Where Keynes went wrong in Economic Possibilities For Our Grandchildren [1]

Written by **Tim Worstall** [2] | Monday 12 August 2013

Or if it's too much for you to believe that Keynes could have been wrong at all, where current interpreters of Keynes go wrong in thinking about that essay. For of course, Keynes did indeed say that by around and about now we'd all be so damn rich we'd not need to be working hardly at all [3]. At which point we might wonder why so many of today's Keynesians are worried about part time jobs but that would be just snide and sarcastic. There are indeed people who are wondering where that reduction in work and concommittant increase in leisure has gone. What went wrong with capitalism along the way?

To which the answer is nothing at all. It's just that Keynes didn't explicitly spell out the difference between household and market work. The difference is there, with his story of the charlady and of the upper middle class woman bored to distraction because she has servants to do all that for her. The great reduction in working time has come in the unpaid, household, part of production [4]:

> Whenever there is a new study on housework, domesticated creature that I am, I like to put on my pinny and go around ? just to check that the premise isn't all dusty. This time, a report says that, while chores used to take 63 hours a week 60 years ago, they now only take about two.

That's where the great change has come in, in domestic technology. It's the one thing that Ha-Joon Chang was actually correct about. We've mechanised a huge amount of human drudge work and thus freed up the distaff side of humanity to do something more interesting with their lives. This has included entry into the world of paid work, of course. But it's also meant an increase in leisure for both men and women over these decades.

Keynes wasn't wrong, it's his current interpreters who have rather missed the point. Working hours are getting shorter, have been so ever since Keynes wrote. It's just that it's household production hours that have become shorter. And we are all indeed gaining greater leisure, just as Keynes predicted we would.

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