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**Working paper.**

**Working hard for the money: work and leisure in the 1970s.**


My paper is entitled 'Working hard for the money: work and leisure in the 1970s’ and I am looking mainly at two questions: (1) How did the use of time change in the 1970s? More specifically how did the relation between work and leisure time change in this period; and (2) to the extent that there is change: how can we explain it?

The use of personal time is an excellent prism through which to observe the cultural, economic and political context of the 1970s and an indicator that may help to reflect on the central premise of this conference namely of whether the 1970s were a period of value change and if so of what nature that change was.

I will argue here that in terms of time use the 1970s did not necessarily bring dramatic change but contemporaries were witnesses to the beginning of a change in the trend of long-term development and as such the 1970s were a crucial period. The 1970s, I argue, were the beginning of an increasing ‘inequality of leisure’ in Western societies.
The rise of inequality of leisure was driven by a multifarious set of economic, cultural and institutional factors and it was linked to the rise of inequality of incomes that falls into the same period but in ways that are unexpected at least to holders of conventional economic wisdom.

The emerging inequality of leisure of the 1970s was not only indicative of the spirit of this period but also formative for the world of labour that we see today that is characterised by the unemployment and underemployment under precarious conditions that exist alongside a substantial part of the workforce who feel overburdened and disempowered in the workplace and who, when asked, express a preference for additional leisure over additional income.

I will be mainly looking at the advanced European countries and occasionally at the United States. My time frame is a somewhat loose interpretation of the 1970s that reaches well into the 1980s and even into the early 90s. The reason for this is that the shift that I am observing manifests itself in the 1970s in some countries but later in others but is driven by the same overall development.

At this stage this is no more than a report of work in progress that will hopefully evolve into a proper chapter of a larger history of the 1970s.

1. What changed?

Perhaps the most difficult part of this undertaking is to ascertain what happened in terms of changes in working time in this period. Work in this context is understood as paid work that happens in the context of a labour market. The statistical material is highly disparate and comparative data is not readily
available. I am therefore in the process of compiling my own series for some European countries but for now the best available material is from the OECD and the US Bureau of Labour Statistics’ ‘International labor comparisons’. The later series has now been discontinued but does fully cover the second half of the 20th century.

Slide 1: Hours worked (1970-80)
If we look at the OECD data for ‘Total hours worked per worker’ for the 1970s they may seem unremarkable: the initial trend of declining hours is inversed in most countries but after a mid-decade peak (UK: 1973, France/Sweden: 1976, US/OECD average: 1977) we see a return to declining hours. Italy and Germany are missing because there is no OECD data for them for this period. Assembling a valid data series for the two countries is one of the important tasks of this project.

**Slide 2: Hours worked (1950-2017)**
However, the full importance of this small variation becomes visible when we look at it in the context of the whole post-war experience. The short-lived increase in working hours experienced in the 1970s is perhaps not as remarkable in itself but it is striking that the 1970s mark a period in which the rate of decline in working hours dropped significantly. Sweden and the UK see actually a longer period of increasing working hours from the 1970s onwards. But more typically is the experience of France which sees a significant change in the rate of decline from the mid 1980s. The grey lines in the background show all Euro countries and they visibly all follow a similar pattern although timing does differ.

Slide 3: Hours worked US and OECD
This development is also not confined to the European context: the US and the OECD average (which includes the 35 most advanced economies) follow a similar pattern although it is less marked.

The development of average working hours becomes more significant if two other trends are considered: (1) the tendency of the number of total working hours in advanced industrialised countries to stagnate or even decline (2) the increase of the number of individuals participating in the labour market.

The first is a long-term trend sometimes discussed under the heading of ‘The end of work’ by Jeremy Rifkind and others. However, if you remove the hyperbole and accept that there is no end to work in sight it is still undeniable that in mature industrialised societies the total number of working hours tends to stagnate or fall. The reason for this is that continuously increasing labour productivity mainly as a result of the introduction of new technologies means that the same level of output of goods and services can be produced with less labour hours. In many historical periods this tendency was more than compensated by increasing output. However, in the 1970s economic growth was sluggish as a result of the first major economic crisis of the post war period and in the general average growth levels have been declining in the western world since World War II.

**Slide 4: Labour force participation**
Simultaneously, the number of individuals in the labour marked increased in the 1970s and after that period. This increase was in part driven by demographic change. In the US, baby-boomers started to enter the labour market already in the 1970s; in Europe this happened later. Women entering the labour marked were another important factor in changing the supply side of the labour market.¹

The gradual changes in the average working hours per worker appear differently if we consider them in light of these other factors. Faced with stagnating or even declining demand for labour and increasing supply one might expect acceleration in the decline of average working hours. The contrary can be observed: per capita working hours briefly increase in the 1970s and decline more slowly afterwards than before.

In ‘pizza-economy’ terms this means that the size of the pie is fixed or shrinking and the number of people who want a slice is increasing but slice size briefly increases and then falls only slowly. The offshoot of this is that the number of people increases who are left without a slice of the pie or with very small slices.

Slide 5: Part-time employment

Labour market statistics confirm this: the number of unemployed people and of those in part time employment increases significantly. The OECD average share of part-timers as a share of the total workforce increase from 12.5 % in 1976 to 14% in 1979 (OECD average in this period includes a small sample). This trend is accelerated later: France goes from 10.3 in 1983 to 14.3 in 2017 in the same time frame the share increases from 8.0 to 18.5, in Germany 13.4 to 22.6 in the UK from 18.4 to 23.5.²

Slide 6: Unemployment rate

² https://data.oecd.org/emp/part-time-employment-rate.htm#indicator-chart
Unemployment figures fluctuate substantially along with the economic cycle and are to be taken with a grain of salt because they often include only those actively looking for work and not those who have given up their search or would seek employment in different economic circumstances. However, there is a clear trend pointing towards increasing levels of unemployment since the 1970s.

One of my priorities in this project is to have a much clearer statistical picture. However, even as it stands the outlines of a shift towards a greater inequality of leisure from the 1970s emerge clearly.

2. Causes of this shift towards a greater inequality of leisure

Standard neo-classical economic theory explains similar shifts with a change in individual preferences: workers simply prefer a higher income to additional leisure time and therefore choose to work longer hours.

From a historian’s perspective this is hardly a satisfactory answer. First, it does beg the question why such a great number of individuals take similar decisions to make them statistically significant. Second, most historians would agree that individual choices do influence the course history but that individuals do not take decisions in a vacuum with all options available. They choose among the possibilities open to them at the time and interacting with other choices made by themselves and others and institutional structures in politics, society and culture that are the manifestation of past choices taken under the existing material constraints. We are all Marxists in this sense.

3 https://data.oecd.org/unemp/harmonised-unemployment-rate-hur.htm#indicator-chart
What then may the structural changes be that led to the increase in the inequality of leisure? I am looking at factors that belong broadly speaking to economic history, gender history and cultural history.

Slide: Gap between productivity and real hourly compensation in manufacturing, selected countries, 1970-2010

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4 from BLS Charting international labor comparisons (2012), S. 41
In economic history the most important factor driving longer working hours was the stagnation of real wages that in many Western countries began in the 1970s. This was in part the result of slowing wage growth and in part due to increasing price levels in the period. Both were primarily developments were linked with the economic crisis that started after the oil shock of 1973 and the developed into a period of ‘Stagflation’, that is a combination of slow growth and high inflation, that was characteristic of the 1970s and that had a deep impact on the economy, economic policy and economic thought. Understanding the nature and causes of this economic crisis is crucial to understanding the 1970s but I will only speak about this crisis here to the extent that it affected the development of working hours directly.

The increase of unemployment as a result of slow economic growth in this period was the primary cause of the slowing down of wage growth. Trade unions were in a weaker negotiating position and were unable to match the significant wage increases of the previous decades.

The weakening of nominal wage growth was also related to the long-term trend of declining union membership that undermined their negotiating position. The significant effect of wage develop that levels of union membership can have has been well established for the US trucking industry in this period. (Trucking is relatively immune to other factors that can affect wage development such as outsourcing and globalisation of competition and is therefore a good case where to study the effects of declining union membership in relative isolation.) One principal cause of the decline in unions may lie in their own success: increasing standards of living in the post-war decade meant that workers had reached unprecedented levels of prosperity both taking away the urgent need to collectively seek improvement of their situations and opening up possibilities for a individualistic aspirations. With middle-class lifestyles available to more
workers the working-class as a social environment and fertile ground for political agitation began to vanish.\footnote{Rodgers}

This long term trend of union decline was sped towards the late 1970s and early 80s when liberal governments took aggressive political and legislative steps to check the power of unions: the Miners’ Strike in the UK 1984-5, the Air Traffic Controller Strike in the US in 1981 and the 1986 change of paragraph 116 of the German labour code, the \textit{Arbeitsförderungsgesetz}.

At the same time, as nominal wages began to stagnate price levels began to grow increasingly fast. Inflation was in part driven by the rising price of crude oil that affected some consumer prices such as fuel and heating directly and virtually all prices of manufactured goods indirectly. Another factor was that the long period of growing wages had sustained a strong consumer demand which outran capacity growth because of investors withholding their funds. This ‘investor’s strike’ was largely due to the gloominess of the ‘animal spirits’ in the 1970s: strong wage growth, at times over and above productivity growth, diminished profit expectations as the political context seemed to be stacked against the interests of profit earners for the foreseeable future.\footnote{Badhuri}

I argue that the specific nature of this economic crisis mattered for the development of working hours. In part, political reactions against economic crisis tend to simply negate whatever the dominant paradigm was before the crisis. Hence the substantial anti-liberal backlash after the Great Depression and 2008 crisis which were both preceded by long periods of economic liberalism. We may have been witnessing a true Polanyi-moment here. In this sense, perhaps the backlash against the 1970s crisis almost inevitably had to be liberal. However, the different nature of the crisis also matters: Economic crises that are

\footnotesize{\textsuperscript{5} Rodgers \textsuperscript{6} Badhuri}
associated with a single dramatic turning point such as the Wall Street Crash of 1929 or the Financial Crisis of 2008 tend to engender a collectivist backlash against a perceived overstretching of liberal principles. Solidarity is seen as the appropriate defence mechanism with important conflicts focussing on the nature of the bonds around which solidarity should be structured: fascist and nationalist movements advance more or less racist or nationalist notions of community whereas progressives and socialists emphasise notions of civic or class based solidarity.

However, a threat to living standards that does not hit households suddenly, such as unemployment, but one that rather creeps up on them slowly, like inflation, is bound to have different political effects. Individuals might believe that rather than acting collectively and politically against the crisis they are able to outrun individually the slow decline in living standards. One way of defending your incomes levels or increasing them individually is to work longer hours.\(^7\) The economic context thus fostered an individualistic approach to solving economic and social problems which dovetails with the rise of the self-centred liberal cultural that emerged in this period.

If you look at this from a household rather than from an individual’s perspective this becomes an even more important nexus from the 1970s. Individual working hours may have increased briefly and then mainly decreased more slowly than before but many households added a significant number of working hours. The additional workers who entered the workforce in our period were often women and many of them were part of households where they became the second earners. Therefore the change in terms of working hours at individual level was gradual but it was a much more tectonic shift at the household level. Unfortunately I can only deduct this from other statistical trends. One direction in which I am working at the moment is to find contemporary statistical data about household working hours.

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\(^7\) Tomasky
Women entering the labour market in increasing numbers was in itself a development that was driven by multiple demographic, cultural and economic factors. Demographically, many baby-boomers reached working age in the 1970s increasing the potential workforce, male and female. But there were not only more women of working age but more of them were available to the labour market. The causes are to do with changing views on femininity as a result of the women’s liberation movement and also a result of the legal and social change effected by this movement. Finally, the 1970s were a period of mildly declining birth-rates per women. This was part of a long-term trend of declining birth-rates throughout the 20th century but the availability of ‘the pill’ and women’s emancipation may have had an additional effect in this period resulting in more women deciding to have fewer children or have them later. Considering that childcare was despite all social change still widely considered a mother’s responsibility the decline of birth-rates led to a greater availability to the labour market. As David Harvey and Stephen Rodgers have argued this is one instance where progressive movements that fought for civic rights of discriminated individuals connected with a new economic individualism.

Finally, changes in economic culture did play a role in changing patterns of working hours. With monetarism and neo-liberalism new brands of economic thought began to take root in economics departments but more importantly on TV screens and in political discourse. Friedrich von Hayek could never match John Maynard Keynes’ ability as a media savvy public figure, but Milton Friedman could and his TV Series ‘Freedom to choose’ did much to popularize liberal and individualistic notions of economics. Among the avid viewers were also the Reagans and Ronal Reagan later made economic individualism a ideological centrepiece of his economics. (Less so of his actual economic policy which included growing government spending for military expenditure and significant government sponsored research in areas important for economic development.) Attempts to solve economic problems individually through
harder work and entrepreneurial spirit were initially attempts to defend living standards in the face of economic crisis but as this individualistic way to think about the economy received the blessing of prominent economists and new right-wing governments it was increasingly cleansed of moral doubt and taboos and began to form the new ‘conventional wisdom’ of economic thinking. Other factors, including liberal think tanks and the substantial funding they received from wealthy donors and the waning memories of the collective efforts that won freedom and prosperity in the war years also played a role in this change in economic culture but none of this would probably have mattered much without the effects of the biggest economic crisis since the war. And after that crisis had ended the new liberal economic environment did indeed provide an environment that allowed for individual economic success. At least for some, the defensive economic individualism of the 1970s turned into individualism crowned by substantial economic success in the 1980s: as Hanif Kureishi chronicled in his work there was much money to be made in laundrettes, parking lots and with other entry level entrepreneurial activities in the Thatcher years paving the way for the rise of a vocal and brash new middle class that became the social hallmark of these years.

**Conclusion**

It is worth placing the phenomenon of ‘inequality of leisure’ in the ‘longue durée’ of capitalist development to fully appreciate its meaning. Since labour productivity started to increase substantially in around the turn from the 18th to the 19th century the newfound capability to produce much more in one hour of human labour thanks to the power of technology the additional capacity has been used for three purposes: increasing incomes of workers, reducing their working hours and paying those providing the productive capital profits. The ratio at which this split occurred changed substantially over time.
Productivity increases are not linear and in the 1970s some countries like the UK fell somewhat behind in productivity growth but by and large productivity growth is a constant of capitalist economies and, indeed, historically it is their forte. But what societies end up doing with this bounty is not a foregone conclusion and is indicative of their constitution. The 1970s bring an important shift in this respect: less of the power of technology is used to reduce working hours and more to increase output and hence revenue. Does this confirm standard economic theory? In a way, people in the 1970s did indeed collectively decided to swap leisure for additional income. But it is important to understand this phenomenon in context: the concentration of labour hours was a reaction to stagnating wages and a way to prolong the post-war trend towards growing living standards individually at a time when society as a whole could not guarantee this outcome anymore. Moreover, the workers and households who added hours were merely able to prevent a decline of their real wages. But while wages remained largely stagnant productivity continued to grow. The differential went into profits and drove another much-discussed trend in inequality: the rise in income inequality. Labour time became more concentrated and the same happened with income. But unlike what conventional economic wisdom would predict they concentrated in different places. The people and households working harder were not the same group that was mainly benefitting from increasing revenues in this period.

As conventional neo-classical economic theory cannot explain the developments of increasing leisure inequality that began in the 1970s we need to look to other theoretical paradigms that might help to understand what happened in this period.

The first economist who might help to shed light on this is Michal Kalecki. Kalecki not only beat Keynes to understanding many of the economic problems of his time but he was also far more clear-sighted about the problems that
Keynesianism would engender than Keynes himself. In a paper given in 1942 in Cambridge entitled ‘Political aspects of full employment’ he argued that a condition of prolonged full employment brought about by Keynesian policies would come to an end not because of economic problems but because it would provoke a political backlash. The expansion of government activities, the increased levels of social spending and the increasing power of the labour movement that were all associated with a state of full employment would be met with ‘unease’ by business leaders and investors who would put their political and economic capital behind attempts to upend this economic policy. This is not an economic argument: there were significant economic benefits associated with the strong growth of the post-war decades for all economic players. This is essentially a Nietzschean point about power. Kalecki predicted that economic elites would feel that their power was slowly eroded by an essentially social-democratic framework which was seen by many as having the potential of degenerating into full-blown socialism one day. Seen in this way, the developments that we see in the world of labour in the 1970s that include the relative increase of working-hours for some, unemployment for others and successful attempt to change the legal and political framework against the interests of unions appear as tools of social and political discipline rather than stepping stones on the way to a specific economically determined objective.

Considering the fact that the trend towards inequality of leisure and income inequality occur roughly around the same time it is also interesting to ask about a more direct economic nexus. In the 19th century, Marx saw the lengthening of the working day as one of the main ways in which profits could be increased and although we are in our period merely seeing a decline in the speed at which working hours are reduced rather than an actual lengthening of the working day it is tempting to see in the parallel developments of ‘inequality of wages’ and ‘inequality of leisure’ a late 20th century echo of this 19th century theory.