

How are jobs created?

The labour market – a market like any other?

In principle, the labour market is a market like any other market, except that it is not goods and services that are traded, but labour. And as with any other market, prices on the labour market also rise when there is increased demand for labour or when labour supply is scarce. By contrast, prices will fall if there is less demand for labour, for example, in the wake of rationalisation.

On the other hand, the labour market is a market unlike any other, as human labour is traded here and therefore indirectly also human destinies. That is why, almost everywhere in the world, state legislators intervene in the freedom of these markets and regulate them to a greater or lesser extent. This applies in particular to Germany, where employees are comprehensively protected (occupational safety, health insurance, unemployment insurance, dismissal protection, corporate co-determination, etc.).

Watch the video clip “Labour markets (2014)” and answer the following questions in working groups. The results of the working groups will then be presented and compared in turn.

Video clip: <http://www.mediatheque.lindau-nobel.org/videos/33622/labour-markets>

Exercises:

1. According to the opinion of Nobel laureate Christopher Pissarides, “Europe is lagging behind the USA in creating new jobs”. What does he mean by this and what does he want from the governments of the European Union?
2. Why is Christopher Pissarides opposed to government-funded areas of work?
3. What do you think of Christopher Pissarides’ proposals? Should they be implemented in Germany?
4. What measures does the EU’s “Europe 2020” programme include – and how do you assess the effectiveness of these measures? Create a poster that can be presented and discussed in a vernissage.