‘What do you do?’

It’s one of the first questions people ask upon meeting someone new. In many ways, like it or not, work defines us. On average, Canadians spend about half their waking hours working for pay. Yet aside from employment and unemployment statistics, we have few ways of monitoring work in Canada. And we have next to no methods of consistently measuring the quality of work and its overall effects on people’s health and wellbeing. Do we work too much? How much is too much? How do our work hours compare with work hours in other countries? Is our work satisfying and secure? In this issue of Reality Check, we look at work time, wellbeing, and the future of work.

Jobs, Jobs, Jobs
Counting Them Wrong and Right

In his 1936 film “Modern Times,” Charlie Chaplin appears as a klutzy factory worker who just can’t keep up with the ever-increasing speed of his assembly line job. The conveyor belt keeps moving faster. Charlie finally cracks. In one famous scene, he is ‘eaten’ by the factory’s massive system of cogs. He travels through the machinery, wrenches in hand, adjusting bolts as he proceeds, until the apparatus finally spits him out – unscathed, of course.

The film is a sly social commentary about the nature of modern work. It deftly shows that while increased production may be great for turning out more widgets, it can just as easily turn people into machines, or servants of machines.

There is no doubt that the nature of work has changed dramatically over the past century. While our conventional measures of progress chronicle the widely accepted benefits of these changes – such as higher levels of income and greater consumption – these have been less successful at documenting the costs of modern work.

Growth doesn’t always mean prosperity or wellbeing

The more hours we work for pay, and the less free time we have, the more the economy grows and the “better off” we are supposed to be, according to conventional measures of progress. By that standard, stress is good for the economy.

Better indicators and measures of progress would not treat work-related stress and the cost of treating stress-induced illness as contributions to prosperity. Instead, they would be counted as costs to the economy.

No progress in work hours, job quality, job security

The economy can grow while work – which supposedly ‘drives’ the economy – deteriorates. The following key indicators can present a more accurate picture of whether work is improving in Canada:

- A decline in unemployment;
- A decline in underemployment, signified by a decline in numbers of people who work part-time because they can’t find full-time work;
- An increase in job security, characterized by jobs with benefits, security, and decent pay;
- A decline in over-work, or the proportion of people who work long hours;
- An increase in types of work that are not socially or environmentally harmful, and a decrease in work that is damaging to communities or the environment;
- A reduction in work stress and an increase that improves work/family balance, and contributes to quality of life.

The trends outlined in this issue of Reality Check show a decline in progress among these indicators over a 25-year period. The good news is that Canada can reverse these trends by learning from successful experiments in Europe, and from the Canadian government’s own landmark Donner Commission report, profiled in this issue. These examples demonstrate it is possible to reduce overwork, improve work/family balance, increase free time and vacation time, and reduce unemployment and underemployment.

Instead of counting things “wrong,” by falsely equating long hours with progress, we can use indicators of genuine progress to count things right.

Troubling Trends
Overwork, Underwork, Insecure Work

Compared to the 1970s, a growing proportion of Canadians is working longer hours and moonlighting. On the opposite end of the spectrum, a growing proportion can’t find enough work, and insecure, temporary work has increased, according to Statistics Canada data.

Roughly 30 years ago, one-quarter of all Canadians with full-time jobs worked over 41 hours a week. By 2001, the proportion had risen to one-third. These people come from all walks of life, from managers, professionals, and the self-employed to blue-collar labourers and many workers in low-skilled, low-paying jobs.

When unpaid household work and work on the job are combined, the total work burden for some people is staggering. Mothers with full-time jobs work on average 73 hours a week, while full-time employed fathers work 71 hours. A growing body of evidence points to substantial costs associated with work stress, long work hours, insecure or insufficient work, and unemployment. In short, today’s widespread work trends adversely affect people’s health, quality of life, and the economy.

Involuntary part-time more than doubles

In his bestselling novel Generation X, Douglas Coupland defined the McJob. “A low-pay, low-prestige, low-dignity, low-benefit, no-future job in the service sector.”

Frequently considered a satisfying career choice by people who have never held one.” While Statistics Canada data do not distinguish between “good” and “bad” jobs, they document changes in numbers of people who involuntarily take part-time work. They also count numbers of temporary – and poorly paid, carry no benefits, and provide limited job security, many part-timers can’t make ends meet.

Similarly, jobs in Canada are becoming less secure. Since 1976, the proportion of involuntary part-timers, a percentage of all part-timers, nearly tripled. In 2001, 17 per cent of part-timers worked part-time because they couldn’t find full-time work. In addition, since part-time jobs are more likely to pay poorly, carry no benefits, and provide limited job security, many part-timers can’t make ends meet.

Growing gap between rich and poor related to work-hours imbalance

This growing polarization of work hours is partly responsible for the widening gap between the rich and poor in Canada. While some people are working increasingly long work hours, others can’t get enough hours. Statistics Canada found that the increase in earnings inequality that took place in the 1980s and 1990s occurred in conjunction with changes in the distribution of annual hours worked. In 1990, the richest 20 per cent of Canadians had about seven times as much disposable income, after transfers and taxes, as the poorest 20 per cent. By 2001, they had nearly nine times as much.
CUT OVERWORK TO CREATE JOBS

Reducing work-time can cut government expenses, make workers more productive

The results were positive. Between 1995 and 2004 – the time span of the simulation – the unemployment rate was predicted to drop by four percentage points, as many unemployed workers were able to find new jobs due to the overall reduction in work hours. GDP would be little affected because the same amount of goods and services would be produced. Disposable income would be higher because of the shorter work hours. However, this drop in income would be offset by substantial increases in leisure time.

Several studies also show that a drop in work hours actually makes workers more productive. The Donner Report concluded that a 10 per cent reduction in working time would produce a five per cent increase in hourly productivity. In addition, government spending on social assistance and unemployment insurance would decrease, the tax base would widen, and corporate profits would rise slightly.

“We think of that as a real win-win, including a win for the government budget, never mind job creation,” says Arthur Donner, who chaired the Advisory Group. A study done this year by GPI Atlantic uses the same model to show that a 10 per cent reduction in Nova Scotia work hours would free up enough time to create about 20,000 new jobs, even after offsets in labour productivity are accounted for. If these jobs were filled from the ranks of the unemployed, the province’s unemployment rate would be cut nearly in half.

Cut overtime to create jobs

Cutting overtime is another way to redistribute work in Canada, while also avoiding health costs and problems associated with overwork and underwork, and for promoting policies that foster equality and increased quality of life, secure jobs with benefits, and work that is socially and environmentally benign.

Canada can choose among policies, learn from other nations

Canada is in the enviable position of being able to learn from the lessons of many work reduction experiments in Europe and North America – and to learn from our own mistakes. One notable Canadian failure is Ontario’s “Rae Days,” introduced by the NDP premier in 1993. The plan, which attempted to save money and jobs by cutting work hours, was unpopular, poorly implemented, and short-lived.

By comparison, countries such as Belgium, Denmark, and the Netherlands have implemented a wide variety of successful work-time reduction policies. In The Netherlands, eight per cent of Belgium’s civil servants – 7,000 workers – took a 20 per cent reduction in work hours in exchange for a 10 per cent reduction in pay. The Netherlands redistributed work hours so that workers now put in 469 fewer hours per year than U.S. workers – equivalent to nearly three months less work yearly. One third of Dutch employees work under 35 hours weekly, with many people job-sharing. Only six per cent of people working these shorter hours would rather have more work.

Sweden, Luxembourg, France, and Austria have up to five weeks of holidays per year, while Danes have 5.5 weeks, and 70 per cent of German workers now have six or more weeks paid vacation a year. There are many options for cutting both overwork and unemployment, and for promoting policies that foster equality and increased quality of life, secure jobs with benefits, and work that is socially and environmentally benign.

Job-sharing: Two people choose to share one full-time job, including benefits and pension package.

Shorter workdays: Parents match their work hours with their children’s school hours, to be home when children return from school.

4-day workweek: Reducing work to 35 or 32 hours a week. Biggest advantages are a large block of leisure time and less commuting.

Longer vacations, sabbaticals, or educational leaves.

Phased-in retirement: Older workers gradually work fewer hours, and serve as mentors training incoming younger workers.

Flexible: Workers vary the beginning and end of their workday. Allows better balance of work and family life. Many benefits, including less absenteeism and workplace stress.

Telecommuting: Working from home or some site other than the workplace. Benefits include flexibility, more control over time, and less commuting. Drawbacks may include social isolation and a lack of regulation.

One innovative and successful experiment in Albany, New York, gave civil servants the option of unpaid summer leave to coincide with their children’s summer vacations, with guaranteed re-entry to the workforce in September. This created summer jobs for university students and saved the state government money, while improving morale and work/family balance for the workers.

Canada’s Blueprint For More Jobs, More Leisure – The Donner Report

Critics often say that when faced with a problem, governments invariably commission a study. But that’s not quite fair. The reports often contain a wealth of knowledge and policy recommendations. Too often, though, they languish in obscurity.

Ten years ago, faced with high unemployment and a changing job market, the federal government created the Advisory Group on Working Time and the Distribution of Work. The nine-member group, chaired by economic consultant Arthur Donner, was charged with assessing whether cutting working time and redistributing work hours could contribute to job creation.

The resulting study – widely known as the Donner Report – clearly outlined a series of trends adversely affecting Canadian workers and the economy. It made several recommendations which, if implemented, could reduce unemployment, relieve work stress, and allow people to balance their work and family lives more effectively. And then it died a quiet death.

“The issue just basically fell off the radar screen for the government,” says Arthur Donner, who adds that the far-reaching report could have helped the labour market, economy, and society.

The report noted that while some people were working increasingly long hours, others were unable to find enough work. It also noted a weakening link between economic growth and job growth, because of factors such as workplace restructuring, new technologies, and global competition. And it further noted increased pressures on families, as well as a rise in insecure work and self-employment.

“All of that has gone on in spades since we wrote about it,” says Donner. Indeed, a re-visit of the data reveals that for the most part, job insecurity, hours polarization, the incidence of non-standard
Counting the Costs of Overwork and Underwork

The verdict is in. Working long hours can kill. And not just one of the 790 million workers worldwide working more than 49 hours a week, as estimated by the International Labour Organization in 2000. But workers who reported working more than 60 hours a week were 50 per cent more likely to die from heart disease than those working 36 to 40 hours. The death rate for workers who exceed 80 hours a week is twice that of their 30-hour-a-week counterparts. When the European Union recently issued a workplace directive to protect workers from the “ecological pressure” of working long hours, it took into account not only the risk of death, but also the “ecological pressure” of pollution and greenhouse gas emissions. Thus a shift to a four-day workweek can increase. Using Fleisher’s methods, GPI Atlantic estimates that if overwork “is not to reap its predicted toll,” it would save Nova Scotia about $400 million a year. In 1995, the Donner Report observed that unemployment cost the province nearly $70 million in 2001.

Lack of work associated with crime, family breakdown

But the costs of joblessness extend beyond health problems. Economist Brian Fleisher’s landmark work on the economics of crime found that cutting unemployment in half will reduce crime rates by 10 per cent. Using Fleisher’s methods, GPI Atlantic estimates that Nova Scotia would save between $60 million and $130 million a year in avoided crime costs by cutting the jobless rate to less than five per cent. All told, unemployment may cost Nova Scotia about $400 million a year in excess disease, divorce, and crime costs. Evidence indicates that joblessness is closely linked with family breakdown. For example, one U.S. study found that four years after the loss of a job, the separation or divorce rate increased from less than eight per cent to almost 12 per cent among poor white families, and from 12 to 30 per cent among poor black families.

Work-time reductions cut unemployment and environmental costs

Work-time reductions bring an opportunity to cut unemployment. They also bring what author Andreas Hayden calls an "ecological promise." Commuting to work produces environmental costs in the form of air pollution and greenhouse gas emissions. Thus a shift to a four-day workweek could reduce such costs by 20 per cent. In Vancouver, a four-day workweek experiment at City Hall saved 700 extra vehicle trips and 17,500 kilometres of auto travel per day, reducing air pollutants by 1,240 tonnes annually.

THE NETHERLANDS

From Dutch Disease to Dutch Miracle

In the 1990s, a rash of hell-in-a-handbasket headlines announced the new scourge of Europe: The Dutch Disease. The Dutch economy was stagnating with growing deficits and swelling numbers of unemployed workers. With an unemployment rate around 12 per cent and an estimated 10,000 people a month joining the unemployment rolls in 1984, the state of the Dutch economy was dire. By 1998, the Dutch unemployment rate was 3.8 per cent. In 2003, the Dutch unemployment rate was 2.8 per cent. The Netherlands had the shortest work hours of any OECD country – 43 fewer annual work hours than in Canada. It also had one of the highest rates of hourly labour productivity.

Workers now have the legislative right to reduce their hours. Dutch laws also guarantee against discrimination in terms of wages, benefits, and opportunities for career advancement. In other words, part-timers get pro-rated benefits according to hours worked, opportunities for promotion, and wages similar to their full-time counterparts. The result is that most people who part-time want to do so. A 1996 study showed that only six per cent of Dutch part-timers would rather have full-time work, compared with 26 per cent of Canada’s part-time workforce.

“The Dutch are not aiming to maximize gross national product per capita. Rather, we are seeking to attain a high quality of life, a just, participatory and sustainable society that is cohesive,” former Dutch Prime Minister Ruud Lubbers commented in 1999. “Thus, while the Dutch economy is very efficient per working hour, the number of working hours per citizen is rather limited...We like it that way.”

The Netherlands experience demonstrates that making part-time work ‘good’ work with equal hourly pay, pro-rated benefits, and equal opportunity for career advancement can increase the overall rate of part-time work while reducing the rate of involuntary part-time work. It can create jobs by redistributing work hours, and improve quality of life and work-life balance by expanding leisure time.
Between 1980 and 2000, the average disposable income of couples with children and full-time jobs increased by just over eight percent. But in 2000, Canadian parents were actually working 206 more hours per year for pay – equal to 26 more eight-hour work days – than they did in 1981.

A comparison of work hours vs. income shows that although Canadians’ increased income comes because they are working more, they have essentially “bought” their increased disposable income with increased work effort. Yet at the same time, many of these same Canadians feel overworked and none the richer.

Economist Juliet Schor finds the roots of today’s long work hours in “the work and spend cycle.” High levels of consumption keep us moving on a “treadmill,” says Schor, requiring long hours of work to provide us with more money so we can buy more goods and services.

Average Americans, for example, now consume more than twice what they consumed 40 years ago. According to Schor, between 1983 and 1987 alone, Americans purchased 41 million microwaves, 44 million washing machines and dryers, 85 million colour televisions, 48 million VCRs, and 2.1 million cordless phones – all for an adult population of 180 million.

The same trends can be seen in Canada. In 1982, for example, only six per cent of Nova Scotia households had microwave ovens. By 1997, 92 per cent had them. During that period, the fastest growing industries in Canada were computers, audio and visual electronics, trucks and vans, and child-care. Are all our new “labour-saving” devices and appliances saving us time? Studies of U.S. women have found that those with more consumer durables in their homes work fewer hours than those with less.

Bigger houses, fewer people, more stuff

The growth in consumption is compounded by the fact that our houses are larger than they were 60 years ago, even as families have become smaller. In 1945, the average Canadian house was 800 square feet. Today, the average house has more than doubled in size, to 1,800 square feet. Yet the decline in family size means that these large houses are occupied by fewer people than ever before. In 1961, for example, there were 4.2 persons per household and 1.6 persons per bedroom in the average Nova Scotia home. By 1997 there were only 2.5 persons per household, but 2.4 rooms per person.

It’s also costing Canadians more to work those extra hours. The inflation rate for child-care and eating out has been much higher than the overall inflation rate, and very much higher than the increase in real wages. So Canadians have to work longer to pay for those services, which in turn makes them even more dependent on paid child-care and very much higher than the increase in real wages. So Canadians have to work longer to pay for those services, which in turn makes them even more dependent on paid child-care and

In the 1950s, the promise of new technologies and skyrocketing productivity led many academics to predict that by the year 2000 we would have a 20-hour workweek. More vacations! More books to read! More time to spend with family and friends! Writers in the 1950s and ’60s regularly imagined such a world, speculating about the massive social adjustments that would be required to accommodate the anticipated explosion in free time.

In 2001, for instance, the official unemployment rate in Canada was 7.2 per cent. Add discouraged workers and the underemployed portion of involuntary part-time work, and the number rises to just above 12 per cent.

Long-term Unemployment on the Rise

Canada lags behind Europe in vacation time, leisure time, professional development time, and time spent volunteering. Canadians who have less free time than most Western Europeans. The average Danish citizen, for example, has 11 more hours free time each week than the average Canadian. In addition, European workers enjoy up to three times more vacation time. Based on the amount of vacation time provided in relation to years of service, Canadian workers would have to work, on average, 15 years before receiving the vacation time mandated by some European countries after just one year of work.

Recommended Reading:
Sharing the Work, Sparing the Planet: Work Time, Consumption & Ecology
by Anders Hayden (Toronto: Between the Lines, 1999)

In this seminal book, Anders Hayden – one of the leading proponents of new work schedules in Canada – chronicles the global movement to shorten work time. Historically, people advocated work-time reductions to create more jobs and “live dignified and healthy lives.” Today, argues Hayden, these two reasons have been “joined by a powerful new motivation: the increasing recognition of ecological limits.” Infinite growth and expanded resource consumption are no longer options. The work-time reduction movement is focused on solving one of the most pressing problems of our time: How to sustain the environment by shifting the focus from consumption to leisure, while increasing employment, social justice, and quality of life.

Efforts to reduce work hours have been most concentrated in Europe. Drawing on several international and national case studies, Hayden shows how work-time reduction can be good for people, and good for the planet.