

How Work Became Drudgery Once Again

Written by Dan Sanchez.

Young people, college graduates especially, are not feeling hopeful about their careers. Mired in student loan debt, facing a labor market that has been stagnant for as long as they can remember, and deciding between a job where they'll be miserable and moving back in with their parents, millennials have grown skeptical toward market capitalism.

Yet, if they looked at the history of the matter, they would be amazed how far we've strayed from a free market in labor in the past century. Their plight is not due to economic freedom, but to a century of centralized efforts to regiment and regulate the labor market and the very mind and soul of the worker.

A Moment of Freedom

By the last decades of the 19th century, liberty had all but triumphed. Classical liberalism had emancipated human labor from archaic restrictions. Serfdom and slavery had been abolished. Freedom, opportunity, and prosperity abounded, especially in America.

The wealth that flowed from the first flush of America's Industrial Revolution might have fertilized a widespread flowering of entrepreneurship throughout the country's populace. But this was tragically prevented when many of America's first generation of super-entrepreneurs betrayed the very freedom that had enabled their rise.

The Master Class Strikes Back

The new industrial tycoons strove to become a new master class: to control and limit access to their own elite stratum; to relegate the masses to a new form of servitude and fixed subordination; to maintain and enhance their own position in society, not just by continuing to innovate and compete on the free and open market, but by using government to conspire against innovation, competition, and freedom.

To this end, they installed roadblocks on the path to greatness they had taken. From the Progressive Era through the New Deal and the World Wars, the industrial elite helped to establish a cartelized economy in the name of preventing one. (See Butler Shaffer's *In Restraint of Trade* and Gabriel Kolko's *The Triumph of Conservatism*.) And, by sponsoring the universal compulsory school movement, they helped to destroy popular education in the name of spreading it. (See John Taylor Gatto's *Underground History of American Education*.)

The new factory schools began stamping the nation's children in the mold of model factory

workers (as well as model soldiers and subjects): breaking the free spirit of the child, and mass producing generations of drudges and drones.

As Gatto wrote, the function of schooling was, “to mute competition in the generation of tomorrow,” and:

“... to sharply curtail the American entrepreneurial spirit, a mission undertaken on perfectly sensible grounds, at least from a management perspective. As long as capital investments were at the mercy of millions of self-reliant, resourceful young entrepreneurs running about with a gleam in their eye, who would commit the huge flows of capital needed to continually tool and retool the commercial/industrial/financial machine? As long as the entire population could become producers, young people were loose cannons crashing around a storm-tossed deck, threatening to destroy the corporate ship. Confined, however, to employee status, they became suitable ballast upon which a dependable domestic market could be erected.”

Proletarianizing the American Individual

School stunted and stultified the entrepreneurial spirit of the American individual, thereby proletarianizing him. It turned him into a “labor force” soldier to be deployed, a pawn to be moved, a “human resource” to be allocated. And not to be deployed, moved, and allocated by himself, but by paternalistic institutions: by his employer and by his “champions” in his union and/or his government.

The new proletariat was not limited to blue collar workers. It also included white collar proles: the “company man,” professionals, and bureaucrats.

The thoroughly schooled person is a thoroughly institutionalized soul. Like a man released after a long confinement in prison, a graduate is sent reeling by the dizzying opportunities and responsibilities of freedom. If he does not set about de-institutionalizing himself, he either retreats back into the womb by enrolling in still more schooling, or he scrambles for a new womb. He joins a corporation, a guild-regimented profession, a union-regimented trade, a bureaucracy: any environment where, as in school, he can implant himself in a system of rules, routines, and regimentation.

Proles are followers and joiners, not disrupters. They follow and join existing companies, guilds, unions, and bureaucracies. They don't challenge such institutions with entrepreneurial competition, much less make them obsolete. And so the proletarianization of the American spirit served the short-term interests of the economic elite.

I say "short term" because a fully competitive free market would have lifted all boats higher than otherwise. The tycoon's relative position might have dipped, but that would have been more than offset by the acceleration of the absolute rise of living standards for even the rich (especially in terms of consumer technology).

The Lure of Entitlements

The proletarianization of the American worker was not only imposed from above. It was also self-inflicted by regular people who fell for government guarantees of "security," resulting in the rise of labor regulation and the welfare state, again starting in the Progressive Era and culminating in the New Deal.

"Pro-labor" policy and propaganda led workers to think of jobs, not as opportunities, but as sources of entitlements. Paid work, keeping your current job, and being able to make coercive demands upon your employer all became "labor rights," just as the new welfare entitlements were "rights."

But these false promises of security were a trap. People became addicted to and dependent on the new guarantees, and so became wedded and subservient to the sources of those entitlements: their employer and government. A "job" became, not one of many potential partnerships in a fluid career, not a stepping stone on the road to bigger and better things, but a lifelong bond.

The Slow, Dreary Escalator

According to Reid Hoffman and Ben Casnocha, there was an unspoken, "...long-term pact between employee and employer that guaranteed lifetime employment in exchange for lifelong loyalty..." In their book, *The Start-Up of You*, Hoffman and Casnocha wrote,

"For the last sixty or so years, the job market for educated workers worked like an escalator. After graduating from college, you landed an entry-level job at the bottom of the escalator at an IBM or a GE or a Goldman Sachs. There you were groomed and mentored, receiving training and professional development from your employer. As you gained experience you were whisked up the organizational hierarchy, clearing room for the ambitious young graduates who followed to fill

the same entry-level positions. So long as you played nice and well, you moved steadily up the escalator, and each step brought with it more power, income, and job security. Eventually, around age sixty-five, you stepped off the escalator, allowing those middle-ranked employees to fill the same senior positions you just vacated. You meanwhile, coasted into a comfortable retirement financed by a company pension and government-funded Social Security."

This is something of an exaggeration. People did change jobs in the corporate world, but rarely, and especially rarely in highly regulated industries. Even less frequent were career changes and more ubiquitous than the "job escalator" was the "career escalator."

Blue collar work had escalators, except it was even more mechanical, since, at the behest of unions, advancement was more rigidly based on seniority.

The management of our value-creation and our careers was outsourced to large institutions, just as the management of our education had been during our childhood and youth. Work, like school, was all about grudgingly performing assignments handed down by authority figures (bosses). Ours was not to ask "why" or "how else can I create value?" Ours was but to do or be axed. Keep your head down, do your prescribed tasks and routines, don't make waves, flatter your superiors, and ride that dreary escalator. Very few were willing or able to step off the conveyor belt and become free-climbing entrepreneurs or to approach their jobs with an entrepreneurial mindset.

This is debilitating, because the human spirit withers under conditions of passive servility: even the self-imposed, voluntary servility of the company man and the worker drone. The best hope offered was to graduate from servant to master. But even then, there's always a bigger boss to brown-nose. And the worst fear of the modern prole was to lose the job he hates.

In this and many other ways, private sector institutions became ever more bureaucratic in structure. Regulation accelerated this bureaucratization, as the affairs of business became ever more about compliance with detailed government rules and regulations.

As Ludwig von Mises wrote, bureaucracy is particularly soul-crushing for the young.

"Regimentation spells the doom of initiative. The young man has no illusions about his future. He knows what is in store for him. He will get a job with one of the innumerable bureaus, he will be but a cog in

a huge machine the working of which is more or less mechanical. The routine of a bureaucratic technique will cripple his mind and tie his hands. He will enjoy security. But this security will be rather of the kind that the convict enjoys within the prison walls. He will never be free to make decisions and to shape his own fate. He will forever be a man taken care of by other people. He will never be a real man relying on his own strength. He shudders at the sight of the huge office buildings in which he will bury himself."

Throughout the 20th century, paths around the trap of servant/employee status were progressively closed. Start-up costs were artificially spiked by taxes and regulations (like licensure laws) that posed greater burdens and obstacles (compliance costs) for small players than for big ones, giving the latter a competitive advantage. The only detour left open to bypass the servility trap was the new welfare path, which led to the even more debilitating and degrading trap of total state dependency.

Embrace the Flux

Incumbent industries, companies, and jobs were artificially protected from too much creative destruction. Isn't this welcome security? Isn't it worth a bit of bureaucratization and proletarianization in exchange for some insulation from the heat of competition? No. Every layer of restriction on the competitive market translates into a lowered ceiling on living standards that is far more burdensome than the transition costs of having to periodically liquidate and pivot due to competition.

What does a rapid rise of living standards look like? For one, it's a constant state of rapid improvement in technology and productive methods. Such improvement necessarily means displacement of old technologies and production methods. Changes in production methods mean changes in the role of human labor in production: in the type of work involved. Faster improvement means more frequent displacement and more flux in our careers, but it also means a faster rise in living standards.

Free competition is antithetical to "escalators" and other forms of "security," but it's essential to material progress. In a freer market, we would need to change "jobs" more frequently, but the wages of those jobs would buy far more than otherwise. Moreover, we would enjoy the dignity and self-empowerment of being entrepreneurs with full responsibility and ownership over our own careers.

The New Serfdom

His entrepreneurial options closed, his entrepreneurial spirit smothered by school, and lulled into dependence by the lure of “security,” the worker was an underling once again in the 20th century. The individual was swallowed up in a collectivist paternal order in which his fate was decided, not by himself, but by an Olympian contest between Big Labor and Big Business, as adjudicated by Big Government.

The new order amounted to a new serfdom, and a major reversal of the great emancipation of human labor inaugurated by classical liberalism. The new serfdom entailed obligations from masters to servants, but then so did the old serfdom. Feudal lords had many obligations to their vassals.

The new serfdom augured the rise of a modern, industrial-era serf. The typical American was once self-reliant, intrepid, skeptical, intractable, reflective, and highly literate. As the new paternalistic order emerged, the standard (that is, standardized) American grew ever more dependent, timid, credulous, biddable, shallow, and dumbed down.

The Return of the Entrepreneur

Thankfully there are hopeful signs that, in the 21st century, this re-enservment is itself being reversed. These signs include:

- Digital technology reducing start-up costs faster than taxes and regulations can raise them.
- In particular, internet, smartphone app, and P2P platform technology reducing transaction costs, creating detours around licensure laws (see Uber and AirBNB), and leading to the rise of the Sharing Economy and the Gig Economy.
- The return of classical liberalism as a widespread social philosophy.
- The necessity-induced return of a spirit of self-reliance, due to young people losing faith (or never acquiring it) in paternalistic institutions like grade schools, universities, large employers, and governments being able to guarantee them security.
- The rise of internet-enhanced alternatives to formal schooling like homeschooling, unschooling, online learning platforms, and apprenticeship learning programs.

These developments may, within our lifetimes, culminate triumphantly in a new emancipation of human labor: one which, thanks to digital technology, will be too thoroughgoing to be reversed.

What’s even more important to you, however, is that these developments are already under way, and already presenting wonderful prospects for those who are venturesome enough to seize them. Young people especially already have cause to be hopeful after all, so long as they place their hope, not in political developments and institutional support, but in their own individual potential amid an exciting new world of rampant opportunity.

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