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# Beyond Full Employment: Keynes and Kalecki on our Economic Future

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## ABSTRACT

This paper addresses the idea of creating an economy beyond full employment — namely one that offers some work for people to do but also more abundant leisure time. It argues that this idea has endured in critical political economy. J.M. Keynes gave it support directly. Its realisation though raises concerns over the balance of power relations in society and the scope to use the productivity gains from technological progress to lighten work. Here useful lessons on the limits to reducing work in the economy can be gleaned from Michal Kalecki's work. The paper uses the writings of Keynes and Kalecki to consider the possibilities for and barriers to creating a different (leisure-filled) economic future. Some wider implications are drawn for modern debates concerning the scope for achieving a four-day working week. Overall, the paper establishes the value of integrating ideas from both Keynes and Kalecki and of emulating their common endeavour to promote the vision of a radically different economic future.

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## Introduction

The problem of unemployment has loomed large in debates within critical political economy. This is for good reason. The loss of economic output is one clear cost of unemployment. Another is the waste of human potential and loss of well-being through the lack of access to paid work. The distresses associated with unemployment are often severe and add to the losses of income faced by the unemployed.

The costs of unemployment have motivated agendas aimed at creating more work for people to do. Critical political economists, following J.M. Keynes (1936), have longed argued that the capitalist system is prone to persistent and widespread 'involuntary unemployment'. They have argued that, even with wage and price flexibility, workers may still find themselves unemployed. For Keynes, the task of reducing unemployment meant policies to manage effective demand, principally through tax and spend policies implemented by the state. Full employment could be achieved by the creation of a managed capitalism that ensured the available labour force had enough work to do.

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Other heterodox economists have taken a somewhat different view. Michal Kalecki (1943) famously questioned whether continuous full employment could be achieved under capitalism. While he maintained that the state had a role to play in reducing unemployment, he highlighted political constraints on full employment. The desire of capitalist employers to maintain the effectiveness of ‘the sack’ as a disciplinary device, in particular, would prevent full employment from being reached on an ongoing basis. If capitalism was to reconcile itself with the goal of full employment, it would need to undergo ‘fundamental reform’.

But these critical contributions can conceal what is a longer-term aspiration and goal. Keynes ([1930] 1963), at least, envisioned a world beyond full employment where leisure would replace work as the major pastime. Keynes, in this respect, was just as radical as Kalecki. That is, he imagined changes in society that would curtail the need for people to work endlessly and that would push beyond the current constraints of capitalism. Though it can be argued that Kalecki’s policy prescriptions came closer to matching with the conditions needed to reach the workless utopia that Keynes extolled. Kalecki may not have embraced explicitly the same long-term vision as Keynes, but he realised the deep-seated reforms needed to transform the economy. He also recognised the sources of resistance to these reforms and how they might be blocked in practice, leading to both constantly high unemployment and persistently long work hours.

This paper uses the work of Keynes and Kalecki to address the possibilities for and barriers to achieving a different economic future — one potentially where full employment would be replaced with something close to, or like, ‘full unemployment’. It establishes that for both Keynes and Kalecki full employment was a key goal in establishing the conditions for a better economy. Workers could not assert their rights and achieve better economic outcomes, including shorter work hours, without full employment. But the move to full employment was not an end in itself — rather, it was a means to achieve a different kind of economy. The paper compares and contrasts the ideas of Keynes and Kalecki. It establishes that while the politics of the two differed markedly (Keynes was an avowed ‘liberal’, whereas Kalecki identified with socialism), each believed that the economy could be reformed in ways that would hand workers more power to lead their own lives, free of the pressures of the capitalist work ethic and the disciplines of money earning. Finally, the paper draws implications for modern debates on a four-day working week. It is argued that issues of power remain important in understanding the prospects for and impediments to an economy of less work. In this sense, there is scope to synthesise aspects of the work of Keynes and Kalecki and apply their ideas anew to contemporary discussions on the present and future of work.

### ***Keynes on the Prospect of a Future with More Leisure Time***

In the *General Theory* (1936) and other economic writings, Keynes opposed the views of economists who asserted that people were unemployed due to sloth or an unwillingness to work for lower real wages. Rather, he showed how unemployment was largely independent of the individual preferences and characteristics of workers. Even if workers were energetic in seeking work and prepared to work for lower real wages, they could still find themselves unemployed. The 1930s depression that featured high unemployment was not caused by an increase of indolence but instead was the product of a

system with chronically low levels of demands. Deficient aggregate demand, in short, explained why unemployment existed and persisted in society.

This view led Keynes to favour demand management policies. Because the economy could get stuck for a potentially long period in a situation of high unemployment, policy action by the government was urgently needed. More directly, the state had a vital role to play in boosting demand levels by deficit spending — gaps in private consumption and investment could be filled by higher public spending and the economic stimulus due to state action could help to revive the fortunes of the economy more generally.

Importantly, Keynes argued that governments had the tools to lower unemployment. They were to ignore economists advising against state intervention and instead were to use their powers of tax and spend to manage demand in the economy. Keynes recognised the ongoing proneness of the capitalist economy to unemployment — he rejected a view of capitalism where markets permanently self-adjust and bring about full employment spontaneously. Instead, he acknowledged how capitalism needed to be managed and how the state must intervene to ensure that work was available for people to do.

This pushed Keynes in some unusual directions. For example, he advocated for ‘make-work’ schemes. The state could employ people to dig holes and fill them in again (Keynes 1936, 129) — this would help to reduce unemployment directly. Hole-digging could include the burial of bottles containing money. This would then stimulate activity in the private sector to find and retrieve the bottles. Keynes, though, wanted the state to focus on more socially desirable ends such as the building of more public housing. These ends and not the creation of work for its own sake were to take priority in the policy agenda of the state. The focus on ‘make-work’ schemes was simply to illustrate the effectiveness of state intervention and was not a direct guide for policy action.

But Keynes’s dream was not just to create a full employment economy. He had hopes and aspirations beyond this. In his 1930 essay, ‘Economic Possibilities for our Grandchildren’, he highlighted the promise of a future where work would be diminished in quantity. In the long-run, society would be able to live with less work to do. The encouragement of an economy of less work would require full employment in the first instance but beyond it, it would require a change in the ‘normal’ patterns of living and working. Indeed, it would upend these patterns and set the foundations for an economy that encouraged people to live more freely and without the strict disciplines of work that existed under present-day capitalism.

This spotlights a radical side to Keynes’s writings. While Keynes was supportive of the goal of full employment, he also wanted to reduce people’s dependence on work. He wanted the proceeds of technological progress to go towards higher living standards and shorter work hours. Full employment would give workers and their unions the power to secure higher wages and cuts in the working time. History had shown that workers’ strong bargaining power was crucial in achieving these outcomes. Keynes simply extrapolated from historical circumstance, predicting that the continued demands and pressure of workers plus the commitment of the state to full employment would help to ensure that the rewards of technological progress fed through to higher real wages and reduced work time.

Keynes, in his 1930 essay, predicted that the working week would fall to just fifteen hours by 2030. The effects of successive growth in productivity due to improved technology would win for workers a much shorter working week and create the basis for a future leisure society. Crucially, Keynes believed that a shortening in the working week could be

realised *under* capitalism. He rejected calls from socialists for the abolition of capitalism (he remained implacably opposed to the revolutionary politics of Karl Marx and Marxism — see Keynes ([1925a] 1963, 300)). Rather, he argued that capitalism was the best system to deliver fast technological progress and higher productivity. In the future, capitalism would extend leisure time. While capitalism had evident moral flaws (Keynes [1930] 1963, 369) took particular exception to the love of money which he regarded as a ‘somewhat disgusting morbidity’) and needed to be reformed to reach full employment, it was still the most effective way to achieve material abundance and the basis for a leisured future.

But Keynes argued that, in the realisation of this future, the capitalist imperatives of profit-making and wage-earning would recede in importance. Instead, people (both capitalists and workers) would turn their minds and bodies to non-economic activities. This view derived from some assumptions made by Keynes.

Firstly, he regarded work as a bad thing. He thought that society would want to use the productivity gains borne of technological progress to avoid work and to buy more leisure time. Work here could be seen generally as economically necessary activity and the avoidance of such activity (whether devoted to profit-making or wage-earning) could be seen as a preferred outcome in the future. In Keynes’s imagined future, freedom would come from living without the constant need to make and earn money. The replacement of work with leisure would add to the quality of life for all.

Secondly, Keynes ([1930] 1963, 365) assumed that the wants of people were finite. Once people had satisfied their ‘absolute needs’, they would cease working and instead adopt a more leisurely way of living. He discounted the importance of what he termed ‘relative needs’. These were linked to ‘the desire for superiority’ and were ‘insatiable’. Keynes thought that people would want to use the extra income gained from technological progress not to engage in more status-seeking consumption but instead to work less. He downplayed the effects of consumerism on the behaviour of people and instead placed his faith in the idea of society embracing leisure-seeking over money-making. This faith encompassed not just workers, who he thought wanted to escape paid work in any case, but also capitalist employers, who he thought could benefit from extending leisure time. Keynes envisaged a future where all in society would enjoy life more by devoting their time to non-economic ends, from producing great art to cultivating beautiful gardens.

Keynes, though, regarded the transition to a leisure society as fraught with certain dangers. Under the influence of the capitalist work ethic, in particular, people had become inured to earning and spending money and they would find it difficult to adjust to a life of more leisure. Keynes ([1930] 1963, 366-367) noted how middleclass housewives in modern society often suffered nervous breakdowns because of their lack attachment to and engagement in paid work. Adjustment to more leisure time would be slow and would require abandoning the ingrained habits of thought and action that existed under capitalism. But this adjustment would bring benefit in the end. Keynes celebrated the prospect of an economy with less work, equating it to a state where everyone could live happily and well. Any adjustment costs would be temporary and would be negated in future years.

Some key points emerge from the above discussion. Firstly, Keynes was in favour of reforming capitalism — he objected to a *laissez-faire* form of capitalism (one aimed at promoting the private interest only) and instead supported a capitalism that entailed a

clear role for the state in ensuring full employment. While some authors have sought to equate Keynes with a socialist policy agenda (Crotty 2019), others have contended that he is best viewed as a supporter of a ‘reformed capitalism’. In short, he wanted to see ‘a partnership between institutions of the state and a mainly capitalist structure of production, such that public purpose would take precedence over the unalloyed pursuit of private profit’ (Konzelmann, Chick, and Fovargue-Davies 2021, 592).

Secondly, Keynes believed that capitalism would deliver in the end. He decried the costs of capitalism (especially high unemployment), but he ultimately wanted it to succeed as, under reformed conditions, it could power society towards a future of ease. He aimed to rally support for capitalism, not seek its revolutionary overthrow. Again, Keynes was a liberal reformer, not a socialist (Keynes 1925a).

Thirdly, however, Keynes thought that capitalism would wither away as technological progress and productivity growth met human wants and reduced the need for people to work for money (Skidelsky and Skidelsky 2012, 18). He offered a vision of a radically different economic future — one that depended initially on the achievement of a full employment economy, but that would eventually spell the end of people’s need to devote endless hours to work. In Keynes’s vision of the future, people would be free to spend their time in different creative activities and would enjoy their lives more because of this freedom. He envisaged a phasing out of work and an extension (to the benefit of all) of free time. This last aspect gave to Keynes’s economic writings (particularly his 1930 essay) a subversive element: one that aligned them, if unintentionally and indirectly, to some socialist thought.

### ***Kalecki on the Political Economy of Full Employment***

Kalecki, like Keynes, recognised how the economy could stagnate at below full employment for prolonged periods. He saw that unemployment was, in essence, a demand side problem — it reflected the insufficiency of demand in the economy that meant many workers were not hired by capitalist employers. Also, like Keynes, he thought that measures to raise demand and reduce unemployment were perfectly feasible from an economic perspective. He advocated higher government spending and the use of budget deficits to stimulate demand and move the economy to full employment. The overlap between Kalecki and Keynes on the idea of demand-constrained unemployment has led to a long-running debate over who originated this idea (Robinson 1976).

Kalecki clearly departed from Keynes, however, in his stress on the ‘political aspects of full employment’. His short 1943 essay, ‘Political Aspects of Full Employment’, like Keynes’s own 1930 essay, contained important provocations — ones that challenged views about the present and that stimulated visions of possible alternative economic futures. These provocations explain its enduring interest in modern economics debates (Sawyer 2023). Their significance for Kalecki’s vision of a possible ‘post-work’ future, however, has yet to be fully drawn out.

Kalecki used his 1943 essay to reaffirm the view that the state had the capacity and opportunity to implement policies to achieve full employment — indeed, he felt (rather over optimistically, as it turned out) that a majority of economists backed this view (Kalecki 1943, 322). In fact, the support of the economics profession for full employment could not be relied upon — at least, many economists in the period after Kalecki

wrote his essay (and especially from the 1970s period onwards) came to side with the alternative objective of low inflation. But the main purpose of Kalecki's essay was to highlight the political obstacles to full employment. While capitalist employers would benefit economically from the move to full employment, they would fear the political upheaval caused by the rising bargaining power of workers and would prefer to maintain some positive level of unemployment rather than see it reduced. That is, they would resist full employment as a policy goal for political reasons.

This view echoed that of Marx on the role of the 'reserve army of labour'. A constant level of unemployment, in Marx's terms, would act as a check on the aspirations of workers and enable capitalist employers to maximise their economic returns while keeping discipline in the workplace. Kalecki reminded his readers that unemployment would be desired by capitalist employers as a means to keep workers in check and that its existence and persistence was linked, at least partly, to class politics. Capitalism, as a class-divided society, could not function effectively without some level of unemployment.

Kalecki (1943, 324) identified three political barriers to full employment. Firstly, the desire on the part of capitalist employers (or 'captains of industry') to limit government influence over the level of employment. In a *laissez-faire* system, capitalist employers can make the level of employment depend on the 'state of confidence' and can prevent the government from intervening to ensure that economic confidence is maintained. With direct government action to create employment, however, the 'indirect control' of capitalist employers over the employment level would be limited and this fact would be enough to create resistance from the capitalist class to the interventions of the government. Kalecki linked support for 'the doctrine of "sound finance"' to the opposition by capitalist employers to state influence over the level of employment. Strict controls over government spending fitted with the political agenda of the capitalist class. While Kalecki argued that a majority of economists supported the state intervening to achieve full employment, he was also clear that some economists still could be secured to support 'sound finance', despite the damage it could inflict on the economy.

Secondly, there was opposition to the 'direction of Government spending' (Kalecki 1943, 324). Capitalist employers were particularly opposed to the subsidisation of consumption because this eroded the economic pressure to work. But they would also oppose more generally investment in public services and welfare provision because it would create more scope for people to live without paid work. 'The fundamentals of capitalist ethics require that 'You shall earn your bread in sweat' — unless you happen to have private means' (Kalecki 1943, 326). Any government spending that undermined the need for workers to seek and maintain paid work, therefore, would elicit direct resistance from capitalist employers.

Thirdly, there was the political threat posed to capitalist employers by the *maintenance* of full employment (Kalecki 1943, 326). If full employment was sustained for any length of time, it would make workers less fearful about the consequences of 'the sack' and would lead them to demand concessions from capitalist employers. 'The social position of the boss would be undermined and the self-assurance and class-consciousness of the working class would grow. Strikes for wage increases and improvements in conditions of work would create political tension'. This tension might be offset by higher profits, and higher wages (caused by workers' stronger bargaining power) could be compensated by



higher prices (Kalecki assumed that firms could push up prices relatively easily and that wage rises would be followed by price rises). But it could not be fully contained. In the end, “discipline in the factories’ and ‘political stability’ are more appreciated by the business leaders than profits. Their class instinct tells them that lasting full employment is unsound from their point of view and that unemployment is an integral part of the ‘normal’ capitalist system’ (Kalecki 1943, 326). Normality here, of course, meant large numbers of the working class suffering enforced unemployment.

Fascism, according to Kalecki, offered one possible way to overcome the political obstacles to full employment under capitalism. It was based on the allying of the state with the interests of business and the elevation of armaments production. Tyranny by the state would replace the threat of dismissal in keeping order in workplaces. ‘Political pressure replaces the economic pressure of unemployment’ (Kalecki 1943, 327). While fascism might help to combat unemployment, it would simply create the basis for an ‘armament economy’ at the expense of higher consumption and would lead inevitably to war. Kalecki offered a damning assessment of fascism that pointed to its inherent flaws and extremely regressive implications. Fascism remained, at root, an odious and despicable system and ought to be resisted.

Kalecki (1943, 328) noted how capitalist employers would favour government intervention in the context of a slump and how their preference in this context would be for the government to stimulate private investment (via, for example, lower taxes). This again reflected their desire to maintain their influence within and over the economy. A deep and prolonged slump might win capitalist employers around to higher government spending, at least temporarily. Once an upswing was established, however, capitalist employers would resist the fall of unemployment to zero. Full employment might be achievable at the top of the cycle, but it would not be sustainable. As Kalecki (1943, 329) wrote, ‘lasting full employment is not at all to their [capitalist employers] liking. The workers would ‘get out of hand’ and the ‘captains of industry’ would be anxious to ‘teach them a lesson’’. Kalecki referred to how a form of boom tiredness would arise and how the government would face pressure to cut public spending, leading to an economic downturn and higher unemployment. This notion of government spending and unemployment following a cyclical pattern provided the basis for a theory of the ‘political business cycle’ (330).

The existence of this cycle was not to be supported by progressives because ‘(i) ... it does not assure lasting full employment; (ii) ... Government intervention is tied down to public investment and does not embrace subsidising consumption’ (Kalecki 1943, 330). There was popular support for achieving continuous full employment — ‘What the masses now ask for is not the mitigation of slumps but their total abolition’ (330) — and the onus was on governments to provide the conditions for its realisation. The political business cycle, in effect, had to be abolished — this meant neutering the power of the capitalist class to influence politicians and the economy. In concrete policy terms, Kalecki (1943, 330) wanted to see the government subsidise consumption via ‘family allowances, old age pensions, reduction in indirect taxation, [and] subsidising of prices of necessities’. He dismissed criticism of such policy action, arguing that it would improve the living standards of the masses. ‘Is not this the purpose of all economic activity?’ (330), he exclaimed. The interests of the majority in all cases should take priority over those of the minority capitalist class.



Kalecki ended his 1943 essay by wondering whether capitalism could ever adapt to full employment. Was ‘full employment capitalism’ simply an oxymoron? His response was that the two could be reconciled, but that capitalism would have to be fundamentally reformed. It would need:

to develop new social and political institutions which will reflect the increased power of the working class. If capitalism can adjust itself to full employment a fundamental reform will have been incorporated in it. If not, it will show itself an outmoded system which must be scrapped. (Kalecki 1943, 331)

A risk, as mentioned above, was that capitalism might adjust to full employment under a system of fascism, as in Nazi Germany. But this risk was remote. Fascism in Germany had emerged from special circumstances of ‘tremendous unemployment’ and was unlikely to be replicated elsewhere. In any case, it was up to ‘progressive forces’ to show how full employment could be realised without a fascist system and in this respect they would help to prevent ‘the recurrence of fascism’.

Kalecki’s essay left the ‘fundamental reform’ to achieve and maintain full employment somewhat undefined. It was not clear whether reform meant a capitalism based on strong unions, large-scale nationalisation and redistributive taxation (in line with some capitalist economies that emerged in the post-war period), or whether it meant the move to socialism (implying greater worker ownership and the curtailment of private property). In the latter case, the fight for full employment would take on a broader mission, including the dismantling of capitalism itself. Here Kalecki was more overtly radical than Keynes, though in respect of seeing the capitalist system as not permanent and capable of transcendence, he found some common-ground with Keynes. The comparison between Keynes and Kalecki is considered further below.

### ***Comparing Keynes and Kalecki***

Keynes and Kalecki, as the above discussion has shown, were committed to the task of reducing unemployment and creating the conditions for full employment. In this commitment, they questioned some prevailing orthodox economic thinking that supported a laissez-faire policy approach and that resisted government action to reduce unemployment. Yet, in other respects, their work differed.

Firstly, while both recognised that unemployment was demand determined, they assigned different levels of importance to the influence of class relations. Kalecki, following the lead of Marx, connected unemployment directly to class struggle — its existence was linked partly to the need for capitalist employers to exert control and power over the working class. By ensuring that unemployment existed, capitalist employers could maintain ‘discipline’ at work. Keynes, by contrast, gave little attention to the class dimension. The direct role of class power and influence, and the political causes of unemployment, were neglected by him.

Secondly, from a policy perspective, Keynes believed that politicians needed to be persuaded in the art of good policy making. The lack of state intervention to combat unemployment stemmed from politicians listening to the bad advice of certain economists. By replacing this advice, Keynes thought that he could persuade them to adopt different policies — ones that would reduce unemployment directly. His

thought was to some degree vindicated — his policy advice was taken on board by politicians in the 1930s, partly through persuasion by Keynes himself, but also by the crushing reality of mass unemployment, which required an urgent government response. Keynes's ideas also influenced the policy consensus that followed the Second World War and which saw national governments commit to low unemployment using what subsequently became known as 'Keynesian' policies.

Kalecki, however, showed how politicians could become captured by capitalist interests and how they could be swayed to act in the interests of business at the cost of workers and society more generally. Power trumped persuasion in the determination of policy. To be sure, power could mesh with persuasion. Business leaders could look to hire 'so-called 'economic experts'' (Kalecki 1943, 324) to support their case for limited reform or for reforms that suited their own interests. In this way, they could persuade politicians and the public on the validity and necessity of certain policy actions, namely those that aimed for austerity and a budget surplus. In contemporary times, for example, economists have been hired to support business interests (think of the 2010 film 'Inside Job'). But here power remains important. In line with Kalecki's arguments, business has the greater means to buy advice and the greater ability (through established networks and connections) to influence policy. In this respect, the balance of power is always stacked in favour of capital. This fact helps explain why policies to achieve full employment have been so difficult to realise and sustain in capitalist economies.

Thirdly, Keynes was content to allow change to occur under capitalism. He was against any more radical reform — the contemplation of socialism (as an alternative to capitalism) that can be found in Kalecki's work was not replicated, at least directly, in Keynes's writings. As commented above, Keynes wanted to see full employment policies implemented, but he did not see any political obstacles in their way. Rather, he wanted to lead with other members of 'the bourgeois and the intelligentsia' (Keynes, [1925a] 1963, 300) to bring about change in society. He remained somewhat sceptical about the motives and actions of the labour movement as well as the Labour Party — instead, he put his faith in a kind of benign paternalism to realise a better economic future. His 1930 essay was a clear demonstration that capitalism would deliver positive outcomes, including shorter work hours, in the long-run. It aimed to support the maintenance of capitalism and to head-off criticisms from socialist detractors. Again, Keynes's broader politics — displayed elsewhere in his work (Keynes 1925b, 1926) — were more liberal than socialist and advocated for a reformed capitalism.

Kalecki, by contrast, wrote about the need and benefit of a strengthening in workers' collective power and organisation. Capitalism, as highlighted above, would need to be radically reformed to accommodate the rising bargaining strength of the working class in the move to full employment. Rather than just influence the economy, the state had a role to play in controlling it and directing it in ways that promoted economic and social welfare. While arguing for reform under capitalism, Kalecki also engaged with the question of what a socialist future might look like. More directly, he addressed the requirements for a productive and democratic socialism — one built on extensive common ownership and works councils that handed direct power and autonomy to workers (Kalecki 1986, 21). This led him to offer advice to the Labour Party during the 1940s on ways to plan the economy (Foster 2013, 9–10) — while Keynes (1926) distanced himself from the Labour Party, Kalecki advised it directly on questions of

economic planning. Kalecki saw socialism as workable and desirable, though he came to realise that it would need to be reformed beyond the limits of the kind of system which existed in his homeland of Poland and in the Soviet Union (Nuti 1986, 334, 336).

Fourthly, despite his commitment to capitalism, Keynes was willing to see a future beyond it. The point was that this future would emerge spontaneously from capitalism and would not require the kind of economic and social upheaval that Kalecki was willing to support. Indeed, implementing the radical reforms advocated by Kalecki would likely impede progress towards a better future. Keynes thought that the decline in the work ethic and the move to a world with more leisure time would simply be the effect of constant technological progress and would be embraced by all classes in society. Yet, in contemplating a radically different future, Keynes agreed with Kalecki that capitalism was not the only possible system and that its future was not guaranteed. Indeed, both authors urged their readers to think beyond capitalism and to contemplate a different and better economic future where its dominant influence over life was lessened and ultimately terminated.

Kalecki, however, highlighted reasons why change might be thwarted under capitalism and how an unreformed capitalism might endure, despite its continuing adverse economic and social effects. Against Keynes's optimism, Kalecki struck a more pessimistic note, warning about the dangers of capitalist employers hoarding the returns of productivity growth and the state becoming captured by capitalist interests. In this respect, Keynes's positive vision of a shared capitalism might not come to pass. At least, it would not come into existence without reforms beyond those suggested by Keynes.

Kalecki's work also helps indirectly in explaining why Keynes's predictions about work time have not come true. Keynes thought, as we saw above, that by 2030, a fifteen working week would be standard. While weekly working hours have fallen since Keynes wrote his essay, they remain nowhere near the level that he predicted. Working weeks in capitalist economies remain stubbornly above thirty hours (some exceed forty hours (e.g., the US) — similar to levels witnessed by Keynes in his day). This is explained, in line with Kalecki's arguments, by the unequal distribution of power in society. Since the 1970s, weaker unions, as the outcome of harsher government legislation and the abandonment of the goal of full employment, have made for a more severe bargaining environment for workers and led to the coincidence of sluggish wage growth and slowly declining or static weekly work hours (Hermann 2014). Keynes was not wrong to point how productivity growth ought to be used (namely to create a more leisurely way of living), but wrong to expect that it would, in reality, be used in this way. Using Kalecki's work, we can see how Keynes's dream has been blocked by a form of class politics. In contrast to Keynes and in common with Kalecki's argument, capitalist employers in recent decades have not redistributed the economic surplus, but rather have used it to enrich themselves. The result has been rising inequality and a more divided society.

Kalecki, too, helps to fill other gaps left by Keynes. As referred to above, Keynes believed that wants were finite and that people would prefer to work less rather than to consume more as they earned higher levels of income. He believed that the labour supply curve for workers at higher income levels would be negatively sloped. He failed to grasp how wants could keep on increasing rather than diminish as income levels rose. Keynes perhaps took the normative stance that status-seeking consumption was

inferior to spending time as leisure and that progress in society should entail less consumption generally. But his failure to see how wants could increase led him to overlook the efforts of capitalist employers in raising consumption and cultivating higher demand for the things they sell. In turn, he failed to anticipate how long work hours could persist under capitalism owing to the strength of people's manufactured desires for consumption.

Kalecki, by contrast, recognised how capitalist employers could develop strategies to extend their influence and power in society. As we have seen above, he stressed how capitalist employers would seek to shape state action directly, blocking policies that they felt disfavoured or harmed their interests and encouraging other policies that matched with their interests. But his ideas also hinted at wider manipulation via, for example, the shaping of what people bought. Theorists of monopoly capitalism have followed Kalecki in showing how the cultivation of consumer demand by businesses has helped to maintain long work hours despite higher incomes. Cowling (2006), for example, has argued how higher advertising expenditure has been used to maintain higher levels of consumption and to encourage workers to spend more rather than to work less. The increase in advertising expenditure is seen as one key reason why work hours have stayed long in capitalist societies and why Keynes's prediction about a fall in the working week has been invalidated.

Yet, as easy as it is to criticise Keynes, there are points to take from his work that reinforce arguments made by Kalecki. Keynes sided with a future that afforded people fewer work hours. He promoted a vision of the future where work would be displaced as the centre of life and where more time would be given over to creative endeavours. For his part, Kalecki did not contemplate directly how work time reduction might fit into a future society. The grand vision of Keynes, contained in his 1930 essay, of people disavowing the practices of money-making and enjoying leisure for its own sake was not conveyed by Kalecki.

But Kalecki made two points that complemented the approach of Keynes. Firstly, he showed how capitalism required to be fundamentally reformed. Kalecki recognised that capitalist interests would block full employment, but his approach also hinted at how they would prevent reductions in working time and the move to an economy of less work. He showed effectively how capitalism functioned according to its own ethics — namely that 'you shall earn your bread in sweat'. Discipline in the workplace extended to maintaining long hours of work. Kalecki showed that Keynes was wrong to think that capitalism would evolve smoothly to a workless future, but that he was right to think that radical change was needed to improve the lives of all classes in society. Extending economic democracy, in short, would ultimately entail challenging the power of capital to determine employment and set work hours.

Secondly, Kalecki highlighted key reforms needed to bring about positive change in society. Keynes, as we have seen already, placed his faith in capitalist employers giving up on capital accumulation and workers relinquishing their lives as wage-earners. He envisaged a bloodless revolution occurring in society, one that would create the basis for a higher standard of life. Once capitalism had done its job (i.e., accelerated technological progress and ratcheted-up productivity growth), it would fade away. Kalecki's work showed how this view was naïve and ultimately false. It missed the class-divided nature of capitalism and the scope for capitalist employers to continue to exert their

control over workers, thwarting both full employment and shorter work hours. In uncovering this class dimension, however, Kalecki showed how Keynes's vision might be achieved. With broader shifts in power relations, progress could be made in society — firstly, in the direction of full employment and secondly, in the direction of a shorter working week. Keynes's vision of a society where people worked less was compatible with the kind of radical future supported by Kalecki.

This future, as mentioned above, would entail workers taking ownership of capital assets and their self-governing work. It would mean the replacement of capitalist planning with 'democratic socialist planning' (Sawyer 2023, 1117–1118). In this way, full employment could be realised, but wider economic interests could also be promoted. These could potentially include reducing work time and extending free time. Kalecki argued that, with workers in a position of power and no longer fearful of dismissal, the aims of production could be matched with the interests of the community (Kalecki 1986, 19–20). Given these conditions then, following Keynes, the future could potentially deliver less work. It could also potentially deliver higher quality work, as workers took part in more self-directed work. Only, unlike Keynes, Kalecki realised that such a future would be actively resisted by the capitalist class and that its realisation would require concerted counteraction from the working class and its political allies (Foster 2013, 9–10).

In sum, Keynes and Kalecki agreed that capitalism should not be accepted but rather questioned. They saw that capitalism needed to be reformed if society was to progress but they also recognised that futures beyond capitalism needed to be recognised and promoted. They both believed that, while full employment was an important goal, there were other goals to be achieved beyond it. These included creating more freedom for workers to decide on how they use their time and to plan for their futures. Keynes was concerned to widen freedom from work — a goal that led him to embrace the goal of a shorter working week. Kalecki was interested in creating more democratic institutions that facilitated and enhanced worker voice and power — in this case, he came to embrace the case for democratic socialism. Between them, they argued that economics had a role to play in understanding the conditions for a better life — one in which the disciplines of work would be reduced and more time would be created for non-work activities. Where they differed was in locating the obstacles to change — while Keynes was optimistic that a reduced working week could be achieved under capitalism (at least, with supportive state policies), Kalecki saw how the future of work would be contested and how the working class needed to assert its power and interests if positive goals such as full employment and reduced work hours were to be realised. Kalecki, unlike Keynes, did not rule out the move to socialism in promoting the economic interests of the working class and was willing to support a socialist politics in creating the conditions for economic and social change. The relevance of the work of Keynes and Kalecki for modern debates on work time reduction is examined below.

### ***Back to the Future: Prospects for a Four-Day Working Week***

In recent years and especially since the Covid-19 pandemic, interest in the idea and goal of a shorter working week has increased — in particular, there has been rising interest in reducing the working week to four days (Stronge and Harper 2019; Skidelsky 2019;

Coote, Harper, and Stirling 2020; Autonomy 2023). This interest has reflected different things. One is the impact of the pandemic itself, as views and attitudes to work have shifted and the desire for more time away from work has increased. Another is the predicted effects of automation. Rapid developments in artificial intelligence and robotics are seen to bring forth the prospect of reduced work time — it is claimed that, in the future, humans will be replaced in work by ‘smart robots’ and the requirement for human participation in work will decline sharply (Susskind 2020). A four-day working week is seen as one potential effect of digital automation. Finally, there is the longstanding radical demand that life would be better for people and the planet if work hours were reduced. From this perspective, a four-day working week is viewed as crucial in creating a more ecologically sustainable economy (Schor 2005).

In this context, the name of Keynes has been invoked. There is the view that while Keynes’s 1930 essay will fail to predict the future in 2030, it may yet prove right in predicting the future beyond 2030. There is also the view that Keynes’s vision of the future remains inspirational and a source of insight in the present. That is, it can still inspire modern generations to reject the work ethic and to seek a better leisured future.

Kalecki, by contrast, has not appeared directly in present-day debates on work time reduction. His name has been invoked more in debates on inflation. Here the link has come via reference to the power of firms to raise prices in the context of increasing input costs and at the expense of real wages. The eightieth anniversary of his 1943 essay has also sparked some broader reflection on his work (Sawyer 2023), though without any direct reference to the implications of his ideas for work time reduction.

But the ideas of both Keynes and Kalecki can help to contextualise and identify areas for development in modern debates on a four-day working week. There are also issues not directly addressed by either Keynes or Kalecki that could be added to these debates and that would help to make them stronger.

Firstly, in the case of Keynes, it can be argued that work time reduction is a necessary part of a progressive and good economy — again, while there is a task to do in ensuring people have gainful employment, there is also a task to do in creating more freedom for people to live as they want. Keynes reminded us that there was more to life than just constant toil — rather, there was also a need to extend free time. The point to make in relation to modern debates on a four-day working week is that the demand for work time reduction is not some temporary fad, but a route to a different world than the one we presently inhabit. It ought to command our attention whatever the period we are living through. It should also command that we take action to realise it.

Secondly, in reference to Kalecki, there can be seen to be political constraints on a four-day working week. The path to a shorter working week is neither smooth nor automatic. Rather, it faces direct resistance from capitalist employers. Kalecki showed how capitalist employers would resist interference with their ability to control workers — this would lead them to resist full employment but it would also potentially lead them to resist curbs on work hours. Capitalist employers would want to retain their ability to set and vary work hours at will. In the modern context, capitalist employers have lobbied hard to avoid labour regulations and to protect their own flexibility over the use of labour. While workers have faced fixed weekly work hours in full-time employment, they have also confronted zero-hour contracts and work on demand in the so-called ‘gig-economy’. These have suited capitalist employers more than workers and



the legal rights of workers have had to be fought for — often against the opposition of capitalist employers. The wider lesson is that any move to a four-day working week will be contested and will confront political opposition.

Thirdly, there is the issue of the gaps in Keynes's and Kalecki's work. Keynes, at least, focused more on reducing work time than on enhancing its quality. He regarded work as just a disutility and wanted to see its role in life diminish. He failed to see how work time reduction might be combined with enhancement in the quality of work — something that critics such as Schumacher (1973) have highlighted (Chick 2013, 40–41). Kalecki contemplated as part of a radical plan for social and economic transformation that once the threat of dismissal lost its force, workers could come to assert their rights more effectively. While not stating it directly, he alluded to the possibility of workers seeking better work alongside shorter work hours. At least, workers would be more able to improve their hours and conditions of work if they had more control over how production was governed. For modern debates, the issue is that goals matter and that in the quest to reduce work time consideration can be given to two goals, namely the reduction of exposure to toil and the extension of the opportunity for meaning in work. These goals can be summarised in the demand for less and better work.

One point about work time reduction is that it can be matched with the goal of reducing unemployment (LaJeunesse 2009). Work-sharing schemes, for example, can aid the redistribution of work. A general reduction of work time would help those who work too much to work less and those who work too little to work more. It would also deliver other economic benefits such as higher productivity by creating a less tired and more motivated workforce (Pencavel 2018). These would add to the social and personal benefits from people having more time for themselves and more time to contribute to their communities.

As Kalecki's contribution implies, however, working less is not destiny. It will face an uphill struggle. History shows that falls in work hours have occurred only where workers have had the bargaining strength to secure the gains of productivity growth. Future falls will similarly depend on workers gaining the same bargaining strength.

Recently, some businesses have adopted a four-day working week (Barnes 2020). They have done so in the belief that it will reduce costs and improve profitability. Cost savings are seen to stem from a more energised workforce and from reduced turnover rates. These savings are seen to make it possible for firms to pay workers the same weekly wages, even for four days work. Evidence, indeed, supports the case for the economic benefits of a four-day working week and has fuelled campaigns to get more businesses to trial it (Autonomy 2023).

Yet, there can be seen to be limits to business-led schemes. Kalecki's work is again instructive in explaining these limits. Firstly, most managers within businesses will want to retain control over work hours and maintain them rather than shorten them. This explains why four-day working week trials have been rare in practice and why most businesses have remained non-adopters. Scaling-up from trials among a few businesses to a system-wide reduction in work hours will face clear barriers (economic as well as ideological). Secondly, participating employers are likely to want to see some return from their 'concession' to workers on work hours — this could be higher work intensity or the same workload to be completed in fewer work hours. The risk, in this case, is that business interests dominate and remove the potential benefits for workers from a four-



day working week. Evidence on business-led initiatives, indeed, tend to support this concern with workers sacrificing some freedom in return for shorter work hours (Delaney and Casey 2022). This evidence reaffirms the political constraints on a four-day working week.

Returning to the work of both Keynes and Kalecki, the achievement of the goal of full employment may be still regarded as important in ensuring the conditions for workers to bargain for and secure a four-day working week (Skidelsky 2019). Part of the appeal of this goal is that it offers a foundation for a future where people are not fully employed but rather have ample time for other things in life than just work. The challenge is to move beyond full employment and towards an economy that offers more freedom and choice for all. This means achieving a shorter working week, but it also means shifting attitudes and promoting values that go beyond constant working and instead give due respect to people's lives as creative beings, both in work and beyond it. Here again there are useful lessons to draw from Keynes and Kalecki, even if we are ultimately forced to go beyond the letter of their original ideas and to extend them in ways that match with the modern world.

## Conclusion

This paper has used the work of Keynes and Kalecki to contemplate a radically different economic future. This future entails people working less and living life more. As we have seen above, such a future inspired Keynes directly and led him to see a better world beyond full employment. Resolving unemployment was a vital step, but beyond it, there was another step, namely the economisation of work. A shorter working week was a key prize of a more productive and technologically advanced economy.

Kalecki agreed with Keynes that unemployment needed to be mitigated in society but he argued that there would be political resistance to full employment. While full employment could be achieved, it would be blocked under capitalism. This led him to stress the need for radical reforms aimed at overcoming the political obstacles to full employment. These reforms entailed accommodating a stronger working class and the meeting of workers' wider needs, including potentially for more free time. Kalecki showed how effective state management entailed not just influencing the economy (as Keynes had implied) but also controlling it in substantive ways.

The paper has suggested scope to learn from both writers and indeed to synthesise aspects of their work. From Keynes, we can learn about the need and benefit of reducing work time. From Kalecki, we can learn about the political barriers to reform and the need to overcome them. Keynes offers us the vision of a better workless future, while Kalecki offers us insight into the potential and actual constraints on its realisation. Both writers, importantly, also highlight to us the merits of exploring the possibilities for remaking the economy and life in a possible post-capitalist future.

Modern debates on four-day working week echo some aspects of Keynes's vision of the future, but they lack the political dimensions of Kalecki's economics. They understate or ignore how capitalist employers in general will block a four-day working week. The point is that a four-day working week will only be realisable by challenging bases of power in society and seeking a more democratic economy. The political obstacles to a

four-day working week simply but effectively illustrate the way that the economy is biased towards the interests of capital rather than those of labour.

Full employment, in the end, is only an intermediate goal. It is something that, as both Keynes and Kalecki argued, should be targeted to help alleviate economic hardship. But the ultimate goal must be to liberate people from the restrictions of work and to provide them with the time and freedom to realise their talents. This requires shortening work hours, enabling people to have meaningful lives beyond work. But it also requires improving the quality of work and giving people meaningful lives at work (Spencer 2022). Going beyond Keynes and Kalecki, our economic future will not truly deliver benefit to all unless and until it offers us both more free time and more meaningful work.

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