

Working hours: Past, present, and future

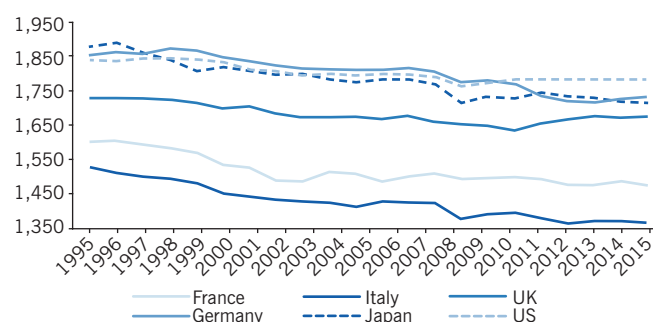
Work hours have been falling in developed countries—But where will they go in the future?

Keywords: working hours, part-time work, female labor market participation, work–life balance

ELEVATOR PITCH

Working hours across the world are falling, but considerable variation remains. In some countries people work 70% more hours per year, on average, than in other countries. Much of this variation is due to differences in the prevalence of part-time work and patterns of female labor market participation. Looking ahead, the question of how reducing working hours will affect productivity is significant. In addition, how individuals divide up their leisure and work time and what the appropriate work–life balance is in an increasingly technological future are important concerns.

Annual hours worked by country, 1995–2015



Source: Author's own compilation based on data from OECD.Stat. Online at: <http://stats.oecd.org/Index.aspx?DataSetCode=ANHRS>

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KEY FINDINGS

Pros

- + Working hours have been steadily falling in most countries for the last 50 years.
- + Fewer working hours does not necessarily mean lower total output or lower productivity.
- + Countries with higher shares of part-time workers tend to have relatively low annual and weekly working hours.
- + As working hours decrease, workers focus more on work–life balance considerations and how to spend their leisure time.

Cons

- The labor markets in many countries are still not very flexible, in that hours of work cannot be chosen by many employees.
- Not all workers are experiencing fewer working hours; for example, some highly educated workers are now working more hours.
- Advanced technology and increasing use of robots is likely to affect the supply of routine jobs and the demand for low- and semi-skilled workers.
- The distributional and welfare implications of fewer working hours are not completely clear and could cause greater inequality.

AUTHOR'S MAIN MESSAGE

Declining working hours, their variation, and their distribution over different occupations and sectors is a topic of great importance. There is constant pressure to reduce working hours on grounds of work–life balance considerations. Debate is ongoing as to whether and how this can be achieved through technological change, without causing a regressive redistribution of income away from less skilled workers. Looking ahead, achieving the optimal balance between these factors will be a major challenge for policymakers.