

Labor in a Free Society

By Timothy Eshleman

Life is full of desires and wants. From birth until death one strives to satisfy many needs and desires. Labor is the process by which a worker obtains the goods and services needed for survival and desired for enjoyment.

In a free society, an individual is free to labor as he wishes. The essence of the free society is to "leave everybody totally free to act creatively as he pleases, to let anyone and everyone exchange their goods with whomever they choose on whatever terms can be mutually agreed upon, to let the fruits of one's labor be one's own, and to limit government- society's agent of force- to the protection of everyone equally in these terms."¹

As a worker is free to labor according to his talents and wishes, his interests and those of others are advanced. Who in society- the individual or the state- can better determine what is in the best interest of a worker? Naturally, each individual alone can determine what his best interests are and should be free to act accordingly.

A worker free from restraints against his productive energies, may develop new skills. One person's ability may make possible for him accomplishments not equally attainable by others. Each person may develop an area of expertise or specialization for which he is best suited.

The division of labor, resulting from expertise and specialization, requires cooperation and joint effort on many tasks. The cooperative action of those with varying proficiencies is more efficient and productive than the isolated action of self-sufficient individuals. Just as a myriad of tasks to be performed exists, there are workers with varying skills to perform them.

Furthermore, the division of labor makes possible technological improvement. As the division of labor becomes more advanced, observant and inventive men notice that certain identical, repetitive tasks may be performed by precision machines. Such machines allow these tasks to be completed more effectively and efficiently.

Everyone, in an unhampered market economy, is free to accept the best opportunity available. One seeking work may choose the job which provides the best return for the services he offers. A prospective employer may choose those workers who offer the best services for the wages he has to pay.

What a worker receives for his labor will be determined by what others are willing to exchange for it. Competition among workers ensures that no one is paid too much, while competition among employers makes sure that no one is paid too little.

Exploitation of one individual by another, in a free system, is impossible. No person or group could monopolize any activity so long as there is freedom for all to enter the market. Where there is free entry there is competition and this competition,

among both those who demand labor and those who supply labor, would make exploitation impossible.

However, should an individual or group be granted legal monopolistic powers in the labor market, coercion and exploitation would then be possible. If the suppliers of labor- the workers are granted monopolistic power, i.e. labor unions, they would be in a position to command benefits greater than those they would receive in free exchange. If the demanders of labor- employers- obtain monopolistic power then the workers could be exploited.

In a free society, involuntary unemployment is inconceivable. There is always more work to be done than workers are able to do. Full employment occurs when an employer is able to exchange the wage he has available to pay for the services offered by a worker. The terms must be mutually beneficial or no deal will be made. If no deal is made, unemployment will result; but this is voluntary unemployment in that one party has chosen not to accept the other's offer.

However, when the market is not permitted to function freely, unemployment must result. "Unemployment is a phenomenon of the partially rigged market."² As governments and unions interfere with the market, artificially raising the cost of labor higher than the price normally set by the market, i.e. higher than employers are able to pay, fewer workers will be hired, even though their services are still needed.

Even when technological advance makes possible increased production with less labor, workers will not be left idle. While

initially displacing some workers, technology reduces the cost of goods. With their increased spending power, resulting from lower costs, consumers may demand other commodities which, previously, they had been unable to afford. The displaced workers, after readjustment, may find employment in the production of goods whose demand has now expanded. The free economy provides work for all who want to work while providing a greater supply of goods and services.

But for this to occur, labor mobility is needed. If pressure groups or the state restrict workers' freedom of entry into labor markets, unemployment must again result. The workers displaced by technology are prohibited from entering new areas of work.

For the free society to endure, all individuals must be free to labor as they choose. All must be at liberty to creatively explore and perfect their abilities. Only as men are permitted to labor freely may they realize their greatest potentialities.

Endnotes

1. Leonard E. Read, Let Freedom Ring, Irvington-on-Hudson: The Foundation for Economic Education, Inc., 1969. p.46.

2. Leonard E. Read, Government- An Ideal Concept, Irvington-on-Hudson: The Foundation for Economic Education, Inc., 1954. p. 78.