



To the point!

Cross-Asset- and Strategy-Research

Germany's culture of hard work. A myth?

Germans work ever fewer hours. On top, the workforce is shrinking.

Germans like to view themselves as hard working. During the euro area crisis tabloids reveled in reports about lazy Greeks. Why wouldn't they just roll up their sleeves and follow the industrious German example? This self-perception of entrenched work ethics seems deeply rooted in public folklore. But is it true?

Nowhere is so little work done as in Germany

This column is not intended to be a generalizing judgment on the industriousness or idleness of Germans. But the bare numbers expose an unpleasant truth. Data from the [OECD](#) reveal that employees in Germany worked an average of 1341 hours last year. That sounds like a lot, doesn't it? Except that it is not. The average German works just 77% of the hours that an average worker in the OECD does. In fact, there is not a single one of the 38 OECD member countries where the average employee works fewer hours! By the way, the longest hours are worked in Mexico: over 2200 hours.

And it's not getting any better. On the contrary. The trend toward fewer hours worked is persistent. Since 2000, the number of average hours worked in Germany has fallen by 8.5%. In the OECD as a whole the drop was "only" 4.8%.

Ultimately, the trend toward shorter working hours is an expression of social preferences. A preference of more leisure time and extra-occupational self-fulfillment, at the expense of material prosperity. This choice is neither right, nor wrong. It is simply the result of millions of individual decisions about what constitutes a good life.



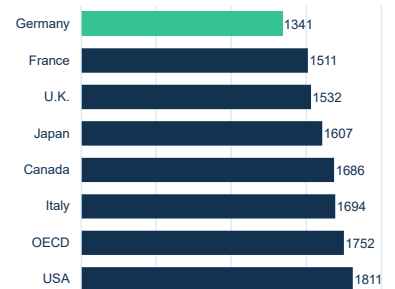
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Germans work less and less

Average hours worked per employee, G7 countries 2022



Source: OECD

Shorter working hours exacerbate the demographic crisis

But one thing is also clear: Less work also means less production and thus a weaker economy. Already today, labor shortages are the number one problem of German companies. Even in the current recession firms are searching for workers, often in vain. This is primarily due to demographic change: Germany is aging faster than almost all other rich economies. In the coming years, the potential workforce in Germany will decline for demographic reasons by just under 1% every year. That's about half a million people. Every year. The foundations of the country's collective prosperity are crumbling. And it crumbles even faster, if the remaining workforce spends less and less time at work.

The discussion about the four-day work week is absurd

It is hard to believe that discussions about the introduction of a four-day week are being held in such an environment. The labor conflict in the 1980s when unions were pushing for the introduction of a 35-hour week could at least be defended with the argument that it was helping to combat the high unemployment rate of 8%. But today? With full employment and rampant labor shortages? The push for a shorter work week makes no sense.

It is of course legitimate if many employees want to work less. That sentiment seems to be especially widespread among younger workers. This exacerbates the demographic imbalance. But society will need to accept that if we work less, then prosperity will inevitably suffer. As will the resources available to uphold social services, pension promises and other public goods that people have come to expect. Working less while enjoying undiminished prosperity is just as realistic as expecting a unicorn to suddenly show up around the corner. The stuff of fairy tales.

We are in the
first recession
with full employ-
ment

The debate
about a 4-day
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