



Licensed To Kill (Local Industry)

April 10, 2019

We published the following editorial comment on September 5, 2015. We recycle it here for its relevance to Rep. Scott Campbell's proposed legislation (H.534) to create a licensing system for general contractors. By our read, H.534 will require all independent contractors (builders, electricians, dry-wallers, plumbers, etc.) to take expensive "building science" courses and pass a series of tests before the state allows them to work. Not only will this guarantee another expensive, wasteful bureaucracy, it will also worsen Vermont's housing and labor shortage crises.

Government Scam License (September 5, 2015)

According to the Cato Institute's Doug Bandow, more than 1,100 professions in the United States demand licensure. In 1950, he writes, five percent of Americans "needed official permission to work."

Today, "nearly a quarter require some form of government approval."

Bandow cites examples - like 150 hours of classes to become a "Shampoo Specialist" - to support an obvious conclusion - "Licensing is an extraordinary scam."

An obvious downside to this, as a study by the Obama Administration found, is that "licensing increases prices" on consumers "on average, as much as 16 percent."

Worse (since we just observed Labor Day), "Government restrictions on employment are particularly counterproductive at a time of high unemployment," Bandow writes. "By one estimate licensure destroys nearly three million jobs. Overall, licensing has been estimated to cost \$100 billion to \$200 billion a year."

The idea behind licensing, of course, is to protect the public. But the Obama report (for a whole host of reasons) found "most research does not find that licensing improves quality or public health and safety."

Bandow argues, and we agree, that the right idea is to "end most regulation, instead relying on market mechanisms for consumer protection."

As he puts it, "In the 'land of the free' people shouldn't have to get anyone else's permission to work."