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Short-Time Work: The German Answer to the Great Recession

by Karl Brenke, Ulf Rinne, Klaus F. Zimmermann
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Abstract:

Short-time work was the "German answer" to the economic crisis. The number of short-time workers strongly increased in the recession and peaked at more than 1.5 million. Without the extensive use of short-time work, unemployment would have risen by approximately twice as much as it actually did. Short-time work has certainly contributed to the mild response of the German labor market to the crisis, but this is likely due to the country-specific context. Although the crisis has been overcome and employment is strongly expanding, modified regulations governing short-time work are still in place. This leads to undesired side effects.

Text: See [Discussion Paper No. 5780](#)



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