

Abstract

This thesis examines the relationship between the minimum wages and the job market on the case of 17 EU member countries. We found that minimum wages are indeed generally contributing to lower employment rates among young workers. Particularly, it is the teenagers that are being affected most significantly by the increases in the minimum wage. It is in line with the expectations that if minimum wages have impact on the labour market, then this influence is most visible on the groups that are more frequently earning minimum wages. Employment rate is a better indicator of minimum wage effects on the labour market as the effect on the unemployment rate is much less visible due to various mechanisms that people use to adjust to the new situation.

Keywords: minimum wage, employment, labour market, jobs automation, income distribution