference.

Education and government assessment of progress: There has to be greater knowledge of the importance of working time to our economy, society, psyche and environment. It is an under-appreciated issue. Therefore it should play a more important role in economics and sociology college and university curriculums. Also, it should be part of government assessments of progress, along with issues that are always taken seriously and scrutinised, like GDP, employment and pay. A greater equity in hours of work cannot be snuck in through the back door, the argument has to be debated and won in government and wider civil society.

10-year Transition Strategy

For many workers, the cost of monthly payments, such as mortgages, means reducing work hours is not an immediate option. Whilst the Common Weal Project is going to outline a strategy for affordable housing in an upcoming paper, those that already have high mortgage payments need re-assurance that they can reduce hours at a sustainable level. There is the additional challenge of skills shortages, which will require time to be taken for training. We therefore propose a transition strategy whereby working-hours are reduced incrementally to allow for adjustments. Our transitional approach will attempt to provide a timed, gradualist phasing in of the four-day, 30-hour week. It will start by offering solutions to current employment issues, such as skills shortages and un(der)employment of 16–24 year olds. It also proposes the rollout of a four-day, 30-hour week to people approaching retirement age. It proposes a phased roll out to all workers over a period of 10 years.

Stage 1: years 1 – 3

The implementation of Stage 1 should offer solutions to challenging issues such as the quantity of 16–24 year olds out of work or underemployed and getting those currently out of work into work. Four-day week, 30-hours contracts should be utilised as a means to address these areas of concern. Additionally, any new roles advertised within the public sector should tie in with the four-day week, 30-hours contract wherever possible.

Stage 1 should also offer a gradualist approach to introducing the shorter working week for many other workers via 35-hour contracts. Pay must be protected via a living wage and universal Citizens’ Income so that low-paid workers see no reduction in take home pay (the living wage should be introduced for public and private sector). Productivity levels should be monitored during this period and potential skills shortages noted. Skills gaps should also be monitored and addressed via specifically tailored training. Absenteeism rates should be analysed to account for any change. Those already in employment will benefit from more leisure time and those with families should see a reduction in childcare costs and an increase in time available to spend within the nuclear
family. Higher earners should be incentivised to move towards a 35-hour working week model. Stage 1 should be understood as a gradualist step towards Stage 2.

**Four-day week (30 hour) contracts (including option of incentivised school hours contracts):**

- Government increases life-long learning training opportunities in and out of work. Education programmes begin in public and private-sector of the advantages for employees and employers of a 30-hour week. National Insurance (NI) is changed to per hour instead of per head so the employer is incentivised to employ more employees.

- Employers are incentivised to offer four-day week, 30-hour contracts to 16-24 year olds currently not in FT education currently unemployed/inactive.

- All new public sector clerical/administrative roles advertised on basis of 30-hours contracts.

- All those within five years of drawing their Government pension will be offered the option of moving to four-day week, 30-hour contracts (skills shortages/exceptions excluded).

**Thirty five hour contracts**

- All public sector (except new employment contracts)

- Training programmes, driven and paid for by the Government, could be offered to employees for five hours per week. This would improve the skill levels of existing employees benefitting the organisation overall and help workers become accustomed to a four-day, 30-hour week for standard duties. Enhancing the skillset of existing workers will also help to redress any imbalance between the current 35 hours and the proposed four-day, 30-hour week at Stage 2.

- Incentives for middle-high earners to reduce their hours of work to 35 hours. This could take the form of mortgage support.

**Stage 2: years 3 – 5**

By Stage 2, many people will have experience of working full time at either four-day week (30 hours) or 35 hours per week. Data will be available to measure success and identify areas that require more input. Employers will have benefitted from incentives to recruit from the now more highly skilled 16-24 year old bracket. Many public sector employees will have benefitted from increased training to augment their skill set and plug skills gaps in the workplace. The transition to a 30-hour week for public sector workers will have less impact due to the 30 (working) plus five (training) model currently in place. Skills shortages will still require careful management and incentives for higher earners must remain in place at this Stage 2. Many more people will experience movement in their working week at Stage 2 as the programme is rolled out more generally and legal limits are put in place for private sector.

**Thirty-hour contracts**

- All public sector to four-day, 30 hour week

- Private sector incentivised to offer four-day, 30-hour week contracts to employees.
• Forty hours legal limit

• All private sector as well as public-sector have a legal limit of 40 hours.

**Exemptions**

• Areas that fall into the exemptions due to dangerous skills shortages category across both public and private sectors will work towards plugging gaps within a set and agreed timeframe.

**Stage 3: years 5 - 10**

By Stage 3, five years worth of data will be available to measure effectiveness. All public sector workers will be working four-day, 30-hour contracts. Many in the private sector will be on four-day, 30-hour contracts via incentives and all on maximum of 35 hours. Employers will be fully aware of the proposed move to a maximum working week of 35 hours (regardless of contractual terms) by Stage 4 and be supported in this transition. At Stage 3 all employees not currently on four-day, 30-hour contracts will be offered this option. Any exemptions will be minimal and managed accordingly with the target of a four-day, 30-hours by year 10. Government funded training will be further extended as public finances are freed up from reduced welfare payments and increased tax take.

**Thirty hour contracts and legal limit of 35-hour week**

• All employees out with the four-day, 30-hour goal are entitled to being offered the option (with some remaining skills shortages/exceptions) and the limit of a 35-hour week.

**Exemptions**

• Areas that fall into the exemptions category will have been measurably reduced. Those still falling under these categories will have a clear and timed plan for moving towards a shorter working week.

**Stage 4: 10 years +**

• Most workers should now be on four-day, 30-hour contracts

• Exemptions have been managed

• No-one works in excess of 35 hours per week

It is important to emphasise that if a shorter working week was implemented without some of the incentives suggested above, it would have negative as well as positive effects. Our proposal is specifically not intended to increase the flexibility of labour for employers so that workers are essentially subject to their beck and call whenever so required. Neither is it David Cameron’s ‘Big Society’, which encourages people to essentially do volunteer work in their non-work hours that public-sector workers used to do. Flexibility and community engagement should be built on the basis of more, not less, secure working lives and incomes. A four-day, 30-hour week should not put anyone into poverty, as wages should be high enough so that a normal working week is a socially and economically secure working week for the worker. Indeed, a four-day week should be, at minimum, income neutral, as productivity increases when optimal hours are worked. Equity
of working hours and greater equality of pay should coincide. Neither should it be used as a reason for employers to try to force more work out of employees in a shorter space of time; the idea is to spread the work amongst more employees. Our intention is for a four-day, 30-hour week to be one part of building a more equal society and a stronger economy that utilises human resources effectively, but it is just one part and shouldn’t be seen as a stand-alone measure.

4. Conclusion

The Scottish Government’s White Paper on independence – Scotland’s Future – contains a general commitment to comply with the EU’s working-time regulations. This in itself would be an improvement on the UK, which has secured opt-outs on the legal limit of 48 hours for workers who choose to work longer. This encourages a ‘race to the bottom’ approach to working-hours.

However, if we are serious about re-balancing the Scottish labour market we have to commit to a much more radical approach to working-hours in Scotland. In the context in which ‘work – earn – consume’ is such a strongly embedded culture, it may seem unrealistic to propose such a radical transformation in work/life balance. But radical changes have already taken place in the way we experience work and leisure, just not in ways which we have actively controlled and organised that process of change: fifty years ago Glasgow was not the second retail city of Britain and manufacturing and construction far out-weighed retail and services. Change will and has happened one way or another, the question is whether we want to leave that change to the anarchy of market forces or take a confident, active, co-ordinated approach which attempts to create a labour market and economy that works for everyone. Scotland will lose if we follow the UK’s race to the bottom approach as we can’t compete with the likes of China and India on that terrain. We need a ‘smart economy’ and that means we need a labour force that is dynamic: highly-skilled, innovative, productive and engaged.

In the same way as the Scottish Government has set climate targets for 2020 so we can help lead the world in preventing catastrophic climate change, why can’t we set work/life balance targets for 2020 so we can also lead the world in creating a civilised and just economy and society? The post-crash world economy needs to develop a whole new set of measurements and principles in which to judge and evaluate economic success if we are to avoid making the same mistakes over and over again. Working time should be central to this debate and Scotland could lead the way in pioneering a 30-hour, four-day week.
## Appendix 1: calculations from table 2, 3 and 4

### Table 2

<table>
<thead>
<tr>
<th>Hypothesis 1</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Average hours full-time worked – sub-optimal hours = optimal hours of full-time work</td>
<td>36.9 – 6.9 = 30</td>
</tr>
<tr>
<td>Sub-optimal hours worked x total number in full-time work = extra hours of work available</td>
<td>1 x 1,784,000 = 12309600</td>
</tr>
<tr>
<td>Number on unemployed benefit + the number economically inactive who are seeking work = total number of unemployed seeking work</td>
<td>176,000 + 204,000 = 380,000</td>
</tr>
<tr>
<td>Extra hours of work available divided total number of unemployed seeking work = extra work available per unemployed person</td>
<td>12309600 divided by 380,000 = 32.39 (Just over one full-time 30-hour week job per unemployed person seeking work)</td>
</tr>
</tbody>
</table>

### Hypothesis 2

<p>| |</p>
<table>
<thead>
<tr>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Average number working over 45 hours a week – sub-optimal hours = optimal hours of full-time work</td>
</tr>
<tr>
<td>Total number in full-time work divided by percentage total number working over 45 hours a week = total number working over 45 hours a week</td>
</tr>
<tr>
<td>Sub-optimal hours worked x total number working over 45 hours a week = extra hours of work available</td>
</tr>
<tr>
<td>Extra hours of work available divided by total number of unemployed seeking work = extra work available per unemployed person</td>
</tr>
</tbody>
</table>

### Hypothesis 3

<p>| |</p>
<table>
<thead>
<tr>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Extra hours of work available (from model 1 data) divided by total number of part-time employed workers who want full-time work = extra work available per part-time worker who wants full-time work per week</td>
</tr>
<tr>
<td>(b) Extra hours of work available (from model 2 data) divided by total number of part-time employed workers who want full-time work = extra work available per part-time worker who wants full-time work</td>
</tr>
</tbody>
</table>

### Table 3

<p>| |</p>
<table>
<thead>
<tr>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Living wage x optimal hours of work = optimal (30) full-time hours living income per week</td>
</tr>
<tr>
<td>Optimal (30) full-time hours living income per week divided by minimum wage rate = hours required to meet baseline living income per week on minimum wage rate</td>
</tr>
<tr>
<td>Table 4</td>
</tr>
<tr>
<td>-----------------------------------------------------------------------</td>
</tr>
<tr>
<td>optimal (30) full-time hours living income per week + citizen’s income = total income of low-paid worker per week with living wage and citizen’s income</td>
</tr>
<tr>
<td>total income of low-paid worker per week with living wage and citizen’s income divided by minimum wage hourly rate = hours required to meet total income of low-paid worker per week with living wage and citizen’s income on the minimum wage hourly rate</td>
</tr>
</tbody>
</table>
References

Abdallah, S (2013) Is Britain the most tired nation in Europe? New Economics Foundation
http://www.neweconomics.org/blog/entry/is-britain-the-most-tired-nation-in-europe

Advisory, Conciliation and Arbitration Service (Acas) (Accesed 2/3/14).

http://www.bbc.co.uk/news/magazine-17155304

http://www.bbc.co.uk/news/technology-16314901

http://www.bbc.co.uk/news/uk-scotland-13028162

http://www.slideshare.net/lowlands0931/the-scottish-labour-market-ajs-1


http://www.citizensincome.org/Search.htm then: www.citizensincome.org/filelibrary/booklet2013.doc


http://www.europfound.europa.eu/working/reports/TN0502TR01/TN0502TR01.pdf


http://www.hse.gov.uk/statistics/dayslost.htm

http://www.ofce.sciences-po.fr/blog/35-hour-work-week-french-economy/


http://www.econstor.eu/bitstream/10419/31656/1/571694276.pdf


http://www.neweconomics.org/publications/entry/21-hours

New Economics Foundation (2011) 21 Hours: why a shorter working week can help us all flourish in the 21st century. (Accessed 5/2/14)

http://sbsd.net/nefoundation/default/page/file/f49406d81b9ed9e977_p1m6ibgje.pdf


http://www.neweconomics.org/blog/entry/is-britain-the-most-tired-nation-in-europe.


http://sbsd.net/nefoundation/default/page/file/d38d274699e1ad7438_jxm6i2v5l.pdf.


http://www.scotland.gov.uk/Publications/2011/09/13091128/0


Simms, A (2013) The four-day week: less is more. The Guardian. 
http://www.theguardian.com/money/2013/feb/22/four-day-week-less-is-more


http://europepmc.org/articles/PMC3328993/reload=0;jsessionid=X4zefOVUvKlTopioHBJ.10


http://www.theguardian.com/money/2013/feb/22/four-day-week-less-is-more


