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Regulation Depresses The Job Market

By Jeffrey A. Miron

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Any attempt to regulate part-time work schedules is misguided — just like all government intervention in the labor market (minimum wage laws, union protections, and hours and overtime rules) is misguided.

Regardless, mandated shift regulation will not help most workers. If regulations constrain employers to any significant degree, they will lower pay scales to offset the reduced value (to them) of employees whose schedules must be fixed.

Indeed, strict regulation of shift hours could harm part-time employees by incentivizing their employers to eliminate their jobs entirely, or by finding machinery that can do the job.

A different perspective, but one that yields the same conclusion, holds that the government should interfere in markets only to correct obvious market failures or externalities. But that is not relevant to this issue. Unpredictable shift schedules only hurt the employees and are a reflection of their limited skills. Interference would only reduce economic efficiency.

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