The Future of Work
- Investigating the Case for Intervention in Working Time Policy in New Zealand

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Abstract:
Despite rapidly rising productivity, the amount of time spent in formal work across most of the developed world remains fairly constant. Employment is maintained through a continual increase in consumption. As global limits are approached or surpassed, growth in consumption in the first world is no longer sustainable, putting future jobs at risk. This thesis evaluates the importance of working time policy in relation to sustainable development, and more specifically, looks at the advantages and disadvantages of a shorter working week in New Zealand. Finding that there is a strong argument in favour of a shorter working week (primarily for environmental and social reasons), as well as justification for state intervention, an investigation is made into the reasons why it is not being implemented. Using theories from political science, a conflict is found between the goals of sustainable development and the deeper held goals of economic growth. On top of this, there is a near complete absence of a ‘policy image’ in the public domain. External socio-economic changes – such as a rise in unemployment, or major energy shortages – are most likely to bring about support for the policy.

Keywords: Working time policy, shorter working week, sustainable development
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Abbreviations
CO<sub>2</sub> - Carbon Dioxide
EU - European Union
GDP - Gross Domestic Product
GNP - Gross National Product
ILO - International Labour Organisation
IMF - International Monetary Fund
IPCC - International Panel on Climate Change
MMP - Multi Member Proportional (electoral system)
MP - Member of Parliament
NASA - National Aeronautics and Space Administration
nef - new economics foundation (sic)
NGO - Non-Governmental Organisation
NZ - New Zealand
NZCTU - New Zealand Council of Trade Unions
OECD - Organisation for Economic Cooperation and Development
UK - United Kingdom
US - United States

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1. Introduction

1.1. Background

Ever since the time of the Industrial Revolution, there has been a conflict between technology and labour. In the early stages of the Industrial Revolution for example, the invention of the spinning jenny led to labour riots as traditional labourers without the spinning jenny could not compete against this new technology, and were thus being put out of work from the falling price of yarn. More recently, the cotton picker put thousands of black workers in the American South out of work and home, leading to a national debate and commission of investigation over the threats of technology and automation.\(^1\) However, it was also to become apparent that new technology led to cheaper prices, allowing for greater demand and consumption thus providing new jobs in their place as production was scaled up. Technology at times replaced workers, and at other times simply led to far greater production and consumption. In economic terms, what this technology resulted in was an increase in labour productivity (an increase in the output per hour of labour). Although not a smooth and gradual transition, throughout the 19\(^{th}\) century new technologies led to two results; one was a steadily increasing production and the other was a gradual reduction of the amount of time spent working, and an increase in leisure. Technology was being used both to make life easier (less work), and to improve material wellbeing. This even led John Maynard Keynes – the 20\(^{th}\) century’s most influential economist – to suggest in 1930 that within a century we could be working around 15 hours a week.\(^2\) It was not so much a prediction but a warning to the challenges ahead; for us to find contentment in an excess of leisure. It is a challenge mankind has not yet solved. Instead, technology and productivity improvements have been used predominantly to promote a whole new level of superfluous consumption, with little increase in leisure.

The rise of the eight hour day and 40-hour week has a long history in New Zealand, which is often considered to be the first country in the world to adopt it.\(^3\) As far back as 1840, Samuel Parnell arrived in Wellington and demanded an eight hour day. By 1857, after strikes in Auckland, all the main centres of New Zealand had secured the eight hour day for labourers and tradesmen, although it failed to become a legal requirement and relied on organised labour unions to enforce it. Regardless, the country has more or less been based on an eight hour work day for the last 150 years or more, far earlier than America, Britain and most other industrialising countries who had to wait until the 20\(^{th}\) century to secure the shortened working day (often working 12 or more hours per day previously). The forty hour week, which survives today, has thus been considered ‘normal’ for most of New Zealand’s colonial history, and the country was once said to have the reputation of a ‘working man’s paradise’.\(^4\)

While the forty hour week has remained stable, other things have been changing. Perhaps the greatest change in the recent history of work is the transition to a two-income family following feminist movements in the 1960s and 1970s. Prior to this, it was normal for men to work, and women to stay home, raise the family and do the housework. This has meant that, as well as the vast improvements in productivity, the aggregate amount of time spent in formal employment has also increased, with the predictable result of a rapidly rising GDP. These changes have led to new challenges for society and government. One example is the ongoing battle for providing

\(^1\) Rifkin 1996, pp. 69-83
\(^2\) Keynes 1963, pp. 369
\(^4\) New Zealand History Online; [http://www.nzhistory.net.nz/politics/labour-day [accessed 24/1/2011]]
employment for all those who seek it. To maintain employment, governments must actively pursue policies that promote consumption, and in turn, economic growth. As the global economy has become increasingly globalised, this has meant that policy must be business friendly while any move that may impede a country’s competitiveness risks the loss of jobs and a political backlash. This is the ‘Golden Straightjacket’, where in the absence of globalised politics, governments actively compete for market confidence and foreign investment. Governments’ hands are becoming increasingly tied in a ‘grow-or-die’ scenario.

It is in this context that the world is now straining under multiple environmental crises. The huge Millennium Ecosystem Assessment, carried out with more than a thousand international contributors provides clear and worrying evidence. They report, among other things, that 15 (60%) of the 24 ecosystem services assessed are being degraded or used unsustainably, that 20% of the coral reefs and 35% of the mangrove forests have been lost, the rate of species extinction is likely to be 1,000 times the natural background rate, and some 10-30% of mammals, birds and reptiles are currently threatened with extinction. Perhaps even more worrying, “the harmful consequences of this degradation could grow significantly worse in the next 50 years. The consumption of ecosystem services, which is unsustainable in many cases, will continue to grow as a consequence of a likely three-to six-fold increase in global GDP by 2050”. On top of this, the predictions from the IPCC in relation to climate change and its impacts are increasingly dire. The message is coming loud and clear. We have exceeded the safe limits for atmospheric CO₂, and a rapid reduction of our emissions is required. In short, humanity is facing limits, as predicted by the Club of Rome in 1972 with the publication of the Limits to Growth.

These challenges, among others, require a reassessment of our future direction. The real sources of our wellbeing are becoming better understood. They arise not just from GDP (our material wellbeing), but from a variety of social and environmental indicators as well. New Zealand is one of the few developed countries that worked longer hours in 2002 than we did in 1970, with the annual hours worked per capita rising by more than 15% during that period. It is time to question the need for a ‘normal’ working week for the future. Society is more diverse now than it was several decades ago, and the communications revolution has brought new opportunities for more flexible and varied working times. The global environment (above all) demands that we rethink working norms, including the long held ‘protestant work ethic’ of hard work above all else.

1.2. Methodology

1.2.1. Aim and Relevance

The world is faced with a growing list of challenges, none more so than the environmental limits that are being reached and passed. Within the theories of sustainable development, there is growing acceptance of the limits to ongoing growth in consumption in the global North, and the need to challenge the growth paradigm. While sustainable consumption is often discussed and promoted, there have been few studies focusing on the role of working time policy and its relationship to sustainable development. Considering the central role that formal (paid) work plays in shaping the way we live our lives and our subsequent ecological footprint, this is an aspect of sustainability that

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5 Rodrik 2000, pp. 181-182. The term ‘golden straightjacket’ was first coined by Thomas Friedman.
6 Millennium Ecosystem Assessment 2005, pp. 1-4
7 Ibid., p. 2
8 Stiglitz et al. 2009
9 OECD 2004, pp. 5-6
10 Schor 2005, p. 47
needs greater attention. Our patterns of employment have strong links to the economy, society and environment – all three ‘pillars of sustainability’. Because it is so integrated with sustainable development, any change to our work patterns will have a high potential for gain in the quest of sustainability. This study aims to investigate these links between our work – and in particular the length of the working week – and sustainability. It will investigate what the potential impacts of working time reductions could be, and furthermore, it hopes to assess the political implications of such a policy proposal, and examine any constraints to its implementation. To help in achieving these aims, a case study will be undertaken.

1.2.2. Case Selection and Research Design

Although many of the theoretical arguments contained in this study could be applied to any or all countries (at least in the global North), undertaking a specific case study provides additional insight into the details and practicalities of such an analysis. New Zealand has been chosen as a suitable case study for a number of reasons. Firstly, the country has marketed itself as a clean, green country with strong environmental credentials for more than a decade, and therefore has a vested interest in supporting this claim. Secondly, the country has often been progressive on a number of issues, including the early labour movement and the founding of a 40-hour work week, as well as being the first country to enact women’s suffrage and the first to become officially legislated as nuclear-free. Thirdly, lifestyle choice is a common reason why people migrate to New Zealand. A shorter working week could further cement the country’s reputation in these areas, and help to attract highly skilled labour into the country. Ultimately, New Zealand has as many reasons as any to commit to a radical working time policy shift in the direction of sustainability.

The research will be carried out in the following process, in two main parts. The first part will involve an analytical analysis of the working week in New Zealand. It will be based on a policy suggestion for a shorter working week, and investigate what advantages and disadvantages there are for promoting a shorter working week, specifically in regards to sustainability. Basically, it will aim to answer whether a shorter working week would be a desirable policy (and why), as well as question when or whether state intervention is justified. This part of the study will be based on a comprehensive literature review as the primary method of research. It will include the generic studies and reports regarding working time policy and its impact on sustainable development, and also case specific information from within New Zealand in regards to the labour market and work-life balance. If the outcome of this research suggests that working time reductions would be desirable in New Zealand from a sustainability perspective, then a second aspect of research will be undertaken. Part two – to be undertaken over a two month period of research from within New Zealand – will focus on the politics of such a policy proposal, and look for political constraints to its implementation. It will pose the question that if the policy suggestion is desirable from a sustainable development perspective, why is it not being implemented. It will draw on some research from the field of political science and also include the use of semi-structured interviews with politicians and other people with particular knowledge or interest on the issue. A part of this will investigate the policy image – and whether it is a topical issue in the public domain. Together, it is hoped that the combination of analytical and theoretical research along with the case specific political analysis will provide a good insight into the challenges of putting theory into practice.

In summary, the two key research questions from this research design are:

- In regard to sustainability, is there justification for an intervention in working time policy in New Zealand to promote a shorter working week?
• If so, then what are the political constraints to implementing such a policy, and why is it not being implemented?

1.2.3. Literature Review

As will be outlined below, the justification for a shorter working week is firmly (although not exclusively) grounded in the field of ecological economics, and more specifically, steady-state economics. This field has been developed over several decades, but has gained more attention in recent years, notably since the UK Sustainability Advisor Tim Jackson issued his report (and subsequent book) to the British Government, titled *Prosperity without Growth*. A shorter working week was among the proposals to help regulate growth. A comprehensive study on the working week followed in 2010, with a report from the British think-tank the ‘new economics foundation’ (nef, sic) titled *21 hours*, and a separate report titled *Enough is Enough* from the Centre for the Advancement of the Steady State Economy. From outside the field of ecological economics, Jeremy Rifkin created some debate with his book titled *The End of Work* in 1995, which promoted the idea that automation was now replacing jobs far quicker than they can be created. This was followed in 2000 by a useful anthology on working time policy, titled *Working Time: International Trends, theory and policy perspectives*. The OECD also published a comparative policy brief in 2004 titled *Clocking in and Clocking out: Recent Trends in Working Hours*, along with regular reports on trends, comparisons and statistics from the labour market.

From within New Zealand, the most important references come from various government departments. The Department of Labour issued two reports in 2008, titled *Work-life balance and flexibility in New Zealand* and *Working Long Hours in New Zealand*. The former looks at attitudes to work and leisure while the latter one studies the numbers of people working 50 hours or more. From the Ministry of Social Development, *The Social Report 2010* provides a broad picture of social development including a section on paid work, and Statistics New Zealand is a useful source for the latest statistical information.

1.2.4. Limitations to the Study

As can be seen above, the purpose of this thesis is to examine the benefits and costs of a shorter working week in New Zealand, and then investigate what the political barriers are to such a policy proposal. There are many different policies and methods for bringing about a shorter working week, depending on the key objectives for the reduction. This study does not aim to prescribe the optimum number of hours that should be worked, or what policies or laws should be used to reach such an objective. For such policies to be successful, careful planning and modelling would be required by a team of inter-disciplinary experts, and ultimately the objectives must be set through democratic means, including consultation with the public and industry.

Secondly, much of the theoretical basis for shorter working hours rests on the assumption of increasing labour productivity, as has been the trend throughout the last century or more. This is partly a result of technological development, but also partly due to an increasing supply of primary energy, predominantly from fossil fuels. With possible constraints from both the source of energy supply (‘Peak Oil’) and of the capacity of the atmosphere to safely absorb the resulting emissions, it is possible that the trend in productivity could ultimately reverse in the future. Put another way, if the price of energy drastically increases, the demand for labour may also begin to increase. Were this to happen, a re-evaluation of the results would be required.
2. A Sustainable Working Week for New Zealand

2.1. Defining Sustainable Development
The idea of sustainable development first spread through the public domain after the publication of the Report of the World Commission on Environment and Development: Our Common Future in 1987. They defined sustainable development as ‘development that meets the needs of the present, without compromising the ability of future generations to meet their own needs’. From this definition, various models of sustainable development have been devised. Perhaps the most common of these shows the interlinked ‘three pillars’ of sustainable development, namely the environment, society and economy. This is shown on the left side of Figure 1 below. However, this has been criticised for not illustrating the limits inherent in the biosphere of the earth. In this model, sustainability can be achieved in the quadrant where the three pillars intersect, but the relative size of the three spheres is irrelevant. A more realistic model is shown on the right below, which shows the finite biosphere enclosing society which in turn contains an embedded economy. It recognises that society is only a subset of the environment, and the economy is subset of society. Here, there are limits to the size in which the economy (or society) can grow, and hence this ultimately requires a steady-state (non-growing) economy.

Figure 1 - Two models of sustainable development: The traditional weak sustainability model on the left and the strong sustainability model on the right

The term ‘sustainable development is used and defined in many different contexts, by NGO’s and businesses, governments and academics. It is not surprising the definitions are shaped to meet the needs of the user. For governments and businesses, economic growth is normally beneficial; to help expand markets, profits and to please the voting public with growing material wellbeing. However, both businesses and governments tend to have short term interests – keeping shareholders and voters happy – whereas sustainability has a long-term (or nearly infinite) requirement for providing wellbeing in the future. When the long term is accounted for, it is logical that a steady-state is the only sustainable scenario. The economy can grow in the short term, to improve the material

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11 WCED 1987, p. 27
12 Daly 1996, p. 1-26
13 SANZ 2009, p. 8
wellbeing of society, but not beyond the limits of society or the supporting environment. With the Earth's ecological footprint now beyond the Earth's carrying capacity by some 50%, it is clear that the first world has at least reached, if not exceeded these limits.\textsuperscript{14}

Ultimately, it is a question of irreversibility and substitutability. The traditional model assumes that natural capital can be substituted with (exchanged for) social or financial capital and that as long as the total is increasing, then this is sustainable (also known as the 'weak sustainability' model). This is because it is assumed that in the future, if need be, financial or social capital could be converted back into natural capital as needs require. However, this ignores the problem of irreversibility and that in many cases, when natural capital is depleted, it cannot be recovered (biodiversity loss, soil erosion, fossil fuel consumption). Because of this, a 'strong sustainability' model that requires the maintenance of natural capital is a better and more accurate representation of the goals of sustainable development.

2.2. Defining 'Work' and the 'Working Week'

The concept of work has become synonymous with what is more accurately described as paid work. When used in everyday language, we would seldom say that we are working tomorrow if we were going to be undertaking unpaid housework or gardening, or even volunteering. Yet the reality is that work can have a much broader meaning, and likewise, it can be done for a variety of purposes. Often it will be socially beneficial; however, arguably an increasing amount of our modern, industrial work may have socially (or environmentally) negative consequences. Similarly, there is usually a clear distinction made between work and leisure. In this context, work is not expected to bring us wellbeing (or utility), only to earn us the money that provides us the ability to consume, from which we obtain wellbeing. The reality is less again clear cut. Many people enjoy the work or jobs that they perform, and it is an important part of their social life. It is thus important to define here what is meant by work, and the 'working week', for understanding the discussions around it.

Within this thesis, unless otherwise stated, 'work' means formal, paid work. This includes working as an employee, but also working for profit, such as the self employed or a small-scale farm owner. The 'working week' provides a common term to describe the average length of the working week. However, the term is used loosely, more accurately referring to the total (aggregate) amount of time spent in paid work. In this respect, a reduction in the 'working week' could be achieved in a variety of ways, depending on the desired outcome. Measures to reduce the working week could include fewer hours per day, fewer working days per week, more annual leave per year, more time in education and training, more sabbatical leave, more parental leave or a shorter career. In other words, some proposals would not necessarily reduce the normal working week, but would result in a reduced amount of time spent working. Thus, unless otherwise stated, a shorter 'working week' refers to reducing the average amount of time per week in paid work across the population as a whole.

\textsuperscript{14} WWF 2010, p. 8. Note that limits can be either relative or absolute. The size of the biosphere is absolute, at least until humans can successfully colonize space. Other limits, such as the relative size of society or the economy can adjust depending on technology, political organization and so on. If we can produce and consume goods and services in the economy more efficiently, the economy's limits can be expanded, but this does not remove the ultimate limit to the size of the biosphere.
2.3. The Economic Fundamentals

When studied in depth, the economics of working time policy are naturally complex. There are many interlinked relationships within a wide system, where changes in working time can lead to changes in a whole multitude of other measures: output, productivity, economic growth, wage rates, inflation, employment, costs of labour, etc. This thesis does not aim to accurately describe the details of the economics, but understanding the broader relationships is nonetheless important. At this high level, the economics becomes far less complex. Ultimately, economics is about production or output (measured by GDP or GNP). Output (Y) can be described by an aggregate production function, which in its simplest of forms is a function of labour (L) and capital (K). This is written:

\[ Y = f(K,L) \]

The capital component is simply the current combination of all types of capital including for example natural (land, energy), physical (machinery, infrastructure) and human (skills, knowledge). If we focus on the component of aggregate labour (L), then the current state of capital can be considered as equivalent to the productivity of labour (P_L) at any given time. This can be described as;

\[ Y = P_L * L \]

Or written as;

Production = Labour Productivity * Labour

The aggregate labour can be further divided as the sum of the number of workers in the workforce and the average hours worked per unit of labour. This can be written as;

Labour (Aggregate) = Number of Workers * Average Hours Worked

In a free market economy, aggregate production (or supply) is tightly linked to the aggregate consumption (or demand) of the economy, maintained in a state of equilibrium. If aggregate demand falls, as it does during a recession for example, firms will generally need to reduce their output. Because the labour productivity is relatively stable (due to earlier investments in capital and technology), this normally requires a reduction in their use of labour. In other words, unemployment rises. In order to counter this, governments try to stimulate consumption during a recession, through extra government spending, and reduce spending during periods of economic expansion. However, the general trend in productivity over the past several centuries of industrialisation has been increasing, as new technology allows for more production for each unit of labour. An increase in labour productivity ultimately provides two options: either increase the output, or reduce the total amount of labour (or a combination of both). In the early days of industrialisation, productivity gains were split between the two, as the working hours were reduced towards an eight-hour day, while consumption also became increasingly affordable. Our current working hours are in general (at least for most of the developed world) far shorter than they were in the 19th century. In recent decades however, there has been very little change in the average hours worked, and possibly even a reversal of the trend. In order to maintain a relatively low unemployment rate, a rapidly increasing level of consumption is required. In summary, increasing consumption is required to maintain employment in our current economic model.

\[ ^{15} \text{Bosch 2000, p. 178} \]
\[ ^{16} \text{Schor 2005, p. 41} \]
2.3.1. Steady State Economics

If continuing consumption is required as a means to maintain employment (and hence social and economic stability) it is clear that there is a conflict between the economy and environment. In a strong sustainability model, this conflict should not exist. The economy should be helping society to function and flourish, while society should be protecting the supporting environment for the sake of long term wellbeing. A steady state economy, as envisioned by the economist Herman Daly, would function differently. In a steady state economy, a constant stock of physical capital would be maintained, along with a stable population. The throughput in this economy is used to maintain the stock of physical capital. Throughput is essentially the same as consumption in the current model (GDP), yet opposite to the current convention, throughput is considered as a cost rather than a benefit. This makes sense, since throughput requires an extraction of resources from the biosphere and a depositing of waste in return, both with corresponding environmental impacts. Efficiency within this system has a whole new meaning, measured by the ratio of services provided to us (satisfaction of wants from the stock of capital) against the cost incurred (the throughput). This is described by Daly as:

\[
\text{Total Efficiency} = \frac{\text{Services}}{\text{Throughput}} = \frac{\text{Services}}{\text{Stock}} \times \frac{\text{Stock}}{\text{Throughput}}
\]

In this model, there are two components of efficiency. Firstly, services (or the satisfaction of wants) are to be maximised from a constant stock of capital, and secondly, this stock of capital is to be maintained with as little economic throughput as possible. The first form could be summarised as choosing the right types of physical capital to provide wellbeing, while the second form is about maximising quality, to make the physical capital last as long as possible with less maintenance. This is clearly vastly different from our current economy where obsolescence is planned and maintenance is often prohibitively expensive.

The Canadian economist Peter Victor has modelled the Canadian economy in some detail, and found that a steady state economy can function, if implemented with a combination of various factors. One of them is that people work less to compensate for productivity improvements. The models demonstrate that a number of objectives can be met, including the reductions of greenhouse gas emissions, government debt, poverty, and unemployment.

Reducing the working week does not require a steady state economy. Rather, a steady state economy most likely requires a shorter working week. Regardless, there are many benefits of it, even within our current economic model (as will soon be outlined). This thesis does not set out to argue in favour of a steady state economy, however in recognising economic limits within the definition of sustainability, it inherently argues against unending economic growth for the developed economies. The steady state economic model simply shows that other systems are possible, and that a shorter working week would likely be required in such a model. It also helps to show the link between production, consumption, and work. We work more to produce more to consume more in a continuous upward spiral, and conversely, spend more to stimulate production to create jobs.

17 Daly 1974 p. 156
18 Ibid., p. 158
19 In line with more modern terminology, ‘services’ could here be substituted with ‘wellbeing’, while ‘throughput’ could be substituted with ‘ecological footprint’. This is in fact the measures used for the ‘Happy Planet Index’ which is also essentially a measure of efficiency – maximizing benefit while minimizing cost.
20 O’Neill et al. 2010 p. 37
2.3.2. Labour Supply and 'Overwork'

If policy is to be aimed at limiting working hours, we must consider why people work as they do, and whether it is fair to interfere. So far, the macroeconomics has been briefly discussed. Now, a look at the possible reasons why people may be working long hours will be made. The implications will help to justify whether policy-driven reductions are warranted, depending on whether people choose to work as they do, or whether they are unable to work the exact number of hours that they please. Why for example has rising prosperity not led to shorter working hours through simple market forces? Consuming takes time (a scarce commodity) so it is logical that as we have more to spend, this would be balanced by an increased demand for leisure time. Various hypotheses have been proposed in regards to labour supply; three prominent alternative possibilities are outlined by David George. They are 'the minimalist explanation', the 'work-and-spend' explanation, and the 'spend-and-work' explanation. Each will briefly be summarised below.

The minimalist explanation questions the shape of the labour supply curve and the assumption that people would choose shorter hours as their wages rise. It is possible that as people earn more, the relative cost of leisure also increases. In other words, to take extra time off from work now requires a larger sacrifice of wages than previously, while the actual work and leisure remains unchanged. This effect could mean that the labour supply curve is near vertical, or even positive (refer to Figure 2 below). However, a second hypothesis is that regardless of the shape of the labour supply curve, the hours worked may often be to the right of the individual curve – that is that people work more than they would freely choose at any given wage. This, according to the work of Juliet Schor, is due to the rising power of employer over employee in recent decades. If workers have not been free to reduce their hours as they please (due to risk of discrimination, layoff etc), then the result is a larger than desired income, and subsequent consumption above earlier standards, locking the worker into a work-and-spend scenario. The third alternative is that, as marketing and advertising has drastically expanded, people are driven to spend above their means, leading them to work longer hours in order to keep pace with the latest trends. This spending (often done through easily available credit) leads to a shift in the labour supply curve to the right. This is the spend-and-work hypothesis. The difference between this and the former, is that here it is the employee’s own preference to work more, in order to buy more consumer products. Here, it would seem less justified to interfere with an individual’s preference. However, it raises the question of whether this ‘workholism’ is a net loss for society. As with addiction to smoking or drinking alcohol, one may freely chose to smoke or drink as they do, however, the meta-preference would be to consume less, if it were not for the addiction. There may be people whose meta-preference is to spend and work less, but that they are addicted (thanks in part to the power of marketing) to the spend-and-work cycle.

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21 Hill and Myatt 2010, p. 91. This was discussing work from the book The Harried Leisure Class by Staffan Linder (1970). Note that in neoclassical economic theory, consumption is considered to be instantaneous, imposing no time-cost.
22 George 2000, p. 127
23 George 2000, p. 128
24 Ibid., p. 135
It is not easily clear which of the above three factors may be driving people to work longer hours. Surveys and questionnaires can help shed light on this, as will be outlined in section 2.4. It is likely that there are mixes of all three, and differing combinations for differing people. The policy implications are clearly affected. If someone wants to work 60 hours regardless of the pay, then it is difficult to justify interference, unless this excessive work is leading to wider social costs such as poor health or poor parental care. If these 60 hours are due to pressure from the employer against the will of the person, there is clearly a much stronger argument, while if this is due to personal debt and excessive consumption, the boundaries are less clear. These questions will be analysed more in section 2.7.

2.3.3. The ‘Lump of Labour’ Debate

The question over a ‘lump of labour’ has been happening for more than a century. What this refers to is the question of whether there is a total fixed ‘lump’ of work to be done, and hence, in relation to work sharing, whether a reduction in working hours of those already employed will lead to increased employment as others are hired to fill the space. Mainstream economists regularly believe it to be false, labelling it the ‘lump of labour’ fallacy. Arguments for this can include for example that with shorter hours, the cost of labour will rise (due to fixed costs of labour), and therefore firms will either substitute labour with more capital (machines) where possible, or that overall output will simply decline. In this line of reasoning, there is no case for working time reductions if the goal is to reduce unemployment through work sharing because it will not succeed (it could however still achieve other goals). Other arguments are made that productivity may increase as workers are better rested and more productive, in which case output would be maintained with fewer workers, but again without reducing unemployment. These issues are clearly important if working time reductions are to be considered. There is no shortage of studies on the matter, but to accurately measure the effects of policy on employment is decidedly difficult. Gerhard Bosch analysed a wide range of examples from across Europe, and found that the way that policy is implemented is important in determining the effects on employment. This can include for example, providing adequate time and training to minimise the risk of skills shortages (and hence overtime for those with the skills), and

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25 Source: Author
26 Walker 2000, p. 200
27 Ibid., 197-198
28 Bosch 2000, p. 180
government policy to minimise the fixed costs of labour and provide incentives for hiring extra workers. Most of the studies reviewed by Bosch conclude that working time reductions increase employment by 25-70% of the arithmetically possible figure. In other words, while total labour cannot simply be shared out to achieve full employment, a carefully planned reduction in working hours can have positive effects on employment and is far from a lump of labour ‘fallacy’.

2.4. Working Time in New Zealand
In this section, it is aimed to provide an outline of the New Zealand labour trends and statistics, including a comparison with other developed nations. This will in turn, allow for a more critical analysis of what is possible or beneficial for New Zealand to implement in terms of working time policy. As mentioned earlier, New Zealand was arguably the first nation in the world to implement a 40-hour working week. By 1857 this had become the norm, many decades earlier than most of the industrialising world. While the nature of work has changed through time (from extended factory operations and trading hours to the emergence of mobile phones and 24-hour internet access to work), the 40-hour week remains the standard in New Zealand. The importance of a work-life balance has been recognised in recent years. In 2003, the government initiated the Work-Life Balance Programme which aims to promote better balance between paid work and life outside of work. Recent legislation has helped to increase the use of flexible working arrangements and also increased the paid annual leave entitlements to four weeks (previously three). While greater flexibility at work is similar in its goals to the social goals of a shortened workweek (outlined below), it does not aim to reduce the amount of production. The additional week of holiday per year will likely have a small impact on the overall level of work, but it is nonetheless a small and one-off policy that falls far short of the proposals of this thesis for a reduced working week.

![Figure 3 - Average Annual Hours Worked per Worker (1980 - 2009) for a selection of developed (OECD) Countries](image)

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<tr>
<td>Hours Worked per Annum</td>
<td>3000</td>
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Korea | United States | OECD Ave | New Zealand | Sweden | Netherlands

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29 Ibid., p. 182-185
30 Ibid., p. 180
31 Department of Labour 2008a, p. 6
33 Source: Author, utilizing data from OECD Stats Extracts
New Zealand is a developed country and member of the OECD. The largest export industries are agriculture (particularly dairy and meat), while tourism is another main export earner. The GDP per capita is US$29,097 (2009) which is less than the OECD average of US$34,534.\textsuperscript{34} Australia is both New Zealand’s main trading partner and key competitor in many sectors, and stands well ahead in this regard, on US$39,660. Workers in New Zealand worked an average of 1,729 hours in 2009. This has been falling in the most recent years and has in fact now fallen to just below the OECD average.\textsuperscript{35} As can be seen from Figure 3, the trend over the past three decades for New Zealand and the OECD in general has been relatively stable. Korea still works the longest hours in the OECD despite a rapid decline, while the Netherlands work the fewest hours in a year. Although it may not appear significant, the difference between New Zealand and the Netherlands is equivalent to almost nine weeks additional holiday in a year. However, these figures are averaged per worker and are influenced by changes in the labour market, and thus do not necessarily equate to fewer hours per capita. In New Zealand, both the employment rate (percentage of the workforce employed in paid work), and the amount of part time workers were at or near record high rates during this period.\textsuperscript{36} Between 1970 and 2002, New Zealand’s hours worked per capita actually increased by more than 15%.\textsuperscript{37} The unemployment rate has remained fairly low in recent years although has increased since the economic recession of 2008-2009. In December 2009, the unemployment rate was at 6.1% of the workforce, the 11th lowest of the 30 OECD countries.\textsuperscript{38} This has since risen to 6.6% (March 2011).\textsuperscript{39} Unlike various other countries, New Zealand has no legislation requiring overtime to be paid after a certain number of hours. Rather, individual contracts may stipulate if and when overtime will be paid. The minimum wage is currently set at NZ$13 per hour (equivalent to about US$10.50 per hour or US$21,840 per annum). As a general summary, New Zealand can be considered a fairly average country in the OECD in terms of economic production and working hours, although the labour productivity per hour of work is well below that of the US and Australia, possibly partly a result of the country’s success in maintaining low unemployment through low-wage but labour intensive sectors such as tourism.\textsuperscript{40}

Turning now to the questions of overwork and satisfaction with the work-life balance, which are clearly relevant to working time policy. The Department of Labour analysed the 2006 census data to evaluate how many people are working long hours (being defined as 50 hours or more each week). The results showed that 22% worked long hours (415,641 people), and more than 29% of full-time workers.\textsuperscript{41} Men are far more likely to be working long hours, and proportionally, highly educated people are more likely, although in absolute numbers, lower or unqualified workers are the more plentiful. 16.3% of male full time workers work 60 hours or more.\textsuperscript{42} Those are the figures, but they give little indication of whether people want to work such long hours. As of 2008, 32% of workers were ‘very satisfied’ with their work-life balance and a further 46% were ‘satisfied’ (a total of 78%).\textsuperscript{43}

\textsuperscript{35} Ibid.
\textsuperscript{36} Ministry of Social Development 2010, p. 52-53
\textsuperscript{37} OECD 2004, p. 5-6. More recent figures for per capita work could not be found
\textsuperscript{38} Ministry of Social Development 2010, p. 50
\textsuperscript{39} Statistics New Zealand;
\textsuperscript{40} Department of Labour 2008b, p. 10-11
\textsuperscript{41} Department of Labour 2008c, p. 1
\textsuperscript{42} Ibid., p. 4
\textsuperscript{43} Ministry of Social Development 2010, p. 58
However, these numbers are for all employed people, yet satisfaction is higher among part-time workers. For example the combined total for full time workers between the ages of 35-44 for example is only 71%. Interestingly, full time workers on incomes of less than $30,000 were more likely to be satisfied than those on incomes of over $70,000.\textsuperscript{44} It could also be questioned whether being simply ‘satisfied’ and not ‘very satisfied’ is good enough – with complete flexibility and personal sovereignty ‘very satisfied’ would be expected. A separate study of employees, asking them to rate their work-life balance (from one (poor) to six (excellent)), found an average score of 4.25, but that people were less positive about how easy it is to ‘get the balance right’ – an average of 3.89.\textsuperscript{45} An earlier study from 2006 provides some further interesting results. Among the findings were that 39% of workers regularly work extra hours in their own time.\textsuperscript{46} 28% - more than a quarter of workers – said they would prefer to work fewer hours, even if it meant earning less money.\textsuperscript{47} The most common reasons were to have more leisure time, or more time with family. For people working 50 or more hours, there was a significant jump in the occurrence of work-life conflict, and they were also the most likely to say they would prefer to work fewer hours.\textsuperscript{48} Another interesting observation is that teachers, nurses, and police – usually state employed – have the lowest scores for work-life balance.\textsuperscript{49}

There are certain trends that will alter the labour force in the near future. One of the key trends in New Zealand (as well as other developed economies) is an ageing population. By 2020, there is expected to be an extra 50% of workers aged 55 and over, including a growing number of people working beyond the traditional retirement age of 65.\textsuperscript{50} This will mean that one-in-four workers will be 55 or older. The New Zealand labour market will continue to become increasingly interconnected with the global market, with an unknown impact on jobs and employment; the effective global labour supply has grown extremely rapidly in recent decades, particularly as China has entered the global market. The IMF expects that this will continue to increase labour productivity in industrialised nations.\textsuperscript{51} Resource constraints and climate change (mitigation and adaption) are also likely to impact on the labour market in the coming decade, although exactly what impact they will have is still unknown.\textsuperscript{52}

These studies have provided many statistics, yet few indicate what the effects are on workers and their families. One study by the New Zealand Council of Trade Unions aimed to fill this gap, through a range of qualitative interviews with workers and their families. For almost all workers, working hours were a major issue. The report noted that “almost all of those who regularly worked more than 45 hours per week regarded these hours as long, unreasonable, and with significant negative effects on their own lives, and the lives of their families”.\textsuperscript{53} While some were paid overtime, others were motivated through commitment to the job, pressure from an employer, understaffing or a combination of these. The evidence suggests that although in some cases people may be working hard completely by free will and without problem, there are many who do so because of the actions taken by the employer.

\textsuperscript{44} Ibid., p. 59
\textsuperscript{45} Department of Labour 2006a, p. 7
\textsuperscript{46} Department of Labour 2006, p12
\textsuperscript{47} Ibid., p. 12
\textsuperscript{48} Ibid., p. 17
\textsuperscript{49} Ibid., p. 23
\textsuperscript{50} Department of Labour 2008b, p. 6
\textsuperscript{51} Ibid., p. 8
\textsuperscript{52} Ibid., p. 16-17
\textsuperscript{53} New Zealand Council of Trade Unions 2002, p. 2
It is true that shorter working times are in part an indicator of prosperity – those who enjoy them must be able to afford them.\(^{54}\) But it can also be argued that the whole of the global North, including New Zealand, has reached that level of prosperity some time ago. To put productivity growth in perspective, New Zealand’s productivity has climbed comparatively slowly in recent decades, at only 1% per annum on average between 1978 and 2010.\(^{55}\) Yet when compounded, this is equivalent to an almost 40% rise. If the country had opted to take all those gains from productivity growth since 1978 as reduced working time (rather than increased production), a 40-hour week would now be equivalent to a 28-hour week today. This shows the potential for working time reduction if we are willing to forgo some of this material prosperity.

2.5. Arguments for a Shorter Working Week

In February 2010, the new economics foundation (nef (sic)) in the UK released a report titled 21 hours, which outlined their vision for a shorter (21-hour) working week.\(^{56}\) This document contains a comprehensive list of the arguments for a shorter working week. Unless noted otherwise, the arguments below are a summary of the arguments from this report. However, the justifications have been rearranged and rewritten in order to put emphasis (or otherwise remove it) where the author sees necessary. It should be noted again that different outcomes would result from different policy objectives. They may not always apply equally – for example, small reductions to increasing employment through work sharing may reduce the ills of unemployment but have few environmental benefits, whereas a drastic reduction in work may above all, benefit the environment through a contraction in consumption.

2.5.1. Environmental

Environmental benefits can come either directly, through a reduced level of production and consumption, or indirectly, through social changes that will allow people to live more sustainably. They focus on the need to live within the capacity of the biosphere, notably a need to decarbonise our economy and rapidly reduce greenhouse gas emissions.

- **Less consumption** – If a shorter work week also leads to a fall in real income then consumption will in turn have to fall, thereby putting less strain on the environment. A reduced working week would ultimately be a substitute for a consumerist society.

- **More time for sustainability** – With more time and a slower pace of life, people would have the ability to make more sustainable choices – for example to bike or walk rather than drive, to shop at farmers markets rather than buying packaged, pre-prepared meals and make or repair more of our own possessions.

- **Reduced energy demand** – Research has shown that a shorter working week can lead to lower energy use.\(^{57}\) Reduced energy consumption in turn results in a reduction in greenhouse gas emissions. Utah implemented a four-day working week in 2008 (for public sector workers) and saved more than 12,000 tons of emissions and 744,000 gallons of petrol.\(^{58}\) A four-day week would be more effective at conserving energy than a shorter working day.

\(^{54}\) Bosch 2000, p. 192


\(^{56}\) nef 2010

\(^{57}\) Rosnick and Weisbrot 2006

\(^{58}\) nef 2010, p. 12
2.5.2. Social

Social benefits provide possibly the strongest justification, in terms of social and community wellbeing. In summary it is based around redistribution – of resources in the global economy, of employment within an economy, and of responsibility between men and women within a household. A shorter working week would lead to a fairer distribution within society, and also a better quality of life.

- **Global Justice** – It is highly questionable that the third world will have space to develop if the first world continues to grow. Emissions cuts become of an unfeasible scale with continued growth. A shorter working week in a non-growing economy would provide more space for third world development.\(^{59}\)

- **Less unemployment** – A fairer distribution of work, thus reducing the stress for those unable to find work (refer to section 2.3.3 on the ‘lump-of labour’). In the first world, the shortage of jobs is becoming a greater problem than the shortage of products.\(^{60}\) Unemployment brings with it a feeling of worthlessness.

- **Better Health** – Long hours of work have been shown to have adverse effects on physical and mental health and wellbeing due to stress, illness and unhealthy lifestyles.\(^{61}\) A reduction in overwork could also result in fewer workplace accidents.

- **Sexual equity** – More flexibility with working time would increase the job opportunities for women of child-bearing age, and also increase the likelihood of men taking a greater role in unpaid work and childcare.

- **Better care** – More time with children and better supervision of youth could lead to wider social benefits (on education, crime etc). It could also provide more time to care for the sick, elderly or disabled. These could entail cost savings to the public and private sectors.

- **Easier retirement** – The shock of retirement could be minimised, where people could work later in life if desired, if the working week was more manageable for the elderly. This would better utilise the human resources (skills, knowledge) of the elderly, but a later retirement would need to be compensated by shorter hours to ensure an increase of lifetime work is avoided.

- **Better democracy** – More time for participation in civil society and to stay informed about the current issues, and in turn campaign and inform people about them. In short, more time for being an active and engaged citizen. Better workplace democracy is another important factor, including the right to have input into the scheduling of work.

- **General Wellbeing** – A shorter working week would allow more time for leisure and relaxation, more time to look after our health, and improve emotional wellbeing from reduced stress and more time for social activities. It has been labelled ‘the convenient truth’ that improved wellbeing may go hand in hand with reduced consumption.\(^{62}\)

2.5.3. Economic

The economic justification is somewhat weaker, but there are still some arguments in favour.

- **Improved productivity** – A better rested workforce can achieve more each hour than an overworked one (for small reductions this could offset the reduced hours, but for larger reductions, output would likely fall). Variation between industries and jobs would be high – for

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\(^{59}\) Jackson 2009, pp. 56-57  
\(^{60}\) O’Neill et al. 2010, p. 80  
\(^{61}\) Figart and Golden 2000, p. 13  
\(^{62}\) O’Neill et al. 2010, p. 81
example, little improvement could be expected in road haulage, but larger potential for office-type jobs.

- **Flexibility for employers** – As well as employees, businesses could benefit from more flexible scheduling, by requesting more hours when needed and fewer when the workload is reduced. Most employers surveyed in New Zealand were positive about the impact of flexible working arrangements when they had been implemented. Reducing hours helped many companies get through the recent economic recession.

- **More training and education** – Less work could leave more time for people to upgrade their skills and education leading to a more dynamic and competitive labour force. This can also combat the risk of skills shortages and job positions being left vacant, which incidentally reduces the pressure for working long hours when firms are understaffed.

- **Attracting international talent** – New Zealand competes on an increasingly globalised labour market. Lifestyle is one of the key attractions for immigration to New Zealand. A short working week could act as a tool for marketing the country, helping to attract highly skilled workers who want to escape high pressure and long hours in other countries.

- **Maintaining consumer purchasing power** – Ensure that a growing income and wealth divide does not erode consumer demand for products produced with fewer hours of labour. In other words, by minimising unemployment, consumer demand can be stimulated in the lower income groups thus minimising the risk of recession (although this risks offsetting some potential environmental gains).

### 2.6. Arguments against a Shorter Working Week

The following cases are arguments that may be made against a shorter working week. Some of the arguments would only be applicable depending on the way that a shorter working week is implemented in practice, and there are ways that some of these arguments can be mitigated or minimised.

#### 2.6.1. Environmental

There are few arguments that could be made against a shorter working week from an environmental perspective. Perhaps an indirect argument could be made through the economic factors, by arguing that economic growth is needed in order to develop better ‘green’ technology, to combat the current environmental challenges. For example, it could be argued that without maximising growth (and labour utilisation), we will fail to develop low carbon technologies needed to mitigate climate change. There is also some possibility that savings from working time reductions (e.g. energy) could be replaced by impact within leisure time (such as more holidays abroad). However, assuming a reduced real income and purchasing power, this is unlikely to be the case.

#### 2.6.2. Social

There are some arguments that could be made against a shorter working week, depending on how it is implemented. Below are some factors that should be considered. It is worth stressing that a

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63 Department of Labour 2008a, p. 22
64 nef 2010, p. 12
65 This was not included in the nef report, but could be a unique opportunity for New Zealand, which already attracts some migrants for lifestyle reasons.
66 Rifkin 1996, p. 229
transition to a shorter working week would best be made incrementally over a decade or more, allowing government to analyse the impacts and adapt policy to minimise the possible costs.67

- **Hardest on the poor** – If fewer hours leads to a reduced real income, then the impact will be hardest on low-income earners, who may already be working long hours in order to meet their costs of living. To minimise this risk, it would best be implemented with measures to counter this, such as a higher minimum wage, or more social services for the poor.

- **Reduced government revenue/spending** – Income tax revenues would fall if workers' income falls, particularly within a progressive income tax system. This would lead to a reduced budget or the need for higher taxes. However, in the longer term, some state expenditure could also fall, for example in childcare subsidies, or through improved health. This risk would need to be carefully managed.

- **Against personal freedom** – Some may argue that preventing people from working hard is an infringement on personal freedom, for those who choose to do so. However, policy would unlikely prevent people from choosing their own hours, but only discourage long hours through making it more costly for employers to utilise overtime. Furthermore, a counter-argument is that the present system restricts people’s freedom to work less when they choose to do so.

### 2.6.3. Economic

Economic factors are likely to make up the bulk of any opposing argument. A globalised market is also by nature a highly competitive market, where becoming uncompetitive risks costing jobs.

- **Reduced material standard of living** – Assuming an overall reduction in output, working less will lead to a reduced material standard of living (GDP per capita). As long as the material standard of living is synonymous with quality of life, this argument will hold strong weight.

- **Higher costs of labour** – With more employees sharing the same amount of work, the fixed costs of labour are likely to increase, making it harder for businesses to remain competitive against foreign firms. The government can minimise this risk by ensuring that any tax payments are made in proportion to hours worked rather than per worker.

- **Less investment** – Related to the above point, it may be perceived that New Zealand has become less business friendly, which may lead to a fall in foreign direct investment or capital flight and in turn lead to a wider economic recession. Ideally, such policies would be pursued multilaterally, however small incremental steps would also limit this risk.

### 2.7. The Case for Intervention

From the above list, the advantages of a reduced working week seem to outweigh the disadvantages. Yet having many advantages for a reduced working week does not in itself provide a case for government intervention in the labour market. It could be argued simply that once people understand the advantages, they will choose to work less, and therefore there is no need for intervention. Essentially, for state intervention to be justified there has to be some form of market failure. I will now consider the above information, and assess what could constitute such a market failure. It is a question of whether one person’s choice to work hard could have negative externalities – costs on society not borne by the individual worker. They could be anything from a larger public burden on health and education to environmental degradation. It is also a question of whether the labour market is fair and competitive, allowing people to choose the hours they desire, and whether a free market leads to a socially efficient outcome. It is worth noting here that experience has shown

67 nef 2010, p. 26
that shorter working times are unlikely to come about automatically. In countries in which the labour market has been deregulated and income inequalities have increased, working time has become longer.⁶⁸

We can begin with a look back in history, to show that regulation of the labour market is not a new idea. Karl Marx was perhaps the first to provide a detailed critique of capitalism and its consequences for the labour market. Marx argued that capital had a natural tendency to overstretch the natural and social boundaries of working time, as a means to increase the aggregate supply of labour and maintain a ‘reserve army’ of surplus (profit-producing) labour.⁶⁹ If labour was cheap and abundant, capital would benefit. He saw and predicted that labour would be stretched beyond its natural limits in the short term, thus damaging itself in the long term due to a shortage of time for regeneration, recuperation and reproduction. Capital would impede human development, and encroach on the consumption of fresh air and sunlight. Interestingly he drew a parallel between labour and land, also arguing that short term exploitation of land would be at the cost of long-run sustainability. It was in this light that he suggested that the provision of social protection against an extension of the working day must “take the form of a class struggle, and thereby call forth the intervention of the state power”.⁷⁰

Marx and his communist critique provide only one example. Other similar but more mainstream examples can be found. S. J. Chapman’s analysis in 1909 – known then as “the classical statement on the theory of ‘hours’ in a free market” – had a similar line of reasoning.⁷¹ In his presidential address to the British Association for the Advancement of Science, he made his case that a free market would not lead to the optimal length for either employers or employees. This is because for any employer, a little more working time from each employee would add to the day’s output, but over the longer term would lead to physical and emotional fatigue and thus lower productivity. Yet, if an individual firm maintained the shorter work day with better rested workers (at a short term cost), there is no guarantee that that firm would later reap the benefit, if the worker was attracted away at a slightly higher wage. Thus, finding the optimum would require that all firms act in unison to protect the resource. What he refers to is what today would be termed a case of the ‘tragedy of the commons’. It is remarkably similar in some ways to Marx’ analysis, showing that in the long term, it is in the interests of business to collectively regulate a limit to the working day or working week. He even argued that employees would inaccurately determine their optimum working time, because they would not account for future gains in productivity (and hence wages) from choosing a shorter working day in the present.⁷²

Both these cases for intervention are more than a century old. They are arguably less valid today when our social and legal institutions have shortened our working week from their earlier lengths, yet it provides a valid reminder of the need for these restraints on the free market. It is in fact almost universally accepted that intervention in the labour market is sometimes justified (in the developed world at least). Some examples include the provision of safe working places to protect the health of the workers, the banning of child labour, and legislated minimum wages. Some intervention has targeted working time directly, such as the Ten Hours Act in the UK (1847), or the Fair Labour Standards Act (1938) in the US. But is there a case for more? A market failure occurs if there is a net

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⁶⁸ Bosch 2000, p. 190
⁶⁹ Burkett 2000, pp. 144-150
⁷⁰ Ibid., 151-152. The quote is from Marx’ Capital, Volume I.
⁷¹ Walker 2000, pp. 202-203
⁷² Ibid., p. 204
loss of welfare to society (which must include the welfare of future generations). Unemployment is a type of market failure assuming that the welfare gained through the provision of work is greater than the loss of welfare to others even if they are required to work less against their will. In New Zealand’s case where 28% of workers said they want to work less while presumably a majority of the 6.8% of unemployed workers do want to work, a social gain could be realised on both sides of the equation were that work able to be allocated more evenly. Having a large segment of workers feeling overworked and wanting to work less is surely a sign of market failure and one case for intervention. In fact this unemployment could be considered more than just a market failure; it is arguably a breach of human rights. Article 23 of The Universal Declaration of Human Rights states that: “Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment.” If the hard work of some leads to increasing difficulty for others to find employment, then action to protect this human right should be taken. While free market ideology rests on a belief in individual freedom, it appears that in this case, there is a lack of personal choice for the employee, who is often restricted in their choice of hours, working more than they would in a truly competitive market. Juliet Schor interprets the stabilisation or even rising trend of working hours as a market failure. She believes that “across the OECD, we may be replicating the type of market failure that characterised the mid-nineteenth century and that led to collective interventions to reduce hours. In the current period, however, the adverse consequences are not merely overworked employees, but also ecological degradation”. She rightly links our long working hours to the environmental limits that have or are being crossed. Climate change for example has been labelled as ‘the greatest market failure the world has seen’. If our long working hours are contributing to it, then they also share a part of that market failure. If a reduction in working hours for the current generation leads to some loss of welfare, this will be far exceeded by the gain in welfare for subsequent generations who will suffer fewer consequences from environmental degradation.

What I suggest is happening is a transformation of collective work from a public good to a common pool resource. A public good is one in which someone else’s actions have no impact on others – they are non-rival and non-excludable. In the past, as the world began to industrialise, there was no shortage or limit to the work available. If one person worked harder, it did not impact on others who, as the economy grew, could also work as they please. It was an ‘empty’ world with space for economic growth. As the limits to growth are approached (or reached) the boundaries on work become increasingly tightened. The implications of this shift from public good to common pool resource are significant. For a public good, there is no risk of overuse, and therefore no need for government intervention. Without legal, social or cultural institutions to protect them, common pool resources in a free market suffer from over-exploitation. Current social and cultural institutions are not suited to limit the amount of work; quite the opposite, the traditional ‘protestant work ethic’ promotes hard work and frowns upon excessive leisure. It is a classic example of an impending tragedy of the commons situation. As work becomes scarcer, individuals are likely to work more, to safeguard themselves against the threat of unemployment and financial insecurity, leading to a net welfare loss to society. The result could either be an excess of production and consumption to unsustainable levels, a growing level or unemployment, or a combination of both. If this hypothesis is correct, then hard work (long hours) can have a negative externality on society, and government

74 Schor 2005, p. 43
75 By Sir Nicolas Stern in the Stern Review on the economics of climate change
intervention is required to ensure a scarce resource is shared fairly, and to protect against 'over-exploitation' and subsequent ecological decline.

3. Political Analysis

3.1. Understanding Policy Change

To begin with, I will briefly outline a theoretical framework for understanding policy change, drawing on two often cited theories from the field of political science. The first is Paul Sabatier's 'advocacy coalition framework for policy change'. His framework has three basic premises: firstly, that policy change through policy-oriented learning requires a time perspective of at least a decade. Secondly, that policy change should be studied as a 'policy subsystem'. That is, it is not due to any specific government institution but rather a variety of actors and organisations that have concern for a policy issue. Thirdly, a policy can be conceptualised in the same manner as a belief system – a set of values and causal assumptions about how the world works. This belief structure has three layers – a 'Deep Core' (a fundamental philosophy or axiom applied across all policy areas), a 'Near Core' (a policy position or a means to achieving the higher goals of the deep core), and finally a set of Secondary Aspects – decisions or instruments relating only to the policy subsystem. The first (deep core) is very resistant to change, while secondary aspects can be given up easily if deemed beneficial to the policy core. Sabatier proposed that policy change can be understood as a result of two processes: the efforts of 'advocacy coalitions' (like-minded groups or individuals) within a policy subsystem to implement policy aimed at realizing the core objectives, and secondly, external changes in socio-economic conditions. Although it is challenging to summarise in such a short space, a key hypothesis of this theory is that the core beliefs of a coalition are unlikely to be abandoned in the absence of significant external changes from outside the policy subsystem.

This does not yet touch on the place of public opinion and its role in problem formulation and subsequent policy action. Baumgartner and Jones utilise the notion of a 'policy image' – relating to the way that policies are discussed in the public and media. They believe the expansion of conflict within a policy area often involves the mass public, but that it is not always necessary. In studying nuclear power policy in the US, they found that public attitudes in fact responded to elite activity. Yet they hypothesise also that policy subsystems may be created on ‘a wave of popular enthusiasm’ leading policy elites to structure institutions to allow greatest influence for policy experts. Following its creation, policy subsystems may also shift venue to include wider or new interest groups when the policy image is characterised by increasingly negative attention. Policy image can thus play an important role in creating and altering a policy debate. It almost goes without saying, that there is unlikely to be any policy subsystem without any prior problem formulation. If no ‘action coalition’ perceives a problem with the current situation, then there is no conflict, and no need for a policy subsystem to necessarily be formed. These concepts will be used, as an investigation into the public debate in New Zealand is made, along with an analysis of the views of the main political parties in parliament and other potential stakeholders. Following this, the possibilities of policy change will be discussed. But to begin with, I will assess whether the policy proposal is a topical one in New Zealand.

76 Sabatier 1988, p. 131
77 Ibid., p. 145, 158
78 Ibid., p. 148
79 Baumgartner and Jones 1991, p.1067
80 Ibid., p. 1052
3.2. Investigating the Policy Image

To aid with this task, a review of the news websites and related published literature has been carried out and interviews conducted, aimed at addressing whether the 40-hour working week is up for debate. A workshop organised by the Sustainable Futures Institute was also attended, where participants helped in developing alternative visions for New Zealand and an interview was conducted with Roger Tweedy, who has been active in raising these issues for some time. On top of this, over a two month period of research in New Zealand, many casual conversations were informally carried out, with friends, relatives and members of the public.

Roger Tweedy (chairperson of the Work and Age Trust) has been actively promoting discussion on the future challenges relating to work and the need to increase flexibility. This has been over a period of many years – by way of submissions, reports and presentations – but he has been frustrated by the lack of serious consideration by politicians and government departments. He has a particular focus on the aging workforce, but recognises other forthcoming challenges such as the loss of jobs to technology and the difficulties in maintaining low unemployment. He asserts that political parties appear to avoid discussions on the topic and also that there are few others raising the issue. There is very little discussion on the issue. His comments do much to suggest that for all practical purposes, the ‘normal’ five-day, 40-hour work week has not been actively questioned or debated within New Zealand over recent years.

To help validate this, internet searches were carried out in two locations: on Google and on Stuff.co.nz – New Zealand’s main online news publication website. Search results were scanned to look for news, policy, blog, or other related search results specific to New Zealand. Most hits that were found were news articles centred on certain events, reports, or political discussions; but in general, very few directly related hits were found. The most relevant and comprehensive article dates back to October 2007, around the time of the proposed Flexible Working Hours Bill from the Green Party, and also coinciding with the Labour Day public holiday. The article, titled ‘New laws could limit the working week’, provided differing political views from the various parties, as well as giving some historical background and relevant statistics of working time in New Zealand. In 2009, various articles relate to government and business proposals to temporarily reduce the working week as a means to avoid laying-off staff during the global financial crisis. This followed from a ‘Jobs Summit’ where the government-led forum developed a proposal to subsidise wages to compensate for lost income from switching to a shorter working week. Uptake of the scheme appears to have been small. A similar example describes how 50 workers from one firm voluntarily took a 20% pay-cut to go to a four-day working week during the recession to avoid redundancies. In November 2010, an article titled ‘Key to happiness is a shorter working week’ refers to the publication of a report by the Australia Institute on the mismatch between overwork and unemployment. Aside from this and in the less formal sphere, Etch – an “online business and lifestyle magazine for young

81 Interview (and subsequent email correspondence) with Roger Tweedy, 31/03/2011
82 Terms searched include ‘Shorter working week NZ’, ‘Less work NZ’, ‘work less NZ’ ‘4 day work week NZ’ ‘35 hour work week NZ’ ‘Shorter working hours NZ’ plus similar terms using ‘New Zealand’ in place of ‘NZ’
business owners and entrepreneurs in New Zealand” – posted a detailed note on their facebook site in support of a four-day week. One other site, an Australasian energy website which focuses on energy issues discussed the implications for energy and a four-day week, linking energy conservation with the shorter week in an interesting blog.

On the 30th and 31st March, a two-day ‘Future Strategy NZ’ workshop was hosted by the Sustainable Futures Institute of New Zealand. The workshop was attended by approximately 120 participants from various backgrounds, age groups and political ideologies. The first morning was dedicated to ‘setting the context’ and outlining the challenges ahead. The afternoon and second morning were for groups (of about 12 people) to brainstorm and develop visions and strategies for the future of New Zealand. This was followed by presentations from each group. Two of the speakers in the morning session referred to related topics, although neither directly pointing towards a shorter week. The first was Sir Paul Callaghan in the opening address, who referred to New Zealanders’ long working hours and low income (relative to the OECD), but he then focused on the need to specialise in high-wage industries (i.e. increase the labour productivity). The implication was that New Zealanders work hard because of low wages, and that higher wages would be the solution. The second was Dennis Bushnell from NASA, who raised the issue of the ‘missing jobs’ as technology increasingly replaces human labour, along with the social and economic challenges that this will create – a similar warning to that sounded by Jeremy Rifkin in The End of Work. In a short space for questions from the audience, Roger Tweedy built on these two points and initiated some further discussion, noting the challenges of the aging workforce. However, in the presentations of each groups’ vision and strategy map on the second day, none explicitly outlined any changes to the working week norms of the present (whether it was discussed in the brainstorming sessions cannot be known). In other words, every groups’ visions (for 2058), saw a work week much the same as that of the present. This is further evidence that within the general public conscience – even at a conference for sustainable futures - there is little evidence of any real evaluation of the ‘normal’ working week.

It should appear clear from the above examples that related news and discussions are few and far between and normally only indirectly related to the idea of intentionally reducing the working week. It can be concluded with some assurance that discussions directly relating to altering the standard working week are uncommon. In other words, it is not so much a question of a positive or negative policy image, but rather an all-round absence of such a policy image. There is much debate, and even political action taking place on the verges of the topic, but none could be said to have working time reduction as a central aim.

3.3. Investigating the Party Politics
A lack of policy image does not indicate an absence of a policy subsystem. As was mentioned earlier, public opinion can at times follow actions from policy elites. Thus, an analysis of the political parties and their views was undertaken. Interviews were requested with members of the main political parties (for a full list of interviewees, see the ‘References’ section). Party websites and media releases were also searched prior to interviews to search for written policy statements on this or related issues. This section outlines the results of these investigations. As well as the political parties, the unions – more specifically the New Zealand Council of Trade Unions (NZCTU) – was recognised as being of central importance in the issues surrounding working time, and wider working

88 The Oil Drum; [http://anz.theoildrum.com/node/5152] [accessed 28/04/2011]
89 For information on the conference, speakers and outcomes, visit; [www.strategynzsite.info]
conditions. For this reason, an interview was also arranged with them to assess the unions’ position on the proposal.

New Zealand underwent major political reforms in 1996 when the country introduced a mixed member proportional (MMP) electoral system, creating coalition governments for the first time. Elections are held in three year cycles, with the last election taking place in November 2008. Seats in parliament are allocated among the parties that have met a minimum threshold (5%) or who have had a representative elected directly through an electorate. There are a total of 70 electorates, - including seven Maori electorates reserved for Maori voters only. Following the election, negotiations are held between the parties in parliament in order to form a coalition government (in the absence of an outright majority). For the majority of the last century, politics has been dominated by two main parties: the National Party and the Labour Party. Labour-led coalitions led the country for three electoral periods from 1999-2008, but subsequently lost power to the current National-led coalition. The results of the 2008 general elections (percentage of party vote, followed by seats in parliament in brackets) are as follows:

- National Party – 44.9% (58 seats – 41 from electorates and 17 from party list)
- Labour Party – 34.0% (43 seats – 21 from electorates and 22 from party list)
- Green Party – 6.7% (9 seats – all from party list)
- Act Party – 3.7% (5 seats – 1 from an electorate and 4 from party list)
- Maori Party – 2.4% (5 seats – all from electorates)
- Other Parties – 7.8% (2 seats – both from electorates)

Of these parties, National and Act are right of the political spectrum, while Labour and the Green Party are left of the political spectrum. The Maori Party cannot easily be categorised as right or left. They have in the past formed coalition agreements with the Labour Party, however they have since formed a ‘confidence and supply agreement’ with the current National-led coalition. Following the 2008 election, as no party gained an absolute majority National entered into negotiations with the other parties, and formed a minority government with Act, the Maori Party and the one member from United Future.

The Act Party:
The Act Party is well known for its free market approach to economy and society. Their Employment Policy provides a useful indication as to their position on a proposal for a shorter working week. The blame for unemployment is laid on bad regulations and state interventions including minimum wage barriers, high progressive tax rates and lenient welfare policies for the unemployed. ‘Freedom’ is a key principle, namely that “the freedom to offer one’s labour as one sees fit is a fundamental right”. Keeping in mind that the promotion of a shorter working week would inherently require various state interventions, including a more egalitarian income range, it is to be expected that Act would not support such a policy. However, an interview was conducted with the Member of Parliament (MP) Heater Roy, who holds the labour portfolio for the Act Party, to further assess the Party’s reasoning. She confirmed that it is generally assumed within the party that the current 40-

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90 For example, if a party wins 3.5% of the party vote and one electorate, they are still entitled to 3.5% of the 120 seats in parliament (in this case, 4 members of parliament (MPs) – the winner of the electorate plus three list MPs)
92 United Future and Progressive both received 0.9% of the party vote but gained one seat in parliament each through the electorate vote. The New Zealand First Party gained 4.1% of the vote but has no seats in parliament.
hour week will continue to be the norm for the foreseeable future.\textsuperscript{94} Although government intervention would unlikely gain support, she sees the value in workers being able to choose the hours they want — along the lines of workplace flexibility — where employers and employees were free to agree the terms of employment between them. That could include allowing for the workers who would choose to work less even if earning less to be able to do so, however equally emphasised was that people who want to work long hours or two jobs should not be discouraged to do so through progressive tax rates. She also quickly highlighted the issue of New Zealand’s low productivity in relation to the OECD, and said that closing this gap must be a priority, by working smarter rather than harder. Her views appear to rest on a view of a relatively balanced power relation between employer and employee, saying that the unions must take some responsibility for a lack of flexibility in industrial relations. Ultimately the priorities lie, in her words, in “tackling roadblocks to progress and to better productivity”.

National Party:
An interview was requested with the MP Paula Bennett, the minister for social development and employment (or one of her advisors). After email correspondence and repeated phone calls, the party failed to return calls or confirm a time for an interview, without apology. It is assumed that this was intentional, possibly because it coincided with the implementation of new, somewhat controversial amendments to the labour laws. They were the Holidays Amendment Act (2010) and the Employment Relations Amendment Act (2010), which came into law on the 1\textsuperscript{st} April 2011. Both bills were opposed by all other parties except Act, including the Maori Party and United Future who are both part of the current coalition as well as the NZCTU. The bills allowed for a 90-day probationary period of employment, as well as allowing for the recently introduced fourth week of annual leave to be ‘sold back’ to the employer, i.e. to be worked for additional wages. Another measure allows employers to demand a doctor’s certificate after just one day of sick leave. These acts will likely ultimately lead to more hours of work throughout the year, particularly for workers who are financially strained.

In 2007, the National Party labour and industrial relations spokesperson Kate Wilkinson said that legislating for a shorter working week would be horrifying, also believing that it is not a national issue, but an agreement between employee and employer.\textsuperscript{95} This was in response to a Green Party ‘Flexible Working Hours Bill’ which became law in the final stages of the previous Labour led government. National (and Act) voted against the bill, saying the legislation was unnecessary.\textsuperscript{96}

Although National declined to discuss this proposal for a shorter working week, it can confidently be inferred from these examples that they would be opposed to any centrally implemented legislation promoting it. Over the past couple of decades, most National-led legislation relating to labour and industrial relations, including the Employment Contracts Act (1991) which “reduced the legislative backing for unions, and has served to strengthen the direct relationship between employees and their employers”\textsuperscript{97} has moved in the opposite direction. Other current challenges being faced by the government include budget deficits and a large financial burden from the major earthquake in Christchurch on 22\textsuperscript{nd} February 2011. With public and private debt levels increasing,

\textsuperscript{94} Information for the remainder of this paragraph is from the interview with Heather Roy, 23/03/2011
\textsuperscript{95} Stuff; http://www.stuff.co.nz/sunday-star-times/38426 [accessed 27/04/2011]
\textsuperscript{96} Stuff; http://www.stuff.co.nz/national/politics/130822 [accessed 27/04/2011]
\textsuperscript{97} New Zealand Parliament; http://www.parliament.nz/en-NZ/ParlSupport/ResearchPapers/a/9/a/a9a957d11e7546e19f7a255155958f79.htm [accessed 28/04/2011]
the government would likely be especially weary of policies that could reduce government revenues.98

Labour Party:
The Labour Party, as the name suggests, has developed and risen to prominence as the working class party, promoting and lobbying for the interests of the workers. They have traditionally been in close alliance with the interests of the unions, although in recent decades some of their policy has been influenced by neoclassical economic doctrines. Leading three consecutive coalition governments from 1999, they did however implement various pro-labour reforms. These included the Employment Relations Act (2000) (which restored some power to the unions) and the Holidays Act (2003) which legislated for a fourth week of annual leave from 2007. In 2008, The Labour Party published a very comprehensive (557 page) Manifesto outlining their policy preferences.99 While two chapters deal with Employment and Employment Relations, there is little that is specific to working time policy. However, some policies would likely indirectly encourage small reductions in working time. These include better protection for casual and part-time workers, securing the right to collective bargaining, and guaranteed adjustments to the minimum wage.100

To discuss the proposal further, an interview was arranged with Jacinda Ardern, Labour's spokesperson for employment. She said that while Labour does not actively aim to reduce working time across the board, she saw more value in reducing the longer working hours back down to 40.101 Further work-life balance initiatives were important to Labour. She was also quick to raise the issue of low productivity, and believed that raising it needs to be a top priority in order to maintain decent living wages; however this should not be at the expense of some market intervention where deemed necessary, to prevent a 'race to the bottom'. This could be done by focusing on higher wage sectors (intellectual property or the knowledge economy) or by being more productive in the currently predominant sectors. Another related area that she thinks would be valuable is to extend paid parental leave, allowing parents to spend more time at home.

In summary, Labour would support certain aspects of a shorter working week, but not necessarily an overall reduction across all sectors to below a 40-hour norm. Recognition must be given to the policies implemented in the previous Labour-led coalition, which included the initiation of the Work-Life Balance Programme by the Department of Labour in 2003. They legislated for an additional week of holiday, strengthened the power of unions and backed the Green Party's Flexible Working Hours Bill of 2008.

Green Party:
The Green Party has published policy documents that outline their stance on work, employment and industrial relations. An interview was also conducted with Keith Locke, the Green Party MP and spokesperson for industrial relations. Of all the parties, the Greens are the only party who actually have a policy for working towards a shorter working week. Their Work and Employment Policy document advocates "the establishment of a taskforce to: (a) investigate the economic and social effects of a 35-hour working week in New Zealand; and (b) address barriers to a 35-hour working week, including the issues of over- and under-employment in a transition process, and suggest

98 Yet the current government has recently reduced company tax and the higher income tax rates in the hope of encouraging investment and stimulating growth.
100 Ibid., pp. 175, 179, 185
101 Information in this paragraph from the interview with Jacinda Ardern, 01/04/2011
strategies to move those earning below average wages to a living wage.”\(^{102}\) The same policy also suggests a high level commission into the future of work (paid and unpaid). Their *Industrial Relations Policy* contains various other specific policy points that also relate to working hours and work-life balance. These include extending the right to flexible working hours, drastically increasing the amount of paid parental leave, opposing further liberalisation of trading hours and supporting a minimum of four weeks annual leave.\(^{103}\)

Although they have the 35-hour working week in their policy, the Green Party have not actively campaigned on that point specifically.\(^{104}\) Mr Locke believes that one of the reasons for this is that a campaign such as this would gain more steam when unemployment is high, but until recently it has remained low for some time. He also recognised the importance of having support for such a campaign from the unions. So far, this support has focused more around other issues such as raising the minimum wage. As to why such a policy is important to the Greens, he believes that, aside from work sharing and reducing unemployment, the aging workforce is another key driver, where the long hours are simply not manageable for those near or at retirement age. Essentially, he views the 35-hour week as a suggested goal to be obtained through improving flexibility and work-life balance, and not necessarily as a legislated upper limit.

**Maori Party:**

The Maori Party is a relatively small party that focuses primarily on issues of race relations, which is a large and important policy area in New Zealand. A request for an interview was made via the party website, however no response was received. Similarly, no policy statements related to working time policy could be found. Considering the size of the party and significant workload in relation to the Treaty of Waitangi and other race relation issues, it is considered unlikely that the Maori Party would take an active role in promoting a shorter working week. It is unclear whether (or which aspects) they would likely support.

**New Zealand Council of Trade Unions (NZCTU)**

The NZCTU represents the interests of 40 affiliated unions and over 350,000 workers in New Zealand. Although union membership and influence has been weakened since the Employment Contracts Act (1991), they remain an important stakeholder when it comes to working time policy. Any proposal aimed at reducing working hours would be unlikely to gain political support if it did not have the support of the unions. An interview was thus arranged with Eileen Brown, a policy analyst at the NZCTU to discuss the proposal. She states that the NZCTU has never lobbied for an across the board reduction in working time as such, but has been active in supporting various areas that would achieve a similar objective.\(^{105}\) These include working time flexibility, low wage issues, increased parental leave and the statutory four weeks holiday. She believes there has been a noticeable work intensification since the global financial crisis, with more pressure on employees to perform, and also suggests that the up-take of the flexible working time legislation has been low, in part due to a lack of support from the present government, and a lack of awareness about workers’ rights. The NZCTU opposed many of the changes in the recent Holidays Amendment Bill, including the optional buy-back of the fourth week of annual leave. The submission stated that

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\(^{103}\) Green Party *Industrial Relations Policy* [http://www.greens.org.nz/policy/industrial-relations-policy-sustainable-working-life] [accessed 01/05/2011]

\(^{104}\) Information in this paragraph is from the interview with Keith Locke, 23/03/2011

\(^{105}\) Information in this paragraph is from the interview with Eileen Brown, 04/04/2011
“four weeks annual leave recognises the detrimental impact that work intensification and New Zealand’s long work hours continue to have on our personal health and wellbeing, as well as that of our families, communities and New Zealand society as a whole.”\textsuperscript{106} They argue that vulnerable workers will be pressured into selling the fourth week, and that it will be used as a proxy to avoid fairer minimum wage legislation.

Much like in politics, the unions require the popular support of their members. They are unlikely to support measures to reduce the standard working week unless it has member support. Given that many union members are likely to be in low paid jobs where they work long hours in order to meet the costs of living, it is questionable whether they would have this support. However, by opposing excessively long working hours and lobbying for improvements in other work-life balance issues, the NZCTU’s efforts are likely to tend towards a shorter average working week, even if only in small, incremental steps.

3.4. Assessing the Likelihood of Change

If change in the direction of a shorter working week is not coming about, as seems to be the case, it is clear that the required political intervention is not seen as conducive to achieving the ideological goals of the parties in power – and not only of the current government, but all who have held power in recent years (which in this case is all of the main parties). Rifkin believes that “politicians have been slow to grasp the extent of the transition taking place in the global economy… not understanding that this is part of a major restructuring of our economy in the way work is done”\textsuperscript{107} I do not believe it can be put down simply as a lack of understanding. With the help of the above information, I will now suggest alternative reasons for this, using the theoretical framework outlined in section 3.1. More specifically, I will discuss the premise that public policies can be conceptualized in the same way as a belief system – with three structural layers. The most central of these is the ‘deep core’ of “fundamental normative and ontological axioms which define a person’s underlying personal philosophy”\textsuperscript{108} While sustainable development has been a common catchphrase in New Zealand politics for some time, it could hardly be considered as being at the heart of each of the political parties’ policies. A more likely candidate for all of the parties, with the possible exception of the Green Party, is the axiom that maximizing economic growth will lead to the maximum improvement in quality of life and wellbeing. ‘Growthmania’ (in Herman Daly’s terms) has been the central ideology for at least half a century and is well and truly lodged in the heart of both politics and society. To give just one of many examples illustrating its perceived importance, a recent New Zealand Treasury research paper states “it is possible for large governments to undermine economic growth due to the economic costs of raising taxation to finance expenditure. There is strong evidence that taxes reduce economic growth through their negative impact on incentives to work, save and invest… There appears to be scope to [reduce or limit] growth in expenditures that do not measurably contribute to raising the economy’s potential economic growth rate”.\textsuperscript{109} It is also worth noting the criticism of tax as a disincentive to work. Clearly, economic growth takes a central priority in government decisions.

\textsuperscript{106} New Zealand Council of Trade Unions, submission; http://union.org.nz/sites/union.org.nz/files/NZCTU\%20Submission\%20on\%20the\%20Holidays\%20Amendment\%20Bill\%20-%20Final.pdf \[accessed 1/05/2011\]
\textsuperscript{107} Rifkin 1996, p. 230
\textsuperscript{108} Sabatier 1988, p. 144
\textsuperscript{109} Cook et al. 2011, abstract. Author’s emphasis added.
The ‘near core’ contains the strategies and policy positions used for achieving the deep core beliefs. In this instance, it is only here where the party coalitions diverge. I propose that as a loose summary, the divide surrounds the question of the suitable amount of state intervention to achieve maximum economic growth in a way that is acceptable to society. On the right of the political spectrum is the belief that it should be kept at a minimum, while on the left is an acceptance for more state (and in this case union) influence.

Where then does sustainable development fit in this scheme? It could be thought of as a part of the near core, a means to bring about ‘sustainable growth’. However, I view it more as an alternative part of the deep core that as yet has little comparative weight. It is possibly even kept weak (at a safe distance), because its acknowledgement brings into question aspects of the predominant core belief system. Core beliefs are very resistant to change. When a core belief is challenged, “powerful egodefence, peer-group and organizational forces create considerable resistance to change even in the face of countervailing empirical evidence or internal consistencies… When salient beliefs and/or egos of policy elites are at stake, the evidence of selective perception and partisan analysis is [evident]”.

All effort will be made to restrict change to outside the core. If there is, as I suggest within this thesis, a conflict between continual economic growth and sustainable development, then this becomes a particularly inconvenient truth. And furthermore, the existence of this core belief is not confined to one ‘advocacy coalition’, but occurs right across the political spectrum. In this light, policy change as a result of policy-oriented learning appears unlikely.

As described earlier, Sabatier saw policy change as a product of two processes. The first is through efforts from within policy coalitions (or advocacy coalitions) to translate their core beliefs into policy or government programs. With working time reductions most likely to be viewed as adversarial to economic growth, and thus an attack on the deep core of both main political coalitions, it could be assumed that it is unlikely to come about through this process alone. The second process involves external socio-economic changes or systemic events. These are inherently difficult to predict, but two key examples could likely bring about policy change. One could be a drastic increase in the price of energy. This in fact has happened before, when, following the Arab Oil Embargo (1973-1974), the British Government imposed a mandatory three-day week to save energy during the crisis. The experiment lasted only two months – rocked by industrial action and protest, but incidentally only resulted in a six percent drop in output due to a large rise in productivity. If oil prices again rose dramatically, perhaps as a result of Peak Oil, there may be a need once again to consider wider measures for fuel efficiency, with working time reduction a possible candidate. A second trigger could be a continuing rise in unemployment. There seems to be general acceptance that working time reductions could help to lower unemployment. Thus, while unemployment is relatively low, one of the key arguments is removed. If unemployment climbs drastically, there may be more calls to ‘share the work’, as happened in the years of the Great Depression. There is thus evidence from history that both of these systemic changes can bring about a reduction in working time.

Aside from these systemic events, the impulse of public opinion should never be underestimated. In fact, public opinion can even be thought of as a dynamic socio-economic condition in itself. While it is not topical at the present, movements can gain momentum in a short space of time, more so since the rise of social networking. It can certainly be imagined that a shorter working week could appeal to popular culture. From an optimistic perspective, the implications of the climate crisis continue to...
spread. As the implications of this settle into the public consciousness, it is possible that current ‘fringe’ ideas may gain more attention. This could include a re-evaluation of the economics of work, a questioning of the benefits of continuous economic growth, and an expanding critique of the growth paradigm. It cannot be predicted, but likewise, it should not be ruled out.

4. Conclusion

Working time and Sustainability in the New Zealand Context

Despite a wealth of statistics, determining clearly how much of a ‘problem’ exists in New Zealand in terms of working time policy is more difficult than would first appear. Likewise, it is difficult to gage without further more detailed surveys or questionnaires how much public support there would be for reducing the workweek. There are many ways that it could be done, with many different objectives or reasons, and some measures would have more public support than others. The right to chose to reduce your own hours may be more popular than legislating for compulsory overtime above 35 hours for example, or more parental leave may be more popular than tightening legislation on trading hours. Justifying changes based on economic reasons such as improved productivity or lower unemployment would likely gain more support than for environmental reasons such as reducing greenhouse gas emissions. A shorter working week is in the end more of a vision (or desired outcome) rather than a specific policy proposal, which in some ways would be easier to assess.

Many varying statistics were provided in section 2.4. While some general conclusions can be made, it must also be acknowledged that statistics by their very nature fail to provide full information as to the reasons behind them. I will provide two examples here to illustrate the point. Firstly, different pictures may be given by looking at; (i) the average work across the entire population, (ii) average work done by the working age population, (iii) the average working hours of the employed population, or (iv) the average amount of hours worked by full-time employees. Population demographics, such as the percentage of dependents (young and old) within society can alter the results of the first measure. Unemployment levels are important for the second figure (a low unemployment rate may increase it). Similarly, a high percentage of part-time workers may lower the third measure while the fourth provides a good indicator of cultural working habits but does not help with wider economic issues such as productivity or employment. This illustrates the care which must be taken with the use of statistical comparison. Secondly, statistics tend to say how much, but not why (or not provide the full details). While 29% of full time workers work 50 hours or more, this does not say how many choose to work long hours, and how many are overworked. Regarding work-life balance, people may be dissatisfied with it, but still want to work as they do due to necessity. Ultimately, a plethora of statistics must be read in parallel to develop an all-rounded understanding of society and the economy.

In saying this, some things can be observed. The annual hours worked per worker in New Zealand has fallen slightly in the last decade, and is now similar to the OECD average, although still 8th highest out of the 28 countries for which figures are available in 2009.\textsuperscript{113} This is below Korea and various Eastern European countries but similar to the United States and well above most Western European countries. However, New Zealand’s employment rate is near all-time highs, with a higher proportion working part-time than in the past. Considering the employment rate is near the top of

\textsuperscript{113} OECD Stats; http://stats.oecd.org/Index.aspx?DataSetCode=ANHRS (Labour, Labour Force Statistics, Hours worked) [accessed 02/05/2011]
OECD countries and the retirement age is also relatively high (65), the average amount worked per capita is likely to place New Zealand near the top of the list. New Zealand’s productivity per hour of work is well below the majority of the OECD, only around 58% of US productivity for example.\textsuperscript{114} These factors are likely to be related, with New Zealand prominent in low-wage, labour intensive sectors such as tourism. There are large numbers working long hours; around 29% of full-time workers work more than 50 hours. Only a third of all workers are ‘very satisfied’ with their work-life balance. Finally, 28% say they would prefer to work fewer hours, even if it meant earning less.

The above statistics show that the labour market is not a perfectly competitive market. Many people are unable to choose the hours that they would prefer to work, and end up working even longer than contracted to, often without compensation. In economics, a principle of ‘consumer sovereignty’ states that people are free to choose how much to buy.\textsuperscript{115} This principle does not appear to apply for ‘producer sovereignty’ perhaps due to an imbalance of power between employer and employee. Legislating for the right to choose to work less (as has been done in the Netherlands for example)\textsuperscript{116} could significantly increase producer sovereignty and lead to reductions in overall working hours.

Many other arguments are presented in sections 2.5 and 2.7. In the case of New Zealand, a strong argument can be made in relation to the aging workforce. Questions remain over the future ability of superannuation to provide pensions to a growing number of elderly dependents. A shorter and more flexible timetable could allow people to ease into retirement, and thus work past the current retirement age of 65. Advantages can come under all three pillars of sustainability, however the strongest or at least most widely acknowledged advantages fall under the social category. They include benefits in health from reduced stress and better lifestyle choices, more time with family and friends, more equity between the sexes (for informal and formal work), and more time for childcare and youth supervision. The environmental benefits should not be forgotten. Reduced energy demand would lead to a fall in greenhouse emissions, and aggregate consumption could fall or at least remain stable. In the wider scheme, this would leave more space for third world development and global distributive justice. On top of this, the possibility that collective work is becoming a common pool resource suggests that state intervention is required. Unemployment should be thought of as a type of market failure, and in the absence of intervention, working hours are not likely to fall. The impact of this will likely lead to increasing financial insecurity and rising unemployment and thus a tendency for those with jobs to work even harder to maintain their place in the workforce. In summary, a shorter working week is desirable for pursuing the goals of sustainable development, and government action is required in order to bring it about.

Policy Image and Political Analysis

Any major adjustment to the working week is certainly not discussed regularly in New Zealand. Searches on Google and on the main news websites (as well as in regular newspapers) found few hits relating directly to the need for a shorter working week. The most prominent topic related to the possibility of subsidising a shorter working week for up to 18 months during the recession, but this was clearly seen as a temporary measure to try to keep unemployment low – and with the expectation that employment will rise again following the recession. Only on two small ‘blog’ type posts was there an argument made making the case directly for a transition to a shorter working week. Of the ten group visions from the sustainable futures workshop, none explicitly outlined any

\textsuperscript{114} Ibid., (Productivity, Productivity levels and GDP per capita)
\textsuperscript{115} Hill and Myatt 2010, p. 248
\textsuperscript{116} O’Neill 2010, p. 82
changes to working time norms for the future. It can thus be concluded that there is a general absence of a ‘policy image’, and that the current norms are taken as given. It could be inferred further that there is not yet a perceived problem in relation to working time. Environmental and social problems – yes – but working time is usually not directly attributed blame for such issues.

So if it seems that there is a strong argument in favour for reducing the working week in terms of wider sustainability, then why is there so little political support? A number of propositions could be made. Any decision by government to actively encourage people to work less would clearly require intervention by way of legislation, tax incentives or perhaps shorter working times for all state employees. In this respect, it becomes an ideological question between free markets and greater state control. Free market ideology has been dominant in recent decades, and in most respects this still remains the case today. Of all the main political parties, only the Green Party is outright in favour of a shorter working week, yet they have not actively campaigned on the issue. The Labour Party could support certain measures, but it appears they would not likely consider an economy-wide reduction in standard working time. The parties on the right are based on an ideology of minimising regulation and ‘barriers to employment’ and are unlikely therefore to support a shorter working week. While Act acknowledged that individuals should be free to determine the hours they choose – in other words greater flexibility - they see this as a matter for negotiations between employer and employee, rather than requiring any government input in the matter. Recent legislation introduced by the current National government appears likely to lead to increases in working time, and therefore appears that working time reductions are not of any central importance to them.

While sustainability is often referred to, it could not be considered the prominent goal of society or government. There is an ingrained focus on economic growth within politics. Likewise, within society, the wider goals are focused towards maximising material wellbeing and consumption. Goals of reducing consumption are reserved for reference to environmental goals; outside of this field, the goal is to maximise it. In the interviews with Act and Labour, both were quick to raise the issues of low productivity and imply that we cannot afford to work less while our productivity and wages are so low (as did Sir Paul Callaghan in his opening speech at the workshop). I propose that with economic growth as the central aim, some aspects of sustainable development ultimately conflict with the deeply-seated philosophies of most if not all of the political parties. Faced with a challenge to these core beliefs, policy elites will respond in a way that protects the policy core from alteration. It is not that a shorter working week is viewed as undesirable, but simply that it will compromise economic growth and international competitiveness with the major trading partners. There is also a further ideological conflict with the parties on the right of the political spectrum, in that a shorter working week requires more intervention within the labour market than is used at present. When free markets are viewed as the best means for achieving economic growth, there is further resistance to the proposal.

Sustainability demands systems wide consideration, but government remains divided between different departments, ministers, spokespeople and so on. Interviews were conducted with MP’s related to labour and employment. In these interviews it was difficult to discuss environmental issues with respect to working time; the focus would inherently be placed around maintaining employment and some work-life balance issues. Only some of the advantages listed earlier (in section 2.5) are therefore likely to be taken into consideration. Wider issues such as strengthening democracy, tackling climate change, consideration of global justice, promoting sexual equity or even public health and education issues seem well outside the bounds of debate on working time policy. There is
much room for progress in integrated, systemic and interdisciplinary solutions for the challenges we face.

While there appears to be little public support for the proposal at present, it is worth considering what could make the proposal more favourable in the future. Ultimately it is likely to require significant external socio-economic changes. A major shift in political ideology could increase the likelihood. A strong Labour-Green coalition would be more likely to push for such measures, although arguably only in small increments. If the public becomes far more accepting of the need to reduce consumption and it becomes politically possible to question the growth ideology, then a legislated reduction in working time would be more acceptable to the public. Furthermore, research has shown that a relatively equal income distribution is fundamental to achieving working time reductions.\footnote{\textsuperscript{117} Bosch 2000, p. 185} A leftist government is more likely to result in a more egalitarian society. Perhaps an even less likely possibility, reductions could be promoted at a multilateral level. Many business leaders fear that a shorter working week will drive up the costs of labour and thus the cost of their products relative to foreign competition.\footnote{\textsuperscript{118} Rifkin 1996, p. 231} A multilateral initiative could mitigate this problem. While this would also likely require some major political changes (perhaps a stronger commitment to reduce greenhouse gas emissions), if policy was promoted and agreed upon across the OECD or trading blocs such as the EU, then individual countries would have less reason to fear a loss of competitiveness by being the first mover. This case study has been focused at the national level, but many if not all of the general arguments should hold at the international level too. Failing this, energy shortages, major increases in unemployment, or the rise of a popular movement in support of the proposal are the most likely triggers for a widening of the policy debate.

4.1. Discussion

It is undoubtedly true that any policy proposal is carefully analysed for their impact on public revenues and the wider economy, by way of a benefit-cost analysis. At a glance, it would appear that the proposal’s immediate economic impacts would be to reduce tax revenues to the government and impact negatively on economic growth. However, an accurate benefit-cost analysis for such a proposal would be extremely difficult. How for example to determine the full long-term environmental and social advantages that were outlined earlier (reduced consumption, emissions, improved health etc). Furthermore, it is a case of short-term costs versus long-term benefits, a scenario that is inherently adverse to politics. Few politicians are happy to face short term costs (likely including a loss of popularity) to bring about long term benefits that will accrue to others in the future. Here exists one of the major critiques and challenges for democracy – how to tackle the long-term challenges faced by humanity and the wider biosphere. It seems that a growth in public understanding must precede the required political action.

I have given little input with regard to the determinants of public opinion. What factors would reduce support for the proposal? While the statistics indicate that certain parts of society would prefer to work less, it seems to remain a minority. One major reason for this must relate to debt. Private debt levels in New Zealand are high. Many families will live the majority of their lives paying off mortgages on property, or simply live week-to-week on permanent credit. Debt is naturally a huge obstacle to working less, as it is essentially a commitment to spend (interest payments), which in turn is a commitment to earn. As Publilius Syrus put it more than two thousand years ago – debt is the slavery of the free. It is not only a private debt issue, but equally relating to public debt and the need to meet national debt repayments (while currently, debt levels continue to increase rapidly).
The economist Mark Anielski believes that “if interest charges on all debts were eliminated, we
would likely have to work at least 50% less since much of our current labour is going to pay for
interest charges on the collective outstanding debt throughout the economy. This would require the
repudiation of usury”. It seems extreme, but there is little doubt that high debt levels prevent
some from choosing to work less. Tackling high debt levels would be important if large working
time reductions were to be achieved.

This thesis has focused on the relationship that work holds with the three pillars of sustainability and
the politics of working time policy. Outside these boarders there are many more areas of interest
that have not been explored here. In the realm of philosophy, there are some vital questions to
answer with regard to the future. If technology continues its exponential rate of development, it
could be conceived of a time in the not too distant future where self-operated machines are capable
of meeting the needs of humanity with very little human input. This technocratic vision of utopia
portrays a good life where humans are endowed with near limitless amounts of leisure, to use time as
they please. Others fear this excess of leisure will lead humans into temptation, and will itself
become a source of evil. It can easily be questioned whether humans could be happy without work.
Having solved the ‘economic problem’ of meeting our basic needs, mankind will be deprived of its
traditional purpose from which we have evolved. “To those who sweat for their daily bread, leisure
is a longed-for sweet – until they get it”.

This leads on to another field of criticism of the current neoclassical economic theory which sees
work only as a disutility and the subsequent consumption and leisure as the source of welfare. Is
there a wider purpose for work that does not get full consideration? Hard work goes hand in hand
with the protestant religion, where it is viewed as a means to serve God, or a higher purpose beyond
the individual. For much of the Anglo-Saxon world, hard work is hence engrained in our social
customs, and rapidly spreading to other parts of the developing world. The influential economic
philosopher E. F. Schumacher saw three purposes of work:

1) To provide the necessary goods and services
2) To use and perfect our gifts and skills
3) To serve and cooperate with others in order to liberate ourselves from our inborn
ego-centricity

The first is widely viewed as the reason we work, or from an individual perspective, to provide an
income from which we can live. The second and third are often neglected. With increasing
automation, the first purpose may be overcome, but will work still be needed for fulfilling the later
two purposes? Work has often (but not always) become increasingly mundane and meaningless for
much of the population, with little opportunity for creativity and expression.

Throughout the period of research, I have had many interesting discussions on the topic. Ultimately,
I feel it largely comes down to an ideological division between progressivism and conservatism. This
has been noticeable in the differences in the views of different age groups. Older generations are
generally more conservative, and have grown up on an ethic of hard work and a standard 40-hour
work week. They grew up before the age of 24-hour retail, when shops were often closed on the
weekends. Perhaps even more significantly, they grew up in an age without internet, mobile phones

119 Anielski 2007, p. 189
120 Keynes 1963, p. 367
121 Schumacher 1979, pp. 3-4
and instant communication, changes that are blurring the boundaries between work and home. The implications of these changes are large. The younger generation – ‘Generation Y’ – grew up with these technologies at hand, and perhaps for that reason, appear more supportive of the idea for more radical changes to the working week, including a shortened and more flexible working week. In some ways, a shorter working week is seen as some radical departure from the accepted norm. Yet in the long-term view it is not particularly radical at all, simply the sustainable approach to dealing with improved productivity. While it appears that any drastic change in the near future is unlikely, I remain convinced that the need for change is present, and it will likely become stronger if unemployment remains high (or continues to climb). The 40-hour work week is a social construct from the past that is not well suited to the needs of the future.

5. References

Printed Resources


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SANZ 2009: Strong Sustainability for New Zealand: Principles and Scenarios. Published by Sustainable Aotearoa New Zealand (Inc), and available for download at; http://sites.google.com/site/strongsustainability/


**Internet Resources**


Etch Magazine (on facebook); [http://www.facebook.com](http://www.facebook.com)


New Zealand Beehive (government); [http://www.beehive.govt.nz](http://www.beehive.govt.nz)

New Zealand Council of Trade Unions; [http://union.org.nz](http://union.org.nz)

New Zealand History Online; [http://www.nzhistory.net.nz](http://www.nzhistory.net.nz)

New Zealand Parliament; [http://www.parliament.nz](http://www.parliament.nz)

OECD Stats Exerts; [http://stats.oecd.org](http://stats.oecd.org)

Statistics New Zealand; [http://www.stats.govt.nz](http://www.stats.govt.nz)

Stuff (online news publication); [http://www.stuff.co.nz](http://www.stuff.co.nz)


The Oil Drum; [http://anz.theoildrum.com](http://anz.theoildrum.com)


**Interviews**

Eileen Brown (New Zealand Council of Trade Unions – Policy Analyst), 4th April 2011 (phone interview)

Heather Roy (Act Party – Labour Portfolio), 23rd March 2011

Jacinda Ardern (Labour Party - Spokesperson for Employment), 1st April 2011 (phone interview)

Keith Locke (Green Party – Spokesperson for Industrial Relations), 23rd March 2011

Roger Tweedy (Work and Age Trust - Chairperson), 31st March 2011