



Free the Market, Abolish the Wage System

by Kevin Carson

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Several weeks ago, Julian Sanchez announced his intent to leave the Cato Institute if the Koch brothers' attempted takeover was successful. Corey Robin seized the opportunity to chide libertarians for our alleged inconsistency on the job culture ("When Libertarians Go to Work," March 7).

Sanchez didn't challenge the Kochs' right to take over Cato if they could. He simply criticized a Koch takeover as undesirable. After such a takeover, he argued, he would likely face constraints on his autonomy and integrity from the new owners, with his freedom to seek out and speak the truth subordinated to their political agenda.

All well and good, says Robin. But why don't libertarians like Sanchez follow such analysis to its logical conclusion? The Left has consistently criticized not only the culture of subordination in the workplace, but the economic power structures on which it depends.

Sanchez mentions lack of constraints from mortgage or family as a factor in his decision. Aha! says Robin — that's just it! The vast majority of workers do experience such economic constraints, given the wealth and power differentials that the wage system depends on, and therefore don't have the luxury of walking away from an authoritarian workplace. So Sanchez, typical libertarian that he is, ignores the ways in which the less privileged are subjected to coercive working conditions as a result of the economic structure.

Corey, I'd like to introduce you to the left-libertarians. I'm affiliated with a pretty good cluster of them at the Center for a Stateless Society — a left-wing market anarchist think tank of which I'm research associate and news commentator — and we overlap considerably with another cluster in the Alliance of the Libertarian Left. Analyzing the ways the state intervenes in the market to strengthen the bargaining power of employers against that of workers is our — and my — bread and butter.

As libertarians, we don't want to abridge the freedom to contract wage employment any more than Julian Sanchez does. But we see subordination and hierarchy as undesirable. And we want to reduce, as much as possible, material constraints that promote entry into such authoritarian relationships.

Under capitalism — as opposed to a freed market — the state makes the means of production artificially scarce and expensive for workers, and raises the threshold of comfortable subsistence, so that workers are artificially dependent on wage labor.

The state enforces artificial property rights and artificial scarcities, like so-called "intellectual property" (the source of the \$150 markup on Nike sneakers that cost \$5 to produce) and absentee title to vacant and unimproved land. It organizes the economy into oligopoly cartels,

with “sticky” prices (probably a 20% price markup in most industries) and enormously inefficient and high-overhead production methods. It enforces entry barriers to self-employment by inflating the capital outlays required for production, through such things as “safety” codes that criminalize the use of ordinary household capital goods and zoning laws that criminalize household microenterprises. It impedes comfortable subsistence by promoting real estate bubbles and criminalizing competition from vernacular building techniques.

Economic exploitation is possible only when competition from the possibility of self-employment is closed off and wage employment is the only game in town. Just as the British state colluded with employers in the Enclosures to obstruct access to natural opportunities, modern employers under corporate capitalism use the state to enclose natural opportunities as a source of rent. The overall effect is to increase the share of needs that must be met through wage employment rather than self-employment or the informal and household sector, and to inflate the number of people seeking employment relative to available jobs. Hence, workers are forced to compete for jobs in a buyer’s market.

In a freed market, with all these artificial property rights and artificial scarcities removed, the situation would be reversed. Many people on the margin would leave wage employment altogether, each household would require fewer wage-workers to bring in cash income, those engaged in wage employment would have to work fewer hours to supplement their self-provisioning in the informal economy, and millions of people would retire earlier. Employers would find themselves forced to compete for labor, instead of the other way around, and workers would have the material means to step away from the bargaining table and live off their own resources while awaiting offers more to their liking.

In short, the state is the friend of employers and the enemy of labor. A freed market means liberation from the wage system.

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