

# Roderick Long on the Plight of the Worker

In response to my *Nickel and Dimed* posts, my old friend Roderick Long referred me to his original review of the book. Highlights of Rod's review:

*Ehrenreich went "undercover" to document the lives of the working poor and the Kafkaesque maze of obstacles they face: the grindingly low wages; the desperate scramble to make ends meet; the perpetual uncertainty; the surreal, pseudo-scientific job application process; the arbitrary and humiliating petty chickenshit tyrannies of employers; the techniques of intimidation and normalisation; the mandatory time-wasting; the indifference to employee health; the unpredictably changing work schedules, making it impossible to hold a second job; etc., etc.*

*None of this was news to me; I've lived the life she describes, and she captures it quite well. But it might well be news to those on the right who heroise the managerial class and imagine that the main causes of poverty are laziness and welfare.*

*Of course the book has its flaws...*

*But Ehrenreich's misguided diagnoses and prescriptions occupy at most a tenth of the book. The bulk of the book is devoted to a description of the problems, and there's nothing sneerworthy about that. And libertarians will win few supporters so long as they continue to give the impression of regarding the problems Ehrenreich describes as unimportant or non-existent. If you're desperately ill, and Physician A offers a snake-oil remedy while Physician B merely snaps, "stop whining!" and offers nothing, Physician A will win every time.*

Rod's solutions:

*First: eliminate state intervention, which predictably works to benefit*

*the politically-connected, not the poor. As I like to say, libertarianism is the proletarian revolution. Without all the taxes, fees, licenses, and regulations that disproportionately burden the poor, it would be much easier for them to start their own businesses rather than working for others. As for those who do still work for others, in the dynamically expanding economy that a rollback of state violence would bring, employers would have to compete much more vigorously for workers, thus making it much harder for employers to treat workers like crap...*

*Second: build worker solidarity. On the one hand, this means formal organisation, including unionisation – but I’m not talking about the prevailing model of “business unions,” conspiring to exclude lower-wage workers and jockeying for partnership with the corporate/government elite, but real unions, the old-fashioned kind, committed to the working class and not just union members, and interested in worker autonomy, not government patronage.*

I’ve had similar debates with Rod before, but I still can’t resist responding. Verily, I *do* “heroise” the managerial class. And at least in the First World, I *do* think that irresponsible behavior (partly fueled by the welfare state) is the main cause of severe poverty. Specifically:

1. Management quality is vital for productivity – and measured management quality really is high in First World countries. Contrary to stereotypes, poor countries have very little big business. Instead, their economies are dominated by “informality” and self-employment. So yes, I am most grateful to managers for doing their jobs – especially given all the abuse that intellectuals and activists have heaped upon them.

2. In rich countries, non-work is the *main* cause of severe poverty. A small percentage of non-workers are seriously disabled or genuinely can’t find a job. The overwhelming reason for non-work, though, is behavior that intuitively seems highly irresponsible. Such as? Not searching for a job. Not showing up for work on time – or at all. Having impulsive sex. Committing crimes. Sloth (“laziness”) is one poverty-inducing vice, but don’t forget lust and wrath.

3. There are, of course, many full-time workers who – like Ehrenreich and most of her co-

workers – end up *moderately* poor. How is this possible? I endorse the standard economic explanation: low-paid workers are, on average, low-skilled. Since they aren't very productive, employers don't bid much for their services.

4. Why, though, do low-skilled workers endure such unpleasant working conditions? Again, I endorse the standard economic explanation: making work more pleasant costs money – and low-income workers don't want to take a pay cut to get more pleasant working conditions.

5. Rod apparently rejects both textbook stories. Instead, he blames the government for using “taxes, fees, licenses, and regulations” to prevent the poor from “starting their own businesses rather than working for others.” While I would be happy to see “taxes, fees, licenses, and regulations” go away, I'm afraid there's little reason to think this would sharply increase the poor's rates of self-employment or small business ownership. Why not? Because it's far from clear that regulation *on net* penalizes small businesses relative to big businesses. Yes, some regulations impose fixed costs, which discourage small business and self-employment. However, *many* regulations specifically exempt small business. Furthermore, it is *much* easier for small business to evade regulation. I wouldn't be shocked if self-employment and small business became somewhat bigger under *laissez-faire*, but Rod's confidence that this effect would be big is wishful thinking.

6. I totally agree with Rod's view that government hurts the poor by suppressing economic growth. Because government hurts almost everyone by suppressing economic growth.

7. I'm honestly puzzled by Rod's desire to see the poor start their own businesses. Romantic thinking aside, most people lack the competence for self-employment. With or without regulation, it's incredibly hard. I get that Rod has seen the ugly side of low-skilled employment first-hand. But what about the ugly side of low-skilled self-employment? Instead of bosses mistreating you, you're mistreated directly by customers. If you can actually get some customers, which is like pulling teeth. Imagine how bleak Ehrenreich's book would have been if, instead of trying to *find* a bunch of low-skilled jobs, she tried to *found* a bunch of low-skilled businesses! Without her savings, she probably would have ended up homeless.

8. I'm even more puzzled by Rod's desire to “build worker solidarity” and support for unions. The standard economic story says that unions are labor cartels; they improve wages and working conditions for members *at the expense* of other workers and the rest of society. While I'll defend the legality of unions on libertarian grounds, they're nothing to celebrate. The best I can say is that without government help, very few people will belong to unions. Indeed, even with hefty pro-union regulations on their side, private sector unions have almost disappeared in the U.S. But isn't solidarity nice? Not solidarity with large, unselective groups like “workers” – and not when you build solidarity by

scapegoating employers as exploiters and managers as bullies.

9. General observation: If you know a little social science and a lot of libertarianism, Rod Long's story sounds great. If you want to sell libertarianism to leftists, his approach is plausibly more persuasive than mine. Alas, if you take the time to learn more social science, Rod's story isn't tenable.