

Every Accusation of Economic Illiteracy Is a Confession of Historical Illiteracy

Kevin Carson

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The Freeman is back to its “best available option” defense of sweatshops and child labor (“What Many Critics of Child Labor Overlook”). It treats public outrage over the presence of child labor in the supply chains of Western corporations as a demonstration of “how economic illiteracy has seeped into the minds of Western media and the general population.”

People honestly think that prohibiting child labor will improve the welfare of children. Anyone who has been in an argument with someone about the free market will undoubtedly bump against the child labor argument at some point. “Without regulation, child labor would be everywhere!” This argument, however, suffers from a major problem: it assumes that child labor is the worst thing that can happen to children.

Child labor is certainly not a great sight to behold. Little Johnny sweating bullets in a steel mill is clearly not what parents desire for their children. But before we pronounce a judgment on this practice, we need to consider what the alternative is.

When examining child labor, we must bear in mind that child labor is one option out of a set of options the child faces. What happens when you prohibit child labor? The children will go to their next best option. In countries that allow child labor, the next best option is usually starvation, poverty, or prostitution.

Ludwig von Mises used the same argument in defense of the hellish factories of the early Industrial Revolution:

The factory owners did not have the power to compel anybody to take a factory job. They could only hire people who were ready to work for the wages offered to them. Low as these wage rates were, they were nonetheless much more than these paupers could earn in any other field open to them.

It was this same argument, appearing then as well as now in *The Freeman*, which spurred me some twenty years ago to coin the term “vulgar libertarianism.”

See, laborers *just happen* to be stuck with this crappy set of options—the employing classes have absolutely nothing to do with it. And the owning classes *just happen* to have all these means of production on their hands, and the laboring classes just happen to be propertyless proletarians who are forced to sell their labor on the owners’ terms. The possibility that the employing classes might be *directly implicated* in state policies that reduced the available options of laborers is too ludicrous even to consider.

The “best available option” argument is typical of the right-libertarian tendency to avoid any consideration of structural power differentials or background violence, or otherwise look even one micron beneath the immediate situation, in determining whether a given interaction is “voluntary.” It deliberately neglects, in particular, questions like *why* child labor or sweatshops happen to be the “best available alternative,” who set the range of available alternatives, and whether sweatshop employers might be involved in the power structure that determines the range of alternatives. It fails to ask *why* workers were willing to work in English textile mills 200 years ago, and *why* the wages were the highest available.

If we take a look at actual economic history, we find that workers in the Industrial Revolution were willing to work long hours for low pay in factories because they’d been forcibly deprived of other options — by employers. From the late middle ages on, the open fields of England, to which villagers had common rights of access, had been enclosed for sheep pasturage. And starting in the mid-18th century, in the Parliamentary Enclosures, the landed classes systematically robbed the peasantry of their remaining commoning rights in pasture, wood, and fen.

The propertied classes justified this robbery, quite unashamedly and explicitly, on the grounds that the rural population would not work as much or as cheaply at agricultural wage labor as agricultural employers desired them to, so long as employers had to compete against the possibility of subsistence on the common.

For example, a pamphleteer in 1739 argued that “the only way to make the lower orders temperate and industrious... was ‘to lay them under the necessity of labouring all the time they can spare from rest and sleep, in order to procure the common necessities of life.’” A 1770 tract called “Essay on Trade and Commerce” warned that “[t]he labouring people should never think themselves independent of their superiors... The cure will not be perfect, till our manufacturing poor are contented to labour six days for the same sum which they now earn in four days.”

Those rural laborers who were rack-rented and evicted, as “surplus population,” fled to the towns and accepted factory jobs because they had been forcibly *deprived* of any alternative. And perhaps unsurprisingly, the same rural land-owning classes who did this depriving were also often silent partners who invested in the factories that hired the victims of their robbery.

The lack of “alternatives” in our own day, likewise, result from centuries of imperialism followed by centuries of post-colonial intervention, in which Western states have either directly expropriated common lands from Third World peasantries or colluded with local landed oligarchies in such expropriation. Third World countries are a source of cheap sweatshop labor for Western corporations because those corporations, in collusion with capitalist states, have systematically suppressed better alternatives.

So the “best available alternative” offered by employers of child labor is a classic example of crutches being offered to someone by the very same party that broke their legs.

It's not surprising that the author, Benjamin Seevers, is "an economics PhD student at West Virginia University." The talking points in this boilerplate article are typical of what right-libertarians mean by the "economics" which they accuse leftists of "not understanding."

And, by the way, I don't deny that Seevers' immediate claim, that simply eliminating child labor, while holding all other structural factors constant, would have the unintended consequence of reducing the range of available options, is the best kind of correct — technically correct. But *The Freeman* didn't run that article because of the point he's technically correct on. When you Google "sweatshops" and "best available alternative" and it comes up with three bazillion results — all at right-libertarian websites — it's not because they just wanted to make a disinterested, technically true point about the unintended consequences of banning sweatshops. It's in the context of a political agenda of defending corporate globalization and sweatshops as forces for progress.

When right-libertarian commentators accuse others of "economic illiteracy," they usually wind up revealing their own historical illiteracy.

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