

# If the Four Day Work Week is so Good, Why Don't We Have it Already?

And Other Economic Reflections

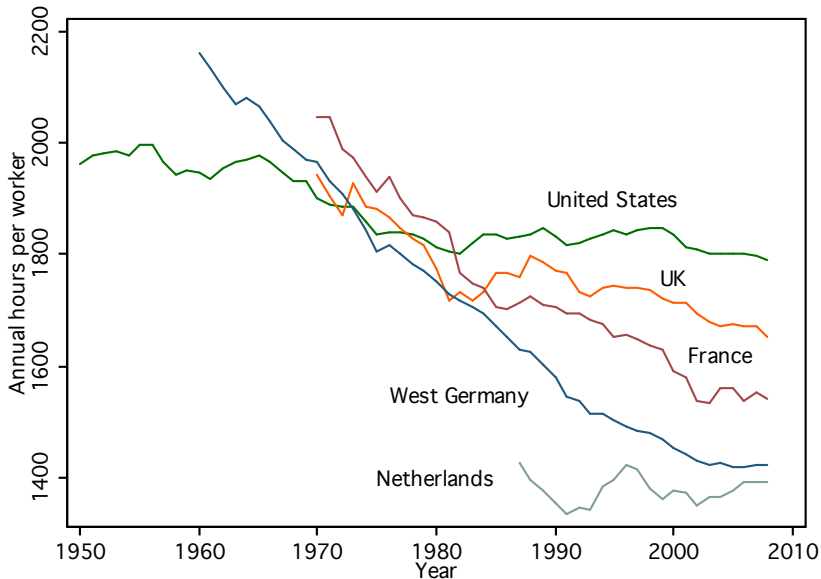
Jennifer Hunt  
Department of Economics  
McGill University

October 31, 2009

# Outline

- 1 Since 1960s, European hours reduced from above to below US
- 2 But despite reductions in hours, have not adopted four day week
- 3 Why not?
- 4 Why has there been so much change in Europe and not the US?
- 5 What are implications for the four day week in US?
- 6 What are the costs and benefits of the four day work week?
- 7 What are some alternative policies?

# Annual hours per worker 1950-2008



## Along what dimension have European hours fallen?

- 1 Vacation time ↑ most important dimension
- 2 Also hours per week ↓
  - driven by reduction in daily hours for full-time workers
  - not by share part-time work ↑, exception: Netherlands
- 3 Days per week ↓ less important
  - from 6 to 5, but not to 4
  - reduced in conjunction with hours per week ↓
  - in some countries with no school on Wednesdays, common for part-timers to work four days

## Holiday and vacation weeks 2006

	Minimum by law	Actual average
United States	0	3.8
France	6.2	7.0
Germany	5	7.5
United Kingdom	4	6.5
Netherlands	4	5.3

Source:

[www.sourceoecd.org/pdf/societyataglance2009/812009011e-02.pdf](http://www.sourceoecd.org/pdf/societyataglance2009/812009011e-02.pdf)

## Share of workers who are part-time (%)

	Women		Men	
	1983	2008	1983	2008
United States	23	17	9.3	7.5
France	20	23	3.4	5.2
Germany	31	39	2.1	8.2
United Kingdom	40	38	3.3	10.2
Netherlands	45	60	5.6	16.2

Sources:

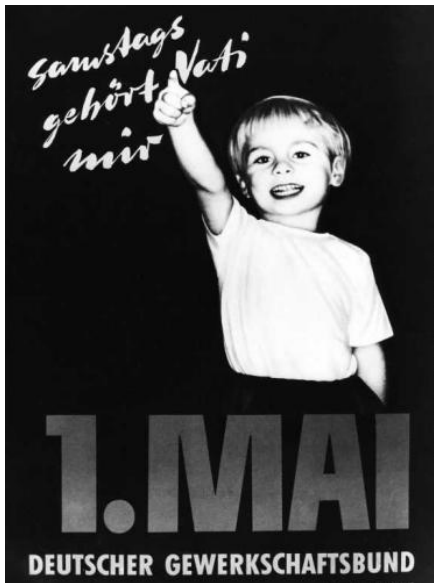
Part-time: [stats.oecd.org/Index.aspx?DatasetCode=FTPTC\\_I](http://stats.oecd.org/Index.aspx?DatasetCode=FTPTC_I)

Annual hours: [stats.oecd.org/Index.aspx?DataSetCode=ANHRS](http://stats.oecd.org/Index.aspx?DataSetCode=ANHRS)

## Conflicting desires of workers and employers

- 1 European workers' desired hours have fallen over time, because
  - workers are richer and demand more leisure/time with family?
  - workers believe it will cut unemployment?

# German union posters for reduced working time 1956, 2004



**Längere Arbeitszeiten  
machen unsere Kollegen  
arbeitslos!**



**Für unseren Betrieb  
könnte das bedeuten:**

Bei zur Zeit \_\_\_\_\_ Beschäftigten  
(35 Std.-Woche)

den Abbau von \_\_\_\_\_ Kollegen  
durch den Rückschritt in die  
40-Std.-Woche!

**Zukunft sichern. Tarif 2004**

## Conflicting desires of workers and employers

- 1 European workers' desired hours have fallen over time, because
  - workers are richer and demand more leisure/time with family?
  - workers believe it will cut unemployment?
  - workers perceive can raise hourly wages by cutting hours?
  - workers' friends have increased leisure?
- 2 Employers prefer longer work hours (and low wages)
  - more efficient use of capital
  - more services to customers
  - as long as workers do not get fatigued

# Conflicting desires of workers and employers

## 3 Reconciliation of conflict

- workers conceded flexibility in use of hours by employer, in exchange for standard hours ↓ (and hourly wages ↑)
- e.g. no overtime pay if work week *averages* to standard week over several months

# Why has Europe succeeded in lowering hours, while US has not?

- 1 Have US workers' desired hours fallen less?
  - because their friends are also working a lot?
  - because reducing hours would not increase wages?
  - because unemployment generally lower?
- 2 Or have US workers been unable to get what they want?
  - unions have been key to European hours reductions
  - though role for government e.g. France
  - US workers simply have insufficient bargaining power
- 3 Hunt (1998); Alesina, Glaeser and Sacerdote (2006)

# Why haven't Europeans used power to move to 4 day work week?

- 1 Opposed by employers?
  - and would be in US too?
- 2 Not desired by workers?
  - and perhaps not desired in US either?
- 3 Hamermesh (1996) studies US, Germany
  - concludes that in both places, harder to adjust days per week than hours per day
  - evidence: different types of people have very varied hours per day, but everyone has similar days per week (usually five)
  - but cannot tell if reflects worker or employer preferences

# So is four day work week unlikely to happen in US?

## 1 Do US employers want it?

- presumably not, or would already have it
- even 10 hour days would not require overtime payments

## 2 Do US workers want it?

- perhaps want more than German workers do (Hamermesh 1996)
- women workers with small children cut:
  - hours per day in Germany
  - days per week in the US
- because of long US commutes?
- because of childcare/school arrangements?
- irony of union fight for 8 hour day in late 19th century

## So is four day work week unlikely to happen in US?

- ③ Can US workers get it if they want it?
  - no more unions, except in public sector
  - could/would government step in?
  - what would workers offer employers in return?
  - could gov't legislation accommodate appropriate quid pro quos?

# Benefits

- 1 Save one day's commute to work
- 2 Save one day's child care
  - perhaps easier to get additional hour than additional day
  - because commuting to child care too?
  - because child care facilities have daily fixed costs?
- 3 Additional leisure if weekly hours also reduced
- 4 Coordination device: benefit from availability of friends and family
  - if workers all have same day off
- 5 Less congestion each day
  - if workers have different day off

# Costs

- 1 Details depend on how/what implementing
- 2 Longer work days
  - worker fatigue, reduced productivity
- 3 Shorter working hours
  - in Germany has reduced employment (theoretically ambiguous)
  - in part b/c hourly wage rose (also France), which might not in US
  - Hunt (1999), Chemin and Wasmer (2009)
- 4 Workers all have same day off
  - less service or more expensive service to customers on day off
  - inefficient use of capital (e.g. hospital equipment, computers)
  - harder or more expensive to coordinate with domestic or foreign business partners working 5 days (e.g. finance)
- 5 Workers have different days off
  - difficulty of coordinating workers to maintain production/services

## Better to tackle problems at the source

- 1 Economic theory:  
an inefficiency should be targeted as narrowly as possible
- 2 If want to save energy
  - tax fuel more
- 3 If want to reduce commuting times
  - tax fuel more
  - introduce congestion charges
  - invest more in public transit
- 4 If want to improve day care access
  - less clear there is an inefficiency here (information asymmetry?)
  - Hamermesh (1996) recommends subsidies to day care that reduce daily rather than hourly cost

# Conclusion

- 1 In Europe, seems workers don't want 4 day work week, or would have obtained it given their success in changing working time
- 2 Longer US commutes and different child care may make 4 day work week more attractive to US workers
- 3 But consider other policies such as vacation time ↑?
- 4 US workers will struggle to get what they want
- 5 Target energy use and traffic congestion directly