

# THE DAILY CALLER

## Report: Minimum wage has hurt employment in Europe

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One economist says the minimum wage is killing jobs in Europe, while others campaign for a minimum wage increase in the U.S.

In the April edition of *Globe Asia*, Steve Hanke of the Cato Institute and John Hopkins University, compares unemployment figures for European countries with and without a minimum wage.

When averaged, the seven European Union (EU) countries in which no minimum wage is mandated (Austria, Cyprus, Denmark, Finland, Germany, Italy and Sweden), the unemployment rate is 7.9 percent.

While that is still high, it is far below the average unemployment rate of the twenty-one EU countries that do have hourly pay laws. The combined average unemployment rate for the 21 countries with a minimum wage is 11.8 percent, about a third higher.

The labor force gap is even wider when youth employment data is compared. In the twenty-one E.U. countries where there are minimum standards, 27.7 percent of individuals 25 or younger were unemployed in 2012. This is more than one in four young adults.

Germany and the six other countries without established hourly minimums had an average unemployment rate of 19.5 percent in 2012 for the same age demographic.

Similar to the United States, the 2008 recession also impacted Europe's overall employment numbers and many European countries have been slow to recover. Unemployment in Europe is generally higher than in the U.S.

Hanke contends that these figures should not be overlooked as the debate over the minimum wage continues on the home front.

He explained that, "minimum wage laws — while advertised under the banner of social justice — do not live up to the claims made by those who tout them. They do not lift low wage earners to a so-called 'social minimum.'" Indeed, he continued, "minimum wage laws — imposed at the levels employed in Europe — push a considerable number of people into unemployment."

Democrats are campaigning on a higher minimum wage ahead of the 2014 elections.

This past weekend during his weekly YouTube address, President Obama [urged](#) Congress to “Give America a Raise.”

Obama said that raising the minimum wage from \$7.25 an hour to \$10.10 an hour would not just raise wages for minimum wage workers, but would raise earnings for 28 million individuals across the country. The president also promised that hiking wages would boost the economy for everybody.

A bill to raise the federal minimum remains stuck in the Republican-controlled House. However, President Obama [issued](#) an executive order in February to bump the wage of federal contract workers up to a minimum standard of \$10.10 an hour.