

To the point!



Cross-Asset- and Strategy-Research

Part-time and free time

Germany's curious debate over the right to part-time work

The political flare-up of the week in Germany was undoubtedly the term “lifestyle part-time”. Under this deliberately provocative label, the Mittelstands- und Wirtschaftsunion (MIT) within the CDU, the business wing of chancellor Friedrich Merz’s conservative party, wants to abolish the existing legal right to part-time work. Given the shortage of skilled labor, part-time employment “aimed at enhancing work-life balance” is an increasing problem. The MIT makes this case in a motion for the CDU party convention in late February. The proposal would narrow the legal right to part-time to exceptional cases “in which an expansion of paid employment is objectively not possible or reasonable”. Since 2001, there has been a general legal entitlement in all firms with more than 15 employees – unless the employer can prove that the job cannot be performed part-time for operational reasons. In practice, that proof is often almost impossible to provide.

Part-time is widespread in Germany

The shortage of skilled labor in Germany is undeniable. Equally hard to dispute is that employees in Germany spend markedly less time at work than elsewhere. [OECD](#) data show that people in employment in Germany worked an average of 1,331 hours in 2024. Nowhere in the OECD do employees work fewer hours than in Germany. The OECD average is 1,736 hours, and the U.S. is higher still (1,796). No one toils longer hours than the Colombians (2,252). The concern is valid.

But, as so often, it pays to look more closely at the numbers. According to EU data, only Austria (31%) and the Netherlands (39%) had higher part-time rates in 2024 than Germany (29%; see Fig. 1). At the same time, the absolute number of part-time

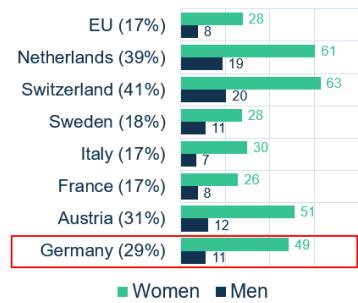
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The initiative is making waves

Fig. 1: Share of part time workers, 2024



Source: Eurostat, LBBW Research

workers in Germany has risen by just 4%points since 2015 – less dynamic than in the EU overall (8%points) and slower than in all major Western European peers. Thus, the issue is neither new nor rapidly worsening.

Germany's part-time share is especially high among women with children (66%), versus just 28% in France and 23% in Sweden. That suggests the prevalence of part-time is also tied to care infrastructure: Germany is estimated to be short more than 380,000 daycare places, particularly in the West of Germany. In eastern Germany, much of the socialist-era childcare infrastructure has been preserved. France and Sweden, by contrast, have established childcare systems. In Germany, the part-time rate of women with children is [35 percentage points](#) higher than that of childless women. Across the EU, this gap is only 13 percentage points (see Fig. 2). Apparently, something isn't working as it should in Germany.

Strengthen incentives for full-time work

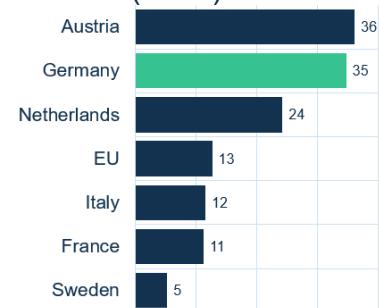
Improving the availability and affordability of care – for children and for relatives in need – would be a targeted remedy. Not only to reduce demand for part-time work, but also to provide the next generation with better development prospects. Investing in education, particularly for women, would be another sensible step. OECD data show that the part-time rate among women declines with higher qualification levels across all age groups. Scrapping Germany's socially outdated [spousal income-splitting regime](#) would further sharpen work incentives.

Curtailing the right to part-time also risks reducing total hours worked – turning MIT's initiative into an own goal. Part-time is what enables many women to participate in the labor market in the first place. Since the turn of the millennium, the share of women of working age who are employed in Germany has risen from 61% to 78% (Fig. 3). That 17% point increase far exceeds the concurrent rise in the OECD overall (up 9 points to 67%). Making part-time harder could undermine this indisputable progress. That can hardly be anyone's serious aim.

The business wing's proposal treats symptoms only

The MIT's intent is understandable. Anything that helps mobilize scarce labor supply is welcome. But an illiberal restriction of the right to self-determination looks like the wrong fix. Many part-time workers do not limit their hours for "lifestyle" reasons, but because their circumstances do not permit full-time employment. And even "lifestyle" part-time need not be a dirty word. Germany should celebrate that it has reached a level of prosperity that allows people to make a conscious choice: earn less and gain more time for personal pursuits. John Maynard Keynes, arguably the 20th century's most influential economist, predicted in 1930 in his essay "Economic Possibilities for our Grandchildren" optimistically that by 2030, technological progress would allow people to work only 15 hours per week. That ain't going to happen.

Fig. 2: Part-time incidence: Difference of women with and without children (2024)



Source: OECD, LBBW Research

Achilles' heel: child care infrastructure

Fig. 3: Female Labor Market Participation Rate



Source: Eurostat, LBBW Research

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