

A different opinion

577. One member of the German Council of Economic Experts, Peter Bofinger, holds a different opinion on the economic policy proposals made in this chapter.
578. The majority of the council members assert that it is not yet possible to seriously evaluate the impact of the minimum wage. Developments on the labour market, they argue, should be continually monitored and evaluated in order to **avoid drawing any premature conclusions**.
579. The majority nevertheless present a series of **specific** proposals regarding the minimum wage:
- The minimum wage should on no account be increased.
 - Moreover, in the event that unemployment worsens, the option of reducing the minimum wage or creating further exemptions from it should not be ruled out.
 - The exemption for the long-term unemployed should be extended from six to twelve months.
 - All internships should be excluded from the minimum wage, at least for up to twelve months.
 - They also see potential for different minimum wages to apply to different age groups.

All these proposals involve limiting the scope of the minimum wage.

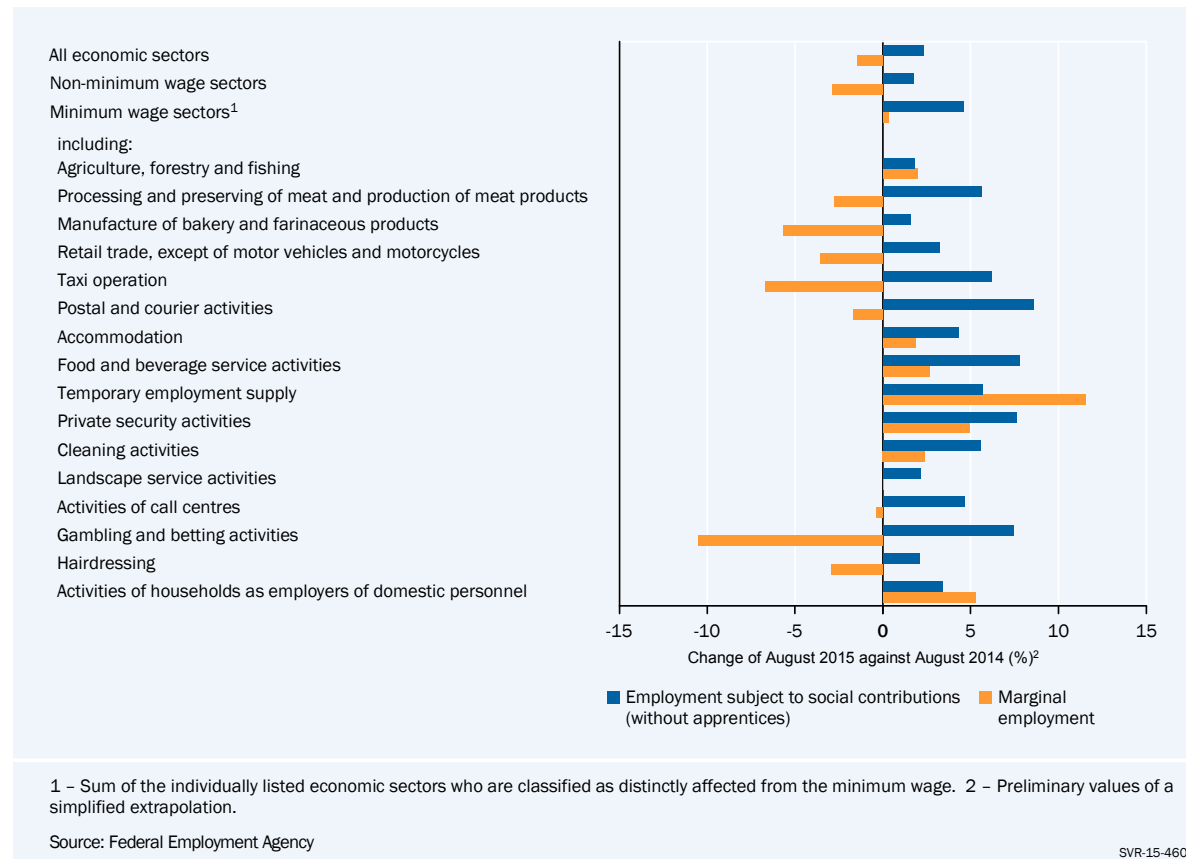
580. Emphasising the uncertainty surrounding the effects of the minimum wage like the GCEE majority means at least waiting to see how these unfold before calling for restrictions to be imposed on the legislation.

The **employment data available to date** paints an interesting picture: between August 2014 and August 2015, employment in jobs subject to social security contributions (not including apprentices) saw a greater increase in those industries that may be particularly affected by the minimum wage (4.6%) than in other sectors (1.8%). ↘ CHART 88 On average, even marginal employment not subject to social security contributions performed better in the industries judged to be most affected by the minimum wage (up 0.3%) than in other sectors (down 2.9%).

581. The **influx of refugees** should not be used as argument to restrict the scope of the minimum wage. For all the uncertainty surrounding the development of migration, the number of officially recognised refugees entering the German labour market will remain limited for the time being. Even with an accelerated asylum process and rapid integration into the labour market, no more than around 200,000 additional workers can be expected in 2015 and 2016 combined. A further 200,000 may join the labour force in 2017. This compares to a total employment in Germany of 43 million. An increase of 300,000 workers is expected for 2016 alone.

↘ CHART 88

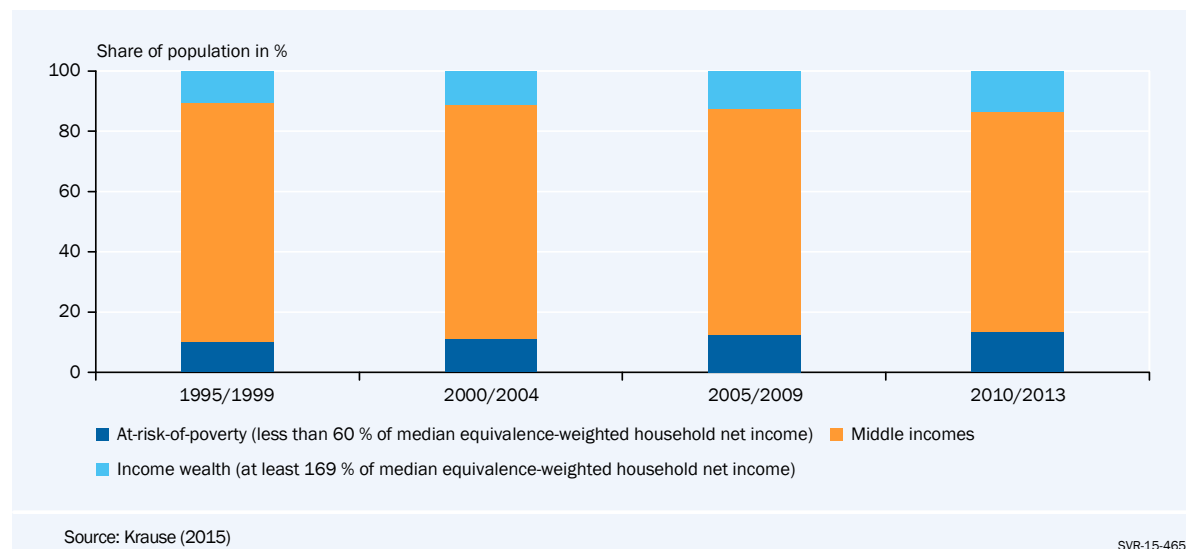
Employment development after the introduction of the minimum wage



582. With regard to the finding that Germany is a “**stable middle-class society**” ↘ ITEM 493, it should be noted that the share of medium incomes (between 60% and 169% of equivalence-weighted net household income, in the same relative intervals), fell from 79% in the second half of the 1990s to 73% in the period from 2010 to 2013 (Krause, 2015). ↘ CHART 89

↘ CHART 89

Development of the income distribution according to equal relative income differences



References in the different opinion

Krause, P. (2015) Einkommensungleichheit in Deutschland, *Wirtschaftsdienst* 95, 572-574.