



## **A 90-hour work week makes you a poor consumer -- and your company a poorer producer**

*Cheap labour and long hours are detrimental to the economy*

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### **Highlights**

- *The 70-hour and 90-hour work week argument is flawed, but debate on work hours is not new*
- *In earlier centuries, 8-hour workday proponents argued fewer work hours boost consumption*
- *Overworked workers do not have time to incentivize or even better their living standards*
- *Industries with cheap labour and long hours are the least innovative and also the poorest*

A public debate has emerged over the advocacy by some corporate leaders for a 70-hour and, more recently, a 90-hour work week. These comments have at times taken a personal tone, leading to reactions ranging from anger to memes, reducing the discussion to outrage and humour.

The issue of daily working hours is neither new nor trivial. In 1868, the National Labor Union successfully lobbied the US Congress to pass the eight-hour workday rule, though it was only implemented for federal employees. Private industry interpreted this law as allowing a reduction in wages alongside reduced working hours. Currently, corporate leaders in India advocating for longer working hours have not clarified if this would mean a proportional increase in wages. This

is unlikely, as industries could simply hire an additional shift of workers rather than extend the hours of current employees, whose productivity would decline due to fatigue.

In 1886, a violent strike by workers led by the Knights of Labor (KOL) at the McCormick Harvesting Machine Company sought to secure an eight-hour workday. The strike resulted in the death of a worker and injuries to several others. The methods adopted by the KOL were widely criticized, prompting many workers to shift their support to the American Federation of Labor (AFL) under the leadership of Samuel Gompers, a less radical union that advocated for collective bargaining to achieve workers' benefits.

Contemporary proponents of the eight-hour workday presented compelling economic arguments for reduced work hours and increased leisure time. Perhaps the earliest economic rationale for reduced work hours was articulated by [Ira Stewart](#) in 1865: the reduction of work hours concurrently increases the wage rate, and with more leisure time, workers will consume more goods and services. To Stewart, a worker, exhausted and hungry after a long day's labour, often neglects personal appearance, while those with shorter working hours are more likely to take pride in their appearance, venture out with their families, and require suitable attire.

In his plea for Eight Hours, [Terence Powderly](#) made the same argument that Ira Stewart had; more leisure time increased time available to read and learn more about the world. With this, workers “naturally acquired new tastes and desires. The adornment of the home became an object with the man who could see his home by daylight, and the demand for articles of home consumption and adornment increased very rapidly.”

In 1890, [Gompers](#) called for an eight-hour workday, reserving eight-hours for sleep and eight-hours for “what we will”. Arguing against those who believe that greater leisure time would result in greater alcoholism, he asserted that the most sober class in society is composed of those

who can earn fair wages with a reasonable number of working hours—not those who are overworked. A person working twelve, fourteen, or sixteen hours a day often needs some artificial stimulant to recover the vitality drained by their daily toil.

Gompers further contended that industries with long labour hours exhibit the least development of inventive power. When hours are long and labour is cheap, the incentive to innovate is absent; "the greatest impediment to progress is hiring men cheaply." In fact, in places where labour hours are the longest, both workers and their employers are the poorest; establishments in Louisville and New Albany served as cases in point.

Uncannily, Gompers addressed a concern, albeit in a way that is patronizing to women by today's standards, that was recently raised by an Indian corporate leader: "The man who works eight hours a day has sixteen hours a day left ... He may take his wife or his best girl to a friend's. If he happens to be married, he takes his wife, and he wants her to be neat and clean and dressed fairly well. When his friend visits him, he wants to have, probably, a pretty picture on the wall, or perhaps a piano or organ in his parlour; and he wishes everything about him to be bright and attractive." On the other hand, a man working sixteen hours has no necessity for decent clothes, he does not see his wife except when he returns from his work, and he is too tired to think about pictures and pianos.

While union leaders argued that shorter work hours would boost consumption, [George Gunton](#) provided a more comprehensive rationale for the eight-hour workday. He believed that higher wages and increased leisure time would stimulate 'social wants' (the socially accepted standard of living) and elevate the standard of living, creating effective demand for goods and services beyond bare necessities. In response to this demand, producers would invest in factories and machinery. The pursuit of larger profits by producers in competitive markets would drive innovation and reduce prices. Social wants are not fixed; they continuously evolve, drive

production, innovation, and standards of living. However, this is only achievable when the working class enjoys shorter workdays and more leisure time. Examining labour hours and living standards, it is clear that countries with shorter working hours often boast the highest standards of living.

Corporate leaders advocating for longer working hours often fall into the 'fallacy of composition.' They extrapolate their interests to a broader context, potentially leading to erroneous conclusions. The whole is not merely a sum of its parts; if all enterprises adopt longer working hours, it could result in reduced consumption, negatively impacting both the economy and their own businesses.

All work and no play could not only make Jack (and Jill) dull ... but the economy too.

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