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Cato: Downsizing the Department of Labor

by [Trey Kovacs](#) on [June 10, 2011](#) · [1 comment](#)

in [Labor](#)

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Cato's latest endeavor, downsizing the [Federal Government: Labor Department](#), emphasizes the ineffectiveness and restrictions put in place by the Department of Labor. DOL has a plethora of regulations and programs hindering the economic recovery of the United States, which Cato's new site highlights.

For a department that's supposed primary function is to create business-friendly environment for job creation and provide assistance to citizens looking for employment, DOL has missed the mark. Downsizing this department is vital to ushering in a sustainable (in reality, not in the "eco-sustainability" sense) economic recovery. As seen on Cato's site, DOL spending has increased substantially since its creation to an unwieldy

\$148 billion in FY 2011. However, the increase in spending has little to do with job creation or assisting citizens to find employment — 92 percent of DOL spending equates to individual or business subsidies; \$134.4 billion is spent on unemployment insurance.

The department takes little action to incentivize the workforce of America to work or for businesses to compete in the marketplace. Picking winners and losers in the workforce is, in reality, the primary function performed by the DOL. The economic harm and restriction of economic freedom caused by the department is incalculable.

As testimony from the [U.S. Chamber of Commerce](#) shows, DOL imposes 33 economically significant regulations on the marketplace. At the lowest estimate, this means that DOL regulations cost the economy \$330 million. Not only are the regulations costly, the majority of the regulations directly affect commerce and behavior (28 out of 33 rules). The department, through rulemaking, is mandating how businesses operate. Downsizing of this department is required to enhance economic freedom and stop unelected bureaucrats from legislating through regulation.

Cato's Downsizing the Federal Government website is a crucial tool in the fight to regain individual freedom in the marketplace and to replace crony capitalism with an open and free economy. Not only does the DOL need to be downsized, but the regulations administered must be repealed. Departments and agencies of the federal government supporting rules such as prevailing wages and exclusive representation by unions undermine freedom of contract. To regain a merit-based labor market in the United States, the need for winding down the DOL is essential and the addition of Cato in this effort is welcomed.

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Howard Lauther [June 11, 2011 at 10:04 am](#)

The purpose of the Labor Department is to foster, promote, and develop the welfare of the wage earners, job seekers, and retirees of the United States; improve working conditions; advance opportunities for profitable employment; and assure work-related benefits and rights. Its purpose is NOT, as the above editorial dishonestly suggests, "to create a business-friendly environment for job creation and provide assistance to citizens looking for employment." It does NOT pick winners and losers in the workforce. It does NOT mandate how businesses operate. From its inception, its primary aim has been to protect the worker from the bludgeoning that he can be subjected to by greedy, uncaring employers. Every rule created by the DOL has emerged as a direct result of the corporate excesses. But for an organization like CATO and this website, both of which carry on a blind love affair with the money-makers as if they can do no wrong, seeing the other side of the equation is out of the question.

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