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Inequality, individualism, and overwork

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It can be argued that the rich world has long reached the social limits to growth, which were presciently seen by key figures in post-Keynesian economics. Reducing working hours, therefore, may have a greater potential to increase people's life satisfaction than more economic growth. One of the obstacles to a reduction in working hours is the 'rat race' for relative income. The rat race is exacerbated by high wage inequality, weak collective bargaining institutions, and low quality of public services. Results from a representative survey of German workers show that, despite the rat race, public support for measures to reduce working hours, such as the four-day week or a social service period, is high in Germany. Compared to the United States, the German political economy still can be characterized as a coordinated market economy, in which wage inequality is lower, collective bargaining plays a larger role, and public services are more universal.

Keywords: *Inequality, Working time preferences, Social limits to growth, Post-Keynesian economics*

JEL codes: *J22, D31, B5*

1 INTRODUCTION

The reduction of working hours has been a long-standing goal of many economists and policymakers. The idea of a shorter workweek, where workers would work fewer hours and have more leisure time, has been advocated by many, including John Maynard Keynes, who predicted that by 2030, workers would work only 15 hours a week (Keynes 1930). However, despite the potential benefits of reduced working hours, such as increased leisure time and improved work–life balance, many obstacles remain. This article examines the obstacles to reducing working hours, including the 'rat race' for relative income, the impact of high wage inequality, and limited coverage by collective bargaining agreements. We also discuss the prospects for reducing working hours, including the potential benefits of a shorter workweek and the need for policy interventions to support workers.

In the next section, we review the argument of social limits to growth, which were presciently seen by key figures in post-Keynesian economics. In Section 3, we argue the economic case for reducing working hours and show, referring to the empirical literature, under which conditions countries can achieve short working hours, in spite of the 'rat race'. Section 4 presents some results of a representative survey of German workers conducted in the fall of 2024. The results confirm the known fact that German workers' desired working hours are shorter than their actual hours (i.e., they are subjectively overworked on average) across gender and wage groups, but point to a collective action problem in realizing shorter hours, consistent with the rat race hypothesis. We also find

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that public support for policy measures to reduce working hours is strong in Germany and conclude that the currently fashionable individualistic approach to working time decisions needs to be overcome and be complemented with collective measures of working time reduction in order to overcome the rat race.

2 THE SOCIAL LIMITS TO GROWTH: A CENTRAL THEME IN POST-KEYNESIAN ECONOMIC ANALYSIS?

The concept of the social limits to growth was coined by the British economist Fred Hirsch (1976) but has a long tradition in the social sciences and the humanities. It suggests that there are limits to economic growth, beyond which further growth becomes impossible or even undesirable. As will be recalled in this section, early key figures in post-Keynesian economics recognized the social limits to growth and that there has recently been a renaissance of interest in zero-growth macroeconomics among post-Keynesian economists.

Hirsch (1976) argues that economic growth does not necessarily lead to greater societal well-being due to constraints imposed by social factors, particularly the scarcity of positional goods – goods whose value derives from their exclusivity and relative status rather than their absolute availability. Hirsch differentiates between material goods, which can be expanded through production, and positional goods, which are inherently limited (e.g., elite education, prime real estate, prestigious jobs). As societies grow wealthier, competition for these scarce positional goods intensifies, leading to social congestion and diminishing the benefits of further economic growth. This competition often results in zero-sum dynamics, where individual gains come at the expense of others. Furthermore, Hirsch critiques the belief that continued growth can resolve social tensions, arguing that when economic expansion primarily fuels competition for positional goods, it exacerbates inequality and frustration rather than improving overall welfare. His analysis remains highly relevant in contemporary debates on inequality, social mobility, individualism, and the problem of overwork.

Robert Frank's *Choosing the Right Pond* (1985) further explores the implications of positional competition and its effects on individual behavior and societal well-being. Frank argues that beyond simply seeking higher absolute incomes, individuals are deeply concerned with relative status, leading them to engage in costly 'positional arms races' – efforts to outcompete others for scarce high-status goods. He highlights how these dynamics contribute to wasteful expenditures, such as excessive work hours and conspicuous consumption, which do not enhance overall happiness but merely shift relative positions. Frank shows how such competitive pressures create negative externalities, as one person's success often undermines another's standing, reinforcing social limits to growth. He also discusses potential policy interventions, such as progressive consumption taxes, to curb status-driven competition and promote broader well-being. By emphasizing how individuals' pursuit of status can lead to collectively inefficient outcomes, Frank's work deepens our understanding of the self-defeating aspects of economic growth in a world where positional concerns dominate. This line of research was further developed in a series of influential papers and books (e.g., Frank 2007; 2012; Frank et al. 2014).

One of the earliest and most influential thinkers on the social limits to growth was John Maynard Keynes. In his essay 'Economic Possibilities for our Grandchildren' (1930), Keynes predicted that by 2030, economic progress would allow for a three-day workweek, as technological advancements and rising productivity would bring society close to solving 'the economic problem'. He envisioned a future where absolute needs – such as food, shelter, and clothing – would be largely met, leading people to shift their focus toward

non-economic purposes. However, Keynes also recognized that not all desires are finite. As he noted, ‘needs [...] which satisfy the desire for superiority [...] may indeed be insatiable; for the higher the general level, the higher still are they’. This suggests that while material scarcity might be overcome, competition for status and positional goods could remain a persistent challenge.

Another important thinker on the social limits to growth was Roy Harrod. In his short essay ‘The Possibility of Economic Satiety’ (1958), Harrod distinguishes between democratic and oligarchic wealth, highlighting their different implications for economic growth and social well-being. Democratic wealth, he argues, depends on the mass production of material goods, as it ‘can be raised only by more material things, capable of mass production, being made available’. In contrast, oligarchic wealth is characterized by the rich purchasing personal services and labor-intensive luxury goods, which face inherent constraints. As Harrod notes, ‘it is impossible for one man’, regardless of rising average income, ‘to engage in any one year the services of more than one man-year of the labour of others’, imposing a ‘severe limitation upon the range of possible satisfactions achievable’ through income growth alone. This insight was later central to Fred Hirsch’s *The Social Limits to Growth* (1976), which explored how economic expansion does not necessarily translate into greater social well-being when positional goods and service-intensive consumption remain scarce.

Joan Robinson also alluded to the social limits to growth. In her book *The Accumulation of Capital* (1956), Robinson argued that the pursuit of economic growth was often driven by the desire for social status and prestige, rather than by any genuine need for economic growth: ‘There is a kind of competition in consumption, induced by the desire to impress the Joneses, which makes each family strive to keep up at least an appearance of being as well off as those that they mix with, so that outlay by one induces outlay by others’ (Robinson 1956: 251).

Modern post-Keynesian economists have explored the conditions under which a zero-growth economy can be both financially and socially stable, addressing the technical feasibility of an economic system that does not depend on continuous expansion. Studies by Hein and Jimenez (2022) and Cordonnier and Mazier (2024) show that positive profits and macroeconomic stability can be maintained even in the absence of GDP growth, challenging traditional assumptions about capitalism’s reliance on expansion. Beyond technical conditions, post-Keynesians also consider the social and ecological dimensions of zero growth. Kemp-Benedict (2024) examines how it can be combined with a ‘convivial economy’ – a system that prioritizes ecological sustainability and social well-being over material accumulation. However, these efforts remain mindful of the social limits to growth identified by earlier theorists like Harrod and Hirsch, recognizing that even if a stable zero-growth economy is technically possible, overcoming entrenched status competition and positional consumption remains a critical challenge. We will address this challenge in the next section.

3 THE ECONOMIC CASE FOR REDUCING WORK HOURS

The economic case for reducing work hours is based on the idea that a shorter workweek can lead to increased productivity, improved work–life balance, and reduced stress. A shorter workweek can also lead to increased leisure time, which can be used for personal development, education, and community engagement. In addition, a shorter workweek can help reduce the environmental impact of commuting and other work-related activities. It can also help to reduce the social and economic costs of long working hours, such as the impact on mental and physical health, relationships, and overall well-being. Shorter

paid working hours for full-time workers would be a basic prerequisite for a more equal distribution of unpaid care work and for more equal career opportunities for men and women. A shorter workweek can also lead to increased economic efficiency, as workers are able to focus on their work and take regular breaks. This can lead to improved productivity and reduced turnover rates, as workers are more likely to be satisfied with their jobs and less likely to leave for other opportunities. Furthermore, a shorter workweek can help reduce the burden on the health care system, as workers are less likely to experience stress-related illnesses and other health problems associated with long working hours.

In neoclassical economic theory, working hours are determined by individual labor supply choices. An increase in real wages, driven by productivity gains, not only raises the opportunity cost of leisure (substitution effect) but also allows individuals to maintain the same income level with fewer working hours (income effect). The most comprehensive and recent analysis of the elasticity between working hours and income, both across and within countries, is provided by Bick et al. (2018). Their study finds that, on a global scale, total hours worked tend to decrease as per capita income rises. Similarly, within most countries, higher-wage individuals typically work fewer hours than those with lower wages. Interestingly, however, whereas average hours worked per person are decreasing in GDP per capita for low- and middle-income countries (i.e., the income effect dominates), per capita working hours vary considerably among rich countries and do not show an inverse relationship with per capita GDP.

Bick et al. (2018) do not consider the possibility that changes in the relationship between working hours and wages might be influenced by the rat race for relative income. Instead, they suggest that cross-country differences in this relationship are mainly driven by variations in tax and transfer systems, aligning with well-known neoclassical arguments. In an influential study, Prescott (2004) attributes the significant gap in working hours between the United States and Europe almost entirely to differences in tax policies, arguing that high marginal income taxes in Europe lower the opportunity cost of leisure. However, this narrow focus on taxation has been widely debated. Alesina et al. (2005) challenge Prescott's conclusions, suggesting that large estimated labor supply elasticities could also stem from government monetary and in-kind transfers funded by income taxes, rather than just the direct disincentive effect of taxation (see also Rogerson 2007). Moreover, tax rates are likely correlated with other factors that influence working hours, such as union density and wage bargaining institutions. Oh et al. (2012) add historical perspective, noting that the steepest decline in working hours occurred before World War II, a period when only a small segment of the population in today's industrialized countries paid labor income taxes – casting doubt on taxation as the primary driver of this decline. More recent research within the neoclassical framework focuses on specific demographic groups. For example, Chakraborty et al. (2015) and Bick and Fuchs-Schündeln (2018) analyze how non-linear labor income taxation and the taxation of married couples shape differences in labor supply across countries.

In the empirical literature on working hours, the competition for relative income through long working hours is commonly referred to as the 'rat race', 'positional arms races', or 'Veblen effects', the latter term drawing on Thorstein Veblen's analysis of conspicuous consumption. In today's capitalist society, a relatively high level of consumption signals a high social status. The same is not true of a relatively high level of leisure (Behringer et al. 2024a).¹ Without collective action, this may result in positional arms races for relative consumption, where individuals are forced to sacrifice leisure time.

1. Behringer et al. (2024a) conduct a survey to test for concerns about relative standing based on a large sample of the German population. The approach is to ask respondents to choose between two

The relevance of Veblen effects in understanding the long-term evolution of working hours across industrialized countries during the 20th century has been highlighted by Bowles and Park (2005) and Oh et al. (2012), who conducted panel data estimation analyses using country-level data for a limited number of countries over an extended period. Their findings suggest that measures of top-end income inequality are more strongly related to working hours than broader indicators like Gini coefficients, aligning with Veblen's focus on upward-looking status comparisons. Similarly, Burgoon and Baxandall (2004) find a positive relationship between overall personal income inequality (measured by Gini coefficients) and hours worked. Schor (1998) and Frank et al. (2014) present evidence of Veblen effects in the United States, while Bell and Freeman (2001) identify a positive relationship between wage inequality and working hours, attributing the longer working hours in the United States compared to Germany to higher wage dispersion. However, Bell and Freeman attribute this relationship to incentive effects, as suggested by tournament or winner-take-all models of wage inequality, rather than to positional consumption externalities.

The analysis by Behringer et al. (2024b) is inspired by institutionalist accounts of 'varieties of capitalism' (Hall and Soskice 2001) and 'worlds of welfare capitalism' (Esping-Andersen 1990). Hall and Soskice (2001: 21) note that 'in liberal market economies, the adult population tends to be engaged more extensively in paid employment and levels of income inequality are high. In coordinated market economies, working hours tend to be shorter for more of the population and incomes more equal'. However, the reasons behind the connection between income inequality and working hours were not fully clarified in the original Varieties of Capitalism (VoC) framework. Furthermore, the conventional view that coordinated market economies (CMEs) are less susceptible to negative shifts in income distribution than liberal market economies (LMEs) has been challenged (e.g., Baccaro and Pontusson 2016; Behringer and van Treeck 2022). Behringer and van Treeck (2022) argue that long-standing institutional differences, in the context of the global trends of liberalization and de-unionization since the 1980s, help explain why LMEs have seen stronger increases in top household income shares and smaller declines in economy-wide wage shares compared to CMEs, even though both types of economies experienced similar rises in broad income inequality measures like the Gini coefficient. If 'trickle-down consumption' (Bertrand and Morse 2016) or 'expenditure cascades' (Frank et al. 2014) in LMEs are driven by non-rich households trading savings for consumption, these phenomena align with Veblen effects in the determination of working hours. By contrast, the rat race has remained more subdued in CMEs, as a result of the relatively smaller increase in (top-end) personal income inequality (Behringer et al. 2024b).

Burger (2021) analyzes extreme working hours (>50 hours per week) across various welfare state regimes in Western Europe and the United States, emphasizing the role of government regulations in shaping working hours. She highlights how individual choices are constrained by labor market policies, collective bargaining institutions, and evolving labor market structures. Although her empirical analysis does not directly link income inequality to extreme working hours, her data from the Luxembourg Income Study and

hypothetical states of the world, in which they receive either a larger relative endowment or a larger absolute endowment that leaves them worse off in comparison to others. We receive the highest shares of positional answers for household income and one's children's IQ and the lowest share for household debt. The general finding of a higher degree of positionality for income and education relative to debt also potentially helps explain the link between rising income inequality and personal debt in the run-up to the 2008 financial crisis especially in the United States (see van Treeck 2015).

the Multinational Time Use Study show that extreme working hours are most common in countries with high income inequality, particularly among highly skilled workers.

In their macro panel analysis, Behringer et al. (2024b) confirm that top-end income inequality is positively associated with average working hours. Their empirical findings also suggest that centralized wage bargaining and government social transfers in-kind (but not cash transfers) are negatively correlated with working hours. One possible explanation is that centralized wage bargaining helps reduce status conflicts, as workers can collectively choose to avoid a 'positional arms race' that sacrifices leisure. Even at similar levels of income inequality, collective bargaining in CMEs may help mitigate the positional externalities associated with long individual working hours and high personal consumption expenditures. The association between public services (in-kind social benefits) and lower working hours, in contrast to monetary social transfers, may be explained by the direct provision of goods and services, which reduces the need for status-driven private spending on similar goods and services.

4 SOME SURVEY RESULTS FOR GERMANY

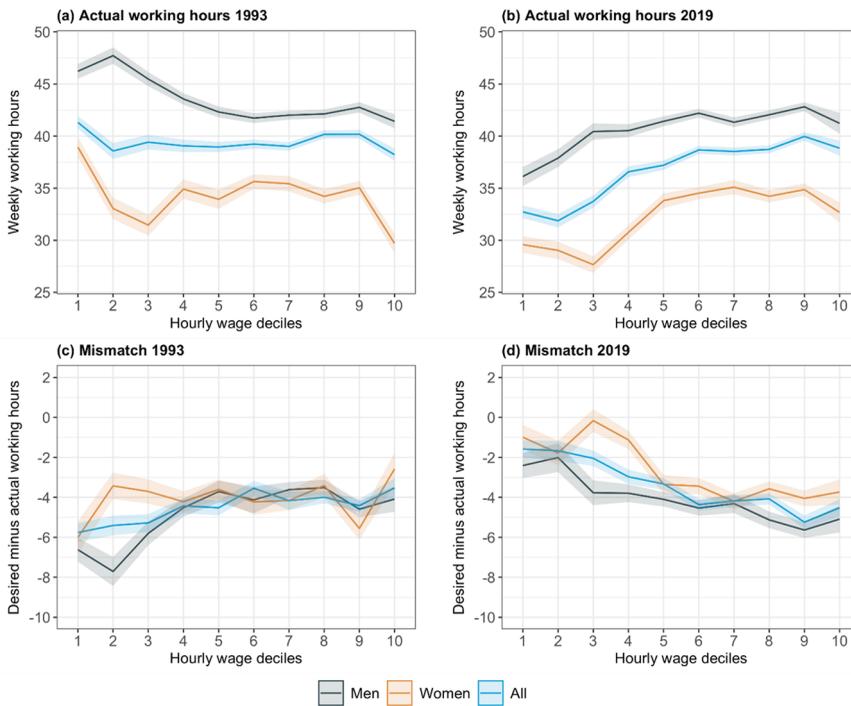
In this section, we present some key findings of surveys on working time preferences in Germany, based on Behringer et al. (2025). Subsection 4.1 analyzes individual working time preferences of workers as expressed in the German Socio-Economic Panel (GSOEP). Subsection 4.2 is based on results from our own representative survey of workers in Germany conducted in the fall of 2024 and presented in Behringer et al. (2025). It shows how expressed working time preferences vary depending on whether working time questions are framed as individual or collective decision problems, thus taking positional externalities into account. As working hours have a strong gender dimension, a particular focus of our survey is the differentiation between the working hours and working time preferences of women and men.

4.1 Individual working time preferences

As part of the Socio-Economic Panel (SOEP), employees in Germany are surveyed annually regarding their working hours and their preferred working hours. To capture the desired working hours, the following question is asked:

If you could choose the extent of your working hours, keeping in mind that your earnings would change in line with the hours worked, how many hours per week would you prefer to work?

Figure 1 shows the actual weekly paid working hours and the discrepancy between desired and actual paid working hours for men and women, categorized by hourly wage deciles. All employed men and women are divided into ten groups, starting with the lowest 10% of hourly wage earners (decile 1) and ending with the highest 10% (decile 10). Figure 1a for 1993 shows that men in all wage deciles worked longer hours than women (on average about 7 hours more). Furthermore, paid working hours in the lower wage groups are significantly higher than in the upper wage groups. For both men and women, across all wage groups, the desired weekly working hours are substantially (about 4 hours) lower than the actual working hours, meaning that there is overwork in all wage groups. In Figure 1b for 2019, it is evident that men still worked more hours than women, similar to the early 1990s. In all wage groups, employees still feel overworked, i.e., their desired working hours are below their actual working hours. However, a positive relationship between hourly wages



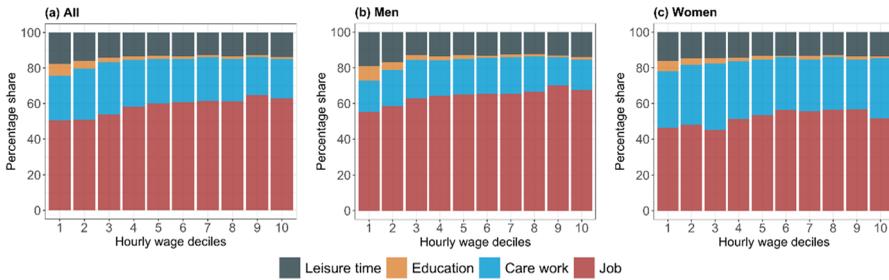
Source: Socio-Economic Panel v39, Behringer et al. (2025).

Figure 1 Actual working hours and overwork by hourly wage deciles, 1993 and 2019

and paid weekly working hours can now be observed. This means that employees with higher hourly wages now work more hours than those with lower hourly wages, unlike in the early 1990s.

The marked change in the relationship between hourly wages and paid working hours, visible in Figures 2a and 2b, is closely linked to the increase in the number of employed individuals since the early 1990s. Many individuals who were previously not employed are now working in low-wage, part-time jobs. This leads to a mechanical increase in earnings inequality, as low hourly wages combined with short paid working hours result in low monthly earnings.

In the policy debate, measures are often discussed to promote the increased labor force participation of women and low-wage earners (e.g., German Council of Economic Experts 2023). These measures are justified by the general goal of longer working hours in times of demographic change and skilled labor shortages, as well as the aim of reducing wage and income inequality and achieving gender equality. However, against the backdrop of the desired working hours shown in Figure 1, these justifications are questionable, as employees in all wage groups, on average, would prefer to work fewer hours than they currently do. This desire is much stronger among men and higher-earning employees than among women and low-wage earners. For instance, in 2019, the overwork among male employees in the highest wage decile was about 5 hours per week. Reducing this overwork would



Source: Socio-Economic Panel v39, Behringer et al. (2025).

Figure 2 Time use on a typical workday by gender and hourly wage deciles, 2019

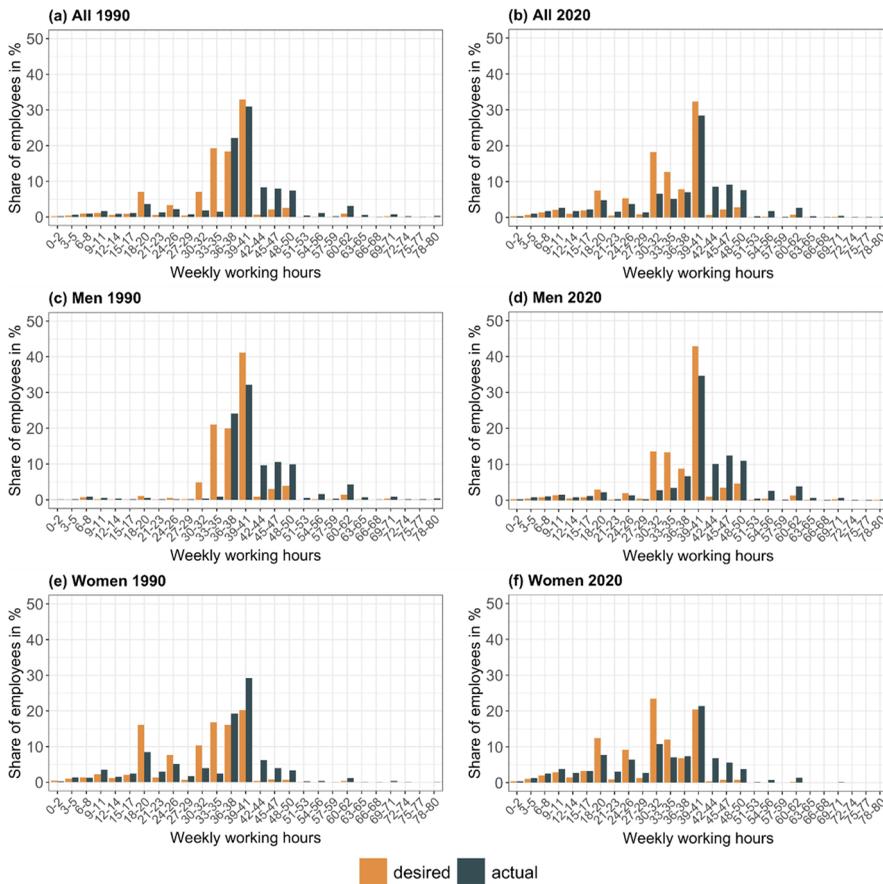
lower general income inequality as well as the income disadvantage of women compared to men and create the possibility of a more equitable distribution of unpaid labor between men and women (reducing the Gender Care Gap).

Figure 2 shows how the available time (excluding sleep) on a typical workday is distributed for men and women in 2019. It is clear that although men work considerably more hours for pay than women, the total paid and unpaid working time is about the same for both genders. The figure also reveals that, across all wage deciles, employees have similar amounts of leisure time because the shorter paid working hours of those with lower hourly wages are compensated by longer unpaid working hours (and more time for education in the two lowest deciles).

The time use presented in Figure 2 illustrates the necessary adjustments that would need to occur with longer paid working hours for employees. If women were to increase their paid working hours, it would need to be offset by either less unpaid labor or less leisure for them – or men would need to take on more unpaid labor, reducing their own paid working hours or leisure. Shorter working hours for men could lead to a fairer distribution of unpaid work and more leisure time for both genders.

Figure 3 illustrates the discrepancy between actual and desired working hours for men and women, as well as the change in working hour preferences between 1993 and 2019. In both years, a significant proportion of employees worked more than 40 hours, although only a very small number of employees desired such long working hours. At the same time, especially among men, a large portion of employees desired weekly working hours of fewer than 40 hours but could not achieve this. It is notable that an increasing number of employees wish for working hours compatible with a four-day workweek. While the 40-hour workweek remains the most common work schedule, the desire for a 32-hour workweek has significantly increased over time. In 1993, only around 8% of employees desired a 30- to 32-hour workweek. By 2020, this had risen to around 18%, with female employees at around 23%, making it the most frequently desired weekly working time.

Overall, the SOEP data show that the desire for shorter working hours is widespread among employees in Germany. If actual working hours were to move toward the desired working hours, income inequality between men and women would be reduced (since overwork is more pronounced among men than women). Additionally, income inequality between employees with low hourly wages (who work fewer hours than those with high hourly wages and are less overworked) and employees with high hourly wages would decrease.



Source: Socio-Economic Panel v39, Behringer et al. (2025).

Figure 3 Histograms of actual and desired weekly working hours by gender, 1990 and 2019

4.2 How do employees feel about various policy reform options?

In this subsection, we summarize the results of a representative survey in which employees in Germany were asked for their opinions on different reform options in labor time policy. The survey measured agreement with individual and collective reform options. This is because if the concept of ‘correct’ working hours is not only a private matter but has a societal dimension, the individual working-time preferences described in the previous section provide only an incomplete foundation for a labor-time policy reform debate.

The data for the analysis presented in this report were collected as part of a representative survey of non-self-employed workers aged 18–65 in Germany (for more details, see Behringer et al. 2025). Between 1 and 24 October 2024, about 5,000 people were surveyed. The survey was conducted as a computer-assisted online survey (CAWI). The sample was based on a quota sample, reflecting the structural composition of the respondents according to set quotas for age, gender, federal state, and household income. This means that a sample was collected that adequately represented non-self-employed workers

in Germany according to these characteristics. To ensure data quality, attention tests were implemented, and participants who answered incorrectly were excluded from the survey. Additionally, survey data from participants who had very short completion times were not considered in the analysis.

4.2.1 *Reduction in working hours: preferably together, rather than individually*

According to simple (neoclassical) textbook representations of the labor market, employees autonomously decide on their working hours and therefore make a trade-off between income and leisure. Critics of this view often emphasize that workers cannot freely choose their working hours; rather, employers exercise structural market power over individual employees and can push them toward longer working hours. However, even if employees had the option to freely choose their working hours in relation to the company's leadership, a collective action problem would remain, which could tempt workers to take excessive working hours (see Frank 1985; Behringer et al. 2024b). If employees negotiate their working hours individually, each decision to shorten working hours means sacrificing not only absolute income but also relative income, thereby reducing participation and status opportunities (where relative purchasing power determines, for instance, the distribution of limited housing in preferred neighborhoods) and potentially leading to a loss of internal career prospects (which depend on relative, not absolute, working hours).

To assess the importance of such 'positional externalities' and the influence of the social environment, a survey experiment was conducted (Westrich 2025). Participants were randomly assigned to one of three groups, with each group receiving a different hypothetical scenario. Depending on the group, they were informed that most of their colleagues either work more, fewer, or the same number of hours as they do. They were then asked how many hours per week they would like to work, taking into account the corresponding impact on earnings.

A central finding of the experiment is that expressed working time preferences are endogenous to hours worked by others: Respondents who were informed that their colleagues decided to work the same number of hours as they themselves were currently working on average indicated that they would reduce their working time by about 1.5 hours if they could freely choose their working hours. Respondents whose hypothetical colleagues chose shorter working hours indicated, on average, a desired working time that was nearly 4 hours shorter than their actual working hours. This suggests that individually desired working hours are strongly dependent on the social context: under the condition that colleagues work fewer hours, the respondents want shorter working hours than if their colleagues do not work fewer hours. Respondents who received the hypothetical information that their colleagues work longer hours than they do themselves showed no significant change in their desired working hours. The social comparison effect in our experiment is therefore asymmetric: Respondents respond more strongly to the working time wishes of colleagues who work fewer hours than to those who work longer hours. It can be concluded that respondents do not merely conform to the example set by their social reference group. Rather, they tend to favor shorter working hours more strongly than longer ones. However, their desire for shorter working hours is apparently hindered by the fact that their colleagues in the workplace do not also work fewer hours.

As seen in the previous section, employees in Germany generally work more hours than they would like. The results of the experiment presented here can be interpreted to mean that employees' determination to choose shorter working hours is strengthened when working time regulations are collectively agreed upon and not individually negotiated.

A plausible reform option aimed at helping employees realize their desire for shorter working hours is, therefore, in addition to changes in legal working-time regulations, the strengthening of collective bargaining agreements (see Schulten 2025). Since the 1990s, collective bargaining coverage has declined sharply in Germany. While around 80% of employees were covered by collective agreements at the end of the 1990s, this is now only about 50%. Strengthening collective bargaining agreements, such as through the facilitation of general applicability, the introduction of a federal tariff loyalty law (which would only award public contracts to companies bound by collective agreements), and making it harder to escape collective agreements, could meet the European Union's minimum wage directive, which aims for an 80% collective bargaining coverage rate in member countries.

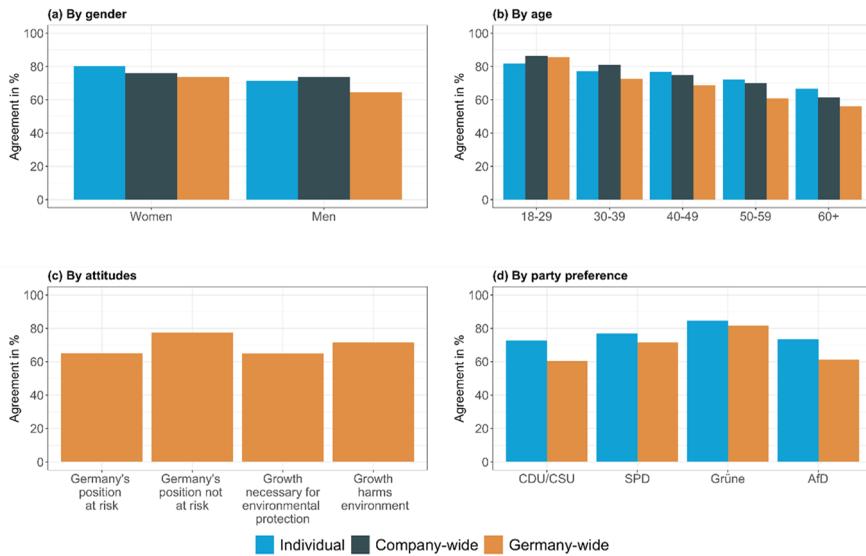
The results of the survey experiment also shed a more positive light on collective working time arrangements than the individualistic zeitgeist of the recent past. In many cases, trade unions in Germany and elsewhere have negotiated the so-called time-off options for employees, where employees can decide individually on the basis of a collective bargaining agreement whether they prefer to take more time off or earn more. If the collective action problems described in this article are real, a collective reduction in working time (without many choices for individual workers) might be a better solution to achieve individual working time preferences.

4.2.2 Four-day workweek: popular across the board, especially among women and younger people

The survey also asked respondents about their approval of the four-day workweek or a 20% reduction in working hours. Respondents were randomly assigned to three groups. The first group was presented with the four-day workweek as an individual choice option. In a second group, approval was asked for a four-day workweek for all employees in the respondent's company, and in a third group, approval was asked for a nationwide four-day workweek in Germany. In all three variants, it was assumed that no full wage compensation would occur, meaning salaries would rise more slowly as a result of the working-time reduction than without the reduction.

Figure 4 shows the proportion of respondents who fully agree or mostly agree with each form of working-time reduction, broken down by gender (Figure 4a) and age (Figure 4b). Initially, it is noticeable that approval for the four-day workweek is large or very large across all groups and implementation options. For women, approval is stronger than for men. Among men and younger respondents (under 40), it is also noticeable that approval for a company-wide four-day workweek (and for those under 30, a nationwide four-day workweek) is somewhat higher than for the individual four-day workweek. This finding aligns well with the results of the experiment described in Section 5.1. Particularly among young (male) employees, collective limits on working hours at the company level could mitigate the rat race. Working-time regulations that apply to everyone can function like 'arms control agreements': If everyone in the company works fewer hours, personal career opportunities and the prospect of being able to afford rent in a particular neighborhood are not affected by working fewer hours.

The older the respondents are, the weaker the approval for the four-day workweek becomes, especially for a nationwide project. While about 85% of those under 30 support the nationwide implementation of a four-day workweek, only around 55% of those over 60 do. However, even among the over-60s, more than 65% approve of individual working-time reductions. Among all age groups over 30, a similar pattern appears: Individual working-time reductions are generally preferred over collective



Source: Online Survey, Behringer et al. (2025).

Figure 4 Approval of the four-day workweek by gender, age, views on economic policy, and party preference

ones. A possible explanation is that older employees no longer have as many career paths open to them as younger ones, and thus the problem of ‘overbidding’ in working hours is less acute. Accordingly, older employees benefit less from collective limits on working hours.

Approval for a nationwide reduction in working hours (especially among older respondents) is weaker than for an individual reduction, possibly due to concerns about the loss of international competitiveness for Germany’s economy or the expected need for increased economic growth to address the climate crisis. Figure 4c shows that approval for working-time reduction (especially for a nationwide implementation) is significantly weaker among respondents who consider Germany’s international competitiveness to be highly endangered. Respondents who believe that economic growth is necessary to protect the environment are less supportive of working-time reduction than those who believe that growth harms the environment. Nonetheless, even among these respondents, approval for collective working-time reduction remains high at over 60%.

As shown in Figure 4d, overall approval for working-time reduction is high among supporters of the CDU/CSU (Christian democrats), SPD (social democrats), Greens, and AfD (right-wing nationalist party). However, approval decreases more sharply among CDU/CSU and AfD supporters when asked about the four-day workweek as a nationwide project instead of as an individual choice option, compared to SPD and Green supporters. Again, this can likely be attributed to greater concern about Germany’s economic location and less concern about the environmental damage caused by economic growth among CDU/CSU and AfD voters.

5 CONCLUSIONS

Policies for working time reduction should be a central component of any progressive policy agenda. The social limits to growth must be acknowledged, and reducing working hours offers a practical way to address these limits. Shorter working hours would improve not only workers' quality of life but also challenge the current emphasis on perpetual growth and overwork. This idea should be placed at the forefront of economic reforms, particularly in the context of redistributing income and ensuring greater well-being for all workers. Shorter working hours would also be a basic prerequisite for greater gender equality.

The conditions for working time reduction are more favorable in coordinated market economies (CMEs) than in liberal market economies (LMEs). CMEs, such as Germany, are characterized by stronger collective bargaining institutions and more extensive public services, which support efforts to reduce working hours. Workers in these economies, particularly in Germany, exhibit a strong preference for shorter working hours, especially through collective agreements. This demonstrates that, under the right institutional conditions, working time reduction is both desirable and feasible. However, the empirical literature highlights that high levels of income inequality, weak collective bargaining, and limited public services are significant obstacles to working time reduction. These challenges are particularly acute in LMEs, where individualism and a lack of worker solidarity undermine efforts for collective action. Yet, an individualization of working time decisions can also be observed in CMEs such as Germany.

As post-Keynesian theory suggests, inequality and individualism remain major barriers to addressing the 'economic problem'. To make working time reduction a reality, addressing these structural issues is crucial, as they prevent the broader social benefits that could emerge from reducing working hours.

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