

A Steady State of Leisure?

J M Keynes based his famous essay “The Economic Possibilities of our Grandchildren” on the assumption that our productivity of work increases steadily. Thus, he prophesized, his grandchildren might be able to manage with a fifteen-hour week and still satisfy their needs. Is this also a model for the Steady State of the 21st century? A way to save the planet from ecological disaster?

In very round figures, Western economies increase their productivity (of work) by two percent annually. This is composed by a higher figure for material production and near zero percent for person-to-person services, e.g. care services. If this increase was used to cut down the work hours, we could have a steady production and a rather swift change to more leisure: a four-day week within 12 years, a three-day week within 25 years etc.

But in addition to this, a steady state in production volumes would reduce the needs for investments. Currently, investments account for 15-20% of GDP. This includes re-investments as well as investments for higher capacity (volumes). Assuming that the latter accounts for one third and that the labour required is related to the proportion of GDP, this means a possible further reduction of the work volume by say 6%. In this case, the reduction of work hours could be even faster.

This “steady state” may still not be ecologically sustainable because it levels off on an unsustainable level. Furthermore, the high productivity of work may be obtained by unsustainable use of energy and other scarce or polluting resources. Many people are also concerned that it is achieved by undue exploitation of the employees in the workplace, by agricultural methods which are inhuman to the animals and depletes the soil, by fishing methods which are devastating to the fish stocks. Even if technological development offers further opportunities to productivity growth, we may have to balance this by abstaining from such malpractices. This may lead to slower increase in (work) productivity.

Another concern is that the need for care and other activities with inherent low capacity for productivity growth will constitute a growing proportion of the economy. I assume that we, as consumers and citizens, want a balance of such services and material goods. If so, these services will employ a growing part of the working population and lead to a lower overall productivity growth. Demographic changes with an aging, service-demanding population add to the demands. A further problem is to find the necessary means to finance the services – a problem already facing most Western countries, which are running into debt because they collect less from taxes than they pay for services.

The prospect of shorter hours is still a positive one: no responsible politician today can promise more prosperity – in the basic sense of that word – but more leisure should appeal to most people, especially if it is part of a general change in society (individual changes are much less likely). But it runs counter to the interests of the employers and, by extension, to the agenda of main politics.

One argument often heard is that we must work hard, maybe harder than today, in order to accomplish the change into a sustainable society. We have to, it is said, invest in a new energy system, sustainable transports, housing etc. This is correct but it remains to work out the balance between investments not required and the new demands. A fossil-free energy system must be achieved by savings as well as new types of energy suppliers.

This requires enormous amounts of investments – including more work – in better insulation for houses, new public transport links, wind mills and plants for solar, wave, geothermal energy etc. But it also liberates us from the need to provide new road capacity, new runways on airports, new shopping malls etc. I have not found any figures describing such a new economy but I expect that they might indicate large volumes of investments, which can be omitted. Evidently they coincide partly with the investment made redundant by the no-growth state in consumption assumed above: no new housing for more spacious living, no more big cars etc.

In sum, I propose that an essential part of a steady state society must be more leisure as a consequence of our ability for technological development. But there are several more conditions that need to be met. More knowledge is required to work out the balance between them.

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