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During the 1970s, the Australian Public Service became a leader in the provision of flexible working conditions. Innovations such as flexitime and maternity leave provided a model which it was hoped the private sector would emulate. In fact, the reverse has occurred. The reforms of the past two decades have eroded the distinctions between public and private sector working conditions. At the same time, the nature of employment has changed radically.

For the last decade, 'flexibility' has been the stated goal of workplace reform in both public and private sectors, but the term has reversed its meaning since the 1970s. Whereas 1970s-style flexibility meant that employees could shape their working hours to fit in with their personal lives, 1990s-style flexibility means that employers can shape the lives of their employees to fit in with the demands of the workplace. Similar moves towards flexibility have taken place in most of the English-speaking countries

By contrast, in most European countries, the trend towards steady reductions in working hours has continued. Most European workers now enjoy long periods of annual leave (six weeks is commonplace) along with generous maternity leave and long-service leave. The most radical resistance to pressure for 'Anglo-Saxon' conditions has come from France, where a maximum 35-hour working week is about to come into effect. The benefit to employees has in part been offset by legal changes that allow employers greater flexibility in determining the allocation of working hours, but, even allowing for these offsets, the direction of change is the opposite of that in the English-speaking countries

The net result of the divergence between Europe and the English-speaking countries is that full-time employees in countries like Germany and the Netherlands work an average of 1400 to 1500 hours per year, compared with 2000 hours per year for full-time

employees in the United States, a difference of more than 25 per cent.

It remains to be seen which of these paths proves sustainable in the long run. Advocates of employer flexibility point to the strong growth experienced in the United States and Australia, and characterise European institutions as sclerotic. However, the European economies are now growing strongly, while the consumption-driven boom in the United States looks increasingly shaky.

Macroeconomic comparisons are inherently dubious in view of the fluctuations of the economic cycle. The real problem is to determine which set of labour market institutions will achieve the best balance between the demand for economic output and the needs of workers and their families. The recent growth of the English-speaking economies has been achieved at the expense of high levels of stress, burnout and alienation.