



Can Governments Really Make the Workplace Safer?

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During a [recent interview](#), Ontario's Labour minister Monte McNaughton spoke about the rules that businesses will be expected to follow as the economy reopens, and the consequences for businesses that do not obey the government's rules:

We want all businesses to create a workplace safety plan that identifies the risks of transmitting the COVID-19 virus in the workplace. We want them to determine what controls are needed to mitigate the risks, for example, installing Plexiglas to separate workers from customers or staggering shifts and breaks...and put those plans in place.

...we've also now put out 134 health and safety guidelines, so every business who is reopening has a guideline to follow....During the COVID-19 crisis, our ministry has done more than 11,000 workplace investigations, we've issued 6,500 orders to improve health and safety in businesses across the province.

We've had to shut down 23 workplaces during the COVID-19 crisis. The Occupational Health and Safety Act lays out the potential fines for corporations, which can be a maximum of \$1.5-million fine depending on the severity.

Does the Government Make Us Safer?

Those who say that private businesses would not provide safe working conditions without government mandates are often the same people who claim that an altruistic government rescued men, women, and children from the deplorable, inhumane working conditions inflicted on them by the greedy capitalists during the Industrial Revolution. But, as Will Rogers once said, "the problem in America isn't so much what people don't know; the problem is what people think they know that just ain't so." (qtd. in Thomas E. Woods Jr., *The Politically Incorrect Guide to American History* [Washington, DC: Regnery Publishing, Inc., 2004], p. xiii).

Ludwig von Mises sets the record straight, noting that on the eve of the Industrial Revolution,

Business was imbued with the inherited spirit of privilege and exclusive monopoly; its institutional foundations were licenses and the grant of a patent of monopoly; its philosophy was restriction and the prohibition of competition both domestic and foreign. The number of people for whom there was no room left in the rigid system of paternalism and government tutelage of business grew rapidly. They were virtually outcasts. The apathetic majority of these wretched people lived from the crumbs that fell from the tables of the established castes....

The factories freed the authorities and the ruling landed aristocracy from an embarrassing problem that had grown too large for them. They provided sustenance for the masses of paupers.

They emptied the poor houses, the workhouses, and the prisons. They converted starving beggars into self-supporting breadwinners.

Thus, the government's social system was responsible for the wretched lives of the masses of paupers who were not members of the favored special interest groups. Working conditions in the factories were miserable, but it was an improvement over the conditions in the poorhouses, workhouses, and prisons—where the paupers had been consigned by the government's economically restrictive policies. Mises continues:

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 is a distortion of facts to say that the factories carried off the housewives from the nurseries and the kitchens and the children from their play. These women had nothing to cook with and to feed their children. These children were destitute and starving. Their only refuge was the factory. It saved them, in the strict sense of the term, from death by starvation.

In the first decades of the Industrial Revolution the standard of living of the factory workers was shockingly bad when compared with the contemporary conditions of the upper classes and with the present conditions of the industrial masses. Hours of work were long, the sanitary conditions in the workshops deplorable. The individual's capacity to work was used up rapidly. But the fact remains that for the surplus population which the enclosure movement had reduced to dire wretchedness and for which there was literally no room left in the frame of the prevailing system of production, work in the factories was salvation. These people thronged into the plants for no reason other than the urge to improve their standard of living.

Miserable working conditions in factories represented an increased level of *safety* for paupers—living instead of starving—compared to the conditions inflicted on them by government policies.

Beyond this, working conditions could only improve—as they eventually did—when factories were sufficiently profitable for their owners to make improvements. As this additional capital became available, they were highly motivated to improve working conditions, because this leads to lower turnover, higher productivity, and higher profits, which provides the means for even more improvements and higher wages. These incentives are foreign concepts to government policymakers.

Let's Look at More Recent History

That is why government mandates seldom result in a higher level of safety compared to what businesses would voluntarily provide without the mandates. Consider the Occupational Safety and Health Administration (OSHA), which was established by the US Congress in 1970, with a mandate “to assure for all workers safe and healthful working conditions.” However, according to a regulatory analysis performed by the Cato Institute, while OSHA supporters cite evidence attesting to the agency's effectiveness, “the vast majority of studies has found no statistically significant reduction in the rate of workplace fatalities or injuries due to OSHA.”

Indeed, from 1933 to 1993, the rate of workplace fatalities fell by about 80 percent, with no discernable change in the downward trend after the establishment of the OSHA in 1970.

The Price of Safety

During the current pandemic, the government has been constantly telling us that our collective safety is their highest priority, and that to mitigate the risk of infection, we must obey all government rules, no matter the cost. But costs do matter, and individuals have the right to assess costs, risks, and tradeoffs and make decisions based on their own unique personal circumstances.

Remember, during the Industrial Revolution, special interest groups expected the government to block competition from the factories. But what would have happened if factory owners had been compelled to implement various government safety protocols? The early factory owners were themselves very poor by today's standards, so they would not have been able to comply, and many of the paupers would have starved in the government's poorhouses, workhouses, and prisons. As much as the government wanted to satisfy the demands of the special interest groups, the government-created pauper problem had grown too large. So, the government relaxed its regulatory stranglehold over the economy, thereby restoring the rights of paupers and factory owners to make decisions based on their own assessment of costs and risks.

Furthermore, as George Reisman wrote:

To whatever extent additional safety comes at a higher cost, it restricts the ability to make provision for other needs and wants, including safety, in other areas of life. And this remains true even when the higher costs of safety are initially imposed on business firms rather than directly on consumers. This is because higher costs do not lastingly come out of profits but must be covered by higher prices of products or, alternatively, lower wage rates of workers. The great run up in business costs over the last thirty years or so, on account of so-called safety and environmental legislation, has played an enormous role in worsening economic conditions for large numbers of wage earners and ordinary people in general. Those seeking an explanation of such things as the growing need for two breadwinners in a family need look no further.

In driving up costs and prices or driving down wage rates to pay for its arbitrary "safety" regulations, government deprives wage earners of such things as the ability to replace older, worn-out automobiles and appliances with newer, safer automobiles and appliances or to upgrade the electrical wiring or heating or ventilation systems in their homes or to afford the higher rents in apartment buildings with such upgrades. It thus blindly, stupidly, makes people less safe while claiming, and perhaps believing, that it is making them more safe.

As we're now seeing, government efforts to produce "safety" often produce disastrous results. Throughout the world, numerous governments have responded to the pandemic by locking down the economy. These draconian lockdowns—not the virus itself—may push hundreds of millions of people to the brink of starvation.

If this comes to pass, will politicians and bureaucrats be held personally accountable for this starvation, and the other consequences of their policies? No, they will not.

Will Monte McNaughton, and thousands of other politicians and bureaucrats around the world, be held personally accountable for any consequences (such as the ones Reisman noted above) of the safety rules they are imposing on businesses? No, they will not.

The sad truth is that politicians and bureaucrats are not accountable to taxpayers in any meaningful sense of the word. That's what makes them so dangerous.