

The impacts of eradicating long working hours

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Abstract

This study assesses the impact of the work hour regulation that first sets the monthly upper limit of overtime to 45 hours in Japan. Using the panel data of individuals, we demonstrate that those who worked longer than the maximum hour before the regulation substantially reduced hours worked without losing annual earnings. It reduced tasks involved and work-related stress and improved the life satisfaction of the affected workers. We find no sign of deterioration in job satisfaction, including the sense of growth or career prospects among them.