

# 30 Hours a Week for Europe – Overcoming the Crisis with shorter Working Hours



Attac rejects the neoliberal „reforms“ of the EU and the present plans to create a fiscal and an economic union. We call instead for policies that reinstate and expand social rights and democracy in Europe. In addition to the demands, already articulated, as, for instance a coordinated one-time capital levy, the subdivision of the biggest banks, etc., we find it necessary to add the following demand:

## 30 hours working week for Europe with full compensation of wages and personnel

Just as the capital levy for millionaires and billionaires or the raising of taxes on capital were not new ideas, neither is reducing working hours. The ILO Convention number 47 from the year 1935 argues as follows:

### Agreement on reducing working hours to 40 hours per week, 1935

Considering that unemployment has become so widespread and continuous, that there are at the present time many millions of workers throughout the world suffering hardship and privation ... from which they are justly entitled to be relieved; ...

...that in pursuance of the Resolutions adopted by the eighteenth and nineteenth Sessions of the International Labour Conference it is necessary that a continuous effort should be made to reduce hours of work in all forms of employment ...

... adopts this 22. day of June, 1935 the following Convention which may be cited as the Forty-Hour Week Convention ...

This agreement was not ratified at the time. Shortly after, war preparations began, so that the problem of unemployment moved to the background.

After the war, the 40-hours week was introduced successively in Europe and led to full employment. In the meantime, increased productivity has made it necessary to apply this correction again.

### Good Reasons for the 30-hours Working Week in Europe

**1.** By redistributing the available work, we can reduce the present unemployment rate significantly.

**2.** Today employees must often sell their work for a wage that lies under the survival minimum. In many branches the employer expects overtime, often without pay. Whoever doesn't conform is in danger of losing his job. Reducing unemployment reduces also to a

large extent competition among workers for a job.

**3.** The reduction of working hours to 30 hours per week with full compensation of wages and personnel would cost employers in Germany alone 160 billion Euros/year. The result would be that the gross profit rate would sink from the present 33.7% to 25%. This profit rate was found adequate until the 1980's. At the same time, the gross wage rate (which has sunk in the past years) would increase from the present 66.3% to 75% (as in 1980). The redistribution of 160 billion euros annually from the top down would therefore be a permanent/systemic redistribution, which would by far surpass the volume of a one-time capital levy, resulting in a sustained slowing down of capital concentration in the hands of a few. For Europe the redistribution would amount to over a half trillion Euros annually.

**4.** Business profits are at present seldom invested in the real economy because the yields from the financial markets are so much higher. Distributing profits to the employees would therefore slow the flow of new money to the financial markets. This money is then not available for speculation, and the EU would experience long-term stabilization.

**5a.** We need a functioning domestic economy. A functional domestic economy is strongly dependent on good wages and adequate employment opportunities. People without jobs or in the low-wage sector don't go out for pizza and don't employ a craftsman to tile the bathroom. We see this problem illustrated in Greece or Spain. Wages are lower than they have been in the recent past. According to the theory of competitive prices, the economy should prosper. But it doesn't. On the contrary, it has broken down completely. The 30-hours-week in Europe increases domestic market demand, also in the countries now suffering under the crisis.

**5b.** The 30 hours-week is clearly a better alternative to the German „agenda-politics“ of flexible work markets, low wage sectors and worker-lending agencies. In spite of disastrous consequences for the workers, the German government and the Troika are pressuring the countries in crisis to accept these policies. A fraction of the present financial „umbrella“ for Southern Europe would be sufficient to finance the wage difference for shorter working hours and in addition to activate the domestic markets and strengthen their competitiveness. Thus the 30 hours working

week becomes a tax-financed program for prosperity and a realistic strategy.

**6.** 30 hours a week for Europe is mainly a problem for the export sector of the economy, because products would become comparatively more expensive on the global market. The EU would lose a little of its market supremacy and the developing and intermediate countries would have a chance to raise their working standards, (which often violate human rights) without having to fear the competition of the EU.

**7.** We need a no-growth economy because, as climate change has shown us, we cannot continue „business as usual“. The crisis in Europe is also a crisis of the overproduction of goods for which there is neither a market nor a need. Reducing working hours generates jobs without growth. In some branches (production of pesticides, nuclear power, weapons, etc.), we can reduce production by 25% by waiving compensation of personnel, thereby preparing for the closing down of these branches. A no-growth economy must be approached at the EU-level to develop relevant results. The 30 hours-week would be a good way to start a no-growth economy.

**8.** We need a fairer distribution of work between the sexes. With the 30 hours week, men will finally have more time for their children, and women will have equal opportunities for their careers. There will be time for caring for parents, sick and handicapped relatives and neighbours and for other forms of voluntary care work.

**9.** We need stable financing of our social insurance in order to preserve a social/welfare state. Nearly 30% of the labor costs (from employers and employees) go to health- and retirement insurance, etc. Of the proposed redistributed 160 bill. Euros per year in Germany, 50 billion would go into the social insurance funds. This money would stabilize the social security system and enables us to repeal the neo-liberal „reforms“ of the last years. Due to differences in the social security systems of the European states, there would be differences in the stabilizing effect, but a positive effect is certain also in other states.

**10.** Stable financing for our social security systems will facilitate the long-overdue discussion about a basic income, free of repression and compatible with human dignity, for the jobless, for one-parent households, the retired, the sick and other needy people. The neo-liberal strategies for the crisis countries,

such as reducing pensions and unemployment-support could be cancelled.

**11.** Shorter working hours would mean financial relief for the health system. On the one hand, it reduces the physical burden of work. On the other, the psychological burden of stress at the working place (burn out) or depression due to joblessness.

**12.** Society needs people who have time for democratic participation. At present people with jobs and family hardly have time to participate in the activities of NGOs, social movements, political parties as much as they might like to. This is a loss for a democratic society.

**13.** We need strong labor unions in order to resist the neo-liberal powers collectively. A major reduction of unemployment strengthens the bargaining power of the unions and makes them a serious opponent to neo-liberal "reforms".

**14.** With increased bargaining power, unions can achieve better working standards, and can eliminate the low-wage sector and other forms exploitative work. The 30-hours week for Europe is therefore an effective curb on wage-dumping policy, and guarantees a reasonable income. As the 30-hour week would have a stronger effect in Germany in reducing unemployment than it will in the crisis countries with

26 % unemployment, the wages in Germany would rise more significantly than in southern Europe. This would strengthen competitiveness in the crisis countries and generate more jobs. In the long run, the monetary union can only be stable if Germany refrains from the policy of lowering wages in order to be more competitive with its exports. This would be a promising path towards resolving the EU crisis, preferable to the regressive and dangerous path of revoking the Euro.

**15.** The Profit generated by automation is collected almost exclusively by the owners of the machines. They bought this equipment however with the surplus value produced by the employees. It cannot be justified that the workers now should pay for automation with the loss of their jobs, instead of being rewarded with shorter and fully compensated working hours.

**16.** According to the UNICEF study, „Rich Countries – Poor Children“ from 2012, 30 million children grow up in relative poverty in the 35 richest nations; almost 1.2 million of these boys and girls live in Germany. Reducing unemployment and raising incomes through the increased bargaining power of unions would also raise family incomes and contribute to reducing child poverty.

**17.** 30 hours a week for Europe is primarily

a concerted project focusing on many segments of the population: jobless, workers, mothers, fathers, children, women, retired people, sick and healthy, sport and nature enthusiasts, artists, activists, etc. It is also an approach to limiting economic growth without causing social problems. In this sense, we contribute to *buen vivir*, the good life for all, in harmony with – and not at the cost of nature and other people.

The President of the European Commission, Manuel Barroso defended in a recent speech the latest neoliberal proposals for a fiscal and economic union: "Our common goals are sound public financing, competitiveness, growth and employment ...

It is imperative that we create more working places, whereby our focus must be on combating youth unemployment."

We conclude that reducing the work week to 30 hours would be a major contribution to an economy oriented towards the common good, and together with other demands of ATTAC an important response to neoliberal "reforms", those proposed and those already executed".

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