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Long-term Unemployment and the Capability Approach – The Case of the German Labor Market**

This text focuses on long-term unemployment in the German labor market caused by insufficient work skills capabilities and discusses the deficits of the current policy in improving the situation of job seekers who are repeatedly rejected in their efforts to find a job. For both the German approach to this problem as well as for the European labor policy a neoliberal orientation is still the paradigm, complemented in part by social democratic ideas and labeled “New Deal”. Distinct to the incoherent normative foundations of labor policy, the EU favors the normative base of the capability approach for measuring wealth and poverty. The capability approach (CA) provides a comprehensive, normative instrument for evaluation of individual welfare and social structures as well as a certain orientation of social policy. The text discusses the deficits of the current labor market policy and suggests the capability approach as a perspective for a new policy.

Key words: **long-term unemployment, capability approach, employability, labor policy** (JEL: D60, E24, E61, H11, H50: I38, J08, J14, J20, J64, J68)

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