

# Article review 1



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Article Review 'The Minimum Wage is Truly a Bad Idea' by Donald Lambro

The article 'The Minimum Wage is Truly a Bad Idea' by Donald Lambro is a reaction to the law of minimum wage in America passed by Congress.

Lambro analyses the issue judiciously and substantiates his arguments with the help of findings from previous studies and research. The title serves the functional task of introducing the topic and hints at the point of view of the author. This allows Lambro to maintain an economy of words in the introduction and to approach the topic systematically in the ensuing paragraphs. The basic argument is that the law of minimum wage has failed to create employment for those it is supposed to help. The study by The Employment Policies Institute, a nonprofit research organization, proves that for every 10 per cent increase, the unemployment among minorities like the Hispanics, teenagers and African Americans has increased considerably. Moreover, low-skilled unemployment among high school drop-outs has also grown. Studies by Dr. David Neumark, a University of California, Irvine economist, support these findings and states that the law has “the largest negative effects on low-skilled employees, such as teens and minority teens”. By destroying the opportunities of entry-level jobs for many, the law robs them of the right to learn skills and develop good work habits which would help them develop a career.

James Sherk, a labour policy analyst at the Heritage Foundation, points out that the law also has the negative effect of reducing many workers' job opportunities and working hours. He observes that “wage hikes cause businesses to reduce the number of workers they hire and the hours they ask their employees to work”. Though there are some workers who initially earned near the minimum wage experience gains, the general impact would

be a negative one for those who seek entry-level jobs, as Neumark's study suggests. According to the Hoover institution, 20 per cent could lose their jobs unless there are offsetting tax cuts for small businesses. Lambro points out that there is an increasing tendency among industries to replace workers with machines, computers and the internet facility, to avoid the extra expenses they would have to meet by paying the minimum wages to a large number of people. Such job reduction will accelerate if the law continues to impose burden on small businesses. Moreover, Sherk's study also points out that the general benefactors of the law are not poor, dispossessed people, but teenagers from affluent families. This again reduces the opportunities for those whom the law claims to target. According to Lambro, what we need as a solution is " a clean tax-cut bill for all small businesses that will accelerate their growth and the higher paying jobs they will create for all Americans".

The main argument of the article is that the law of minimum wage has a negative impact altogether, on its target group of the underprivileged Americans who are unemployed. The way in which Lambro has presented the topic and expressed his opinions with the help of authentic references is quite convincing. From what I have comprehended from the article, I can agree with the author's point of view as he logically analyses the issue of minority wages and supports the minority groups. However, the final argument about the tax-cuts for small businesses seems a bit convoluted and seems to be beneficial to the owners of small businesses, and it seems the author shows allegiance to the privileged class here, though his argument that the tax-cuts would create " higher paying job opportunities for all Americans" will include the minorities as well. Moreover, the trend of using machines, computers and internet facilities by the industries is not

wholly linked to the law of minority wage, and will not diminish if the law is lifted. Altogether, the article uses information from different spheres to substantiate the arguments of the author, but lacks clarity and focus in suggesting a solution to the situation.