



Fighting for Free People and Free Markets

- [Home](#)
- [About](#)
- [Contact](#)
- [Publications](#)
- [Videos](#)
- [Archives](#)
- [Recommended](#)
- [Other Missions](#)

## Labor Day 2010: Let's Not Labor Under Misconceptions

by David E. Shellenberger on September 6, 2010

Labor Day may serve a useful function as a holiday that commemorates the symbolic end of summer. In view of the myths associated with Labor Day, though, could we rename it? How about just End of Summer Day?

### *Myth: Labor Day Celebrates Labor*

Consider this from the U.S. Department of Labor [website](#):

“Labor Day ... is a creation of the labor movement and is dedicated to the social and economic achievements of American workers. It constitutes a yearly national tribute to the contributions workers have made ...”

To say the day created by the labor movement pays tribute to workers is like saying Mosquito Day pays tributes to hikers. The problem is that unions are a detriment to workers in general. Employers that pay union wages can afford fewer employees. Unions also cause broader economic problems. Through extracting above-market compensation and rigid work rules, as noted by [Daniel Griswold](#) of the Cato Institute, “unions cripple the ability of the companies to compete in an open and dynamic economy.”

Unions encourage the belief that they are synonymous with “labor,” but only about [seven percent](#) of private sector employees belong to unions. About [thirty-nine percent](#) of state and municipal workers belong to unions. The indulgence of these public service unions is one of the causes of bloated government, and their members are a burden on workers who support them through taxes.

### *Myth: Unions are Something to Celebrate*

Unions are simply a special interest favored by the government. Federal labor laws force private employers to recognize and bargain with unions, and for workers to accommodate them. Absent this protection, private employers and workers could freely decline to deal with unions. From a libertarian standpoint, it is immoral for the government to coerce the accommodation. As a matter of economics, government's interference is destructive.

State and municipal unions have become a particularly pernicious special interest. They are rewarded for political support by government at all levels. The bulk of the “stimulus” plan funds went to state and local government, allowing them to maintain their bloated budgets and satisfy their unions.

Unions endeavor to project the impression they are voluntary associations, peacefully protecting the interests of their members. This is a false image. [Thomas J. DiLorenzo](#) explains that, in addition to unions owing their existence to the threat of violence implicit in government coercion, “violence and coercion are *integral* to the existence of unions.” Unions use these tools to intimidate prospective and current members, employers, and other

firms.

***Myth: The Department of Labor Fosters the Interests of Workers***

The Department of Labor (DOL) describes its [mission](#) as follows:

"[DOL] fosters and promotes the welfare of the job seekers, wage earners, and retirees of the United States by improving their working conditions, advancing their opportunities for profitable employment, protecting their retirement and health care benefits, helping employers find workers, strengthening free collective bargaining, and tracking [data]."

Those of us who believe in free markets, understand the corrosive effect of government intervention, and are familiar with how regulators actually operate, must view this mission with great skepticism. Our assumption that DOL is just another unnecessary agency with a political agenda is confirmed by reading its purported "[Accomplishments](#)." These are fantasies of government magic: "Preserving Jobs for Middle Class Families," "Investing in Clean Energy," "Middle Class Quality of Life," and "Health Care."

It seems one of DOL's main "accomplishments" is to help give away taxpayer money. For instance, one way DOL has been "preserving jobs" is by ensuring the distribution of extended unemployment benefits (a form of disguised welfare). Not surprisingly, in view of the Obama administration's economy-killing policies, "many job seekers simply haven't been able to find work."

Any doubts concerning the political mission of DOL are dispelled in Secretary of Labor Hilda Solis's [Labor Day Address](#). One of her assertions is demonstrably true: "I'm not an economist ...". Unfortunately, Ms. Solis betrays she also has no conception of what economics even means, since she goes on to say, "... so I don't just deal in statistics. But I do deal with real people."

Economic common sense does not require any statistics, but it does "deal with real people." The good news for Ms. Solis is that since DOL's mission is only political, and the agency only burdens the economy, any understanding of economic reality would only distract her from her work.

The balance of the address is generally a muddle of propaganda. Ms. Solis touts claims the government prevented a depression, saved jobs, is rebuilding the national infrastructure, is "investing" in creating "green jobs," and, thanks to "reforms," will control health care costs and improve care.

.....

There are things we could do to prepare for a happy End of Summer Day next year, with the economy improved and employment rates higher. Here are three ideas suggested by the holiday formerly known as Labor Day. First, the federal government should deregulate private labor, ending the protection of unions. Second, states should reform their laws and end the recognition of public sector unions. Finally, DOL, with its "[nearly 16,000 employees](#)," should be wound down, with deregulation of all the areas under its purview.

Of course, some people might want to work that day. And, thanks to freeing labor and reducing government spending and regulation, there would be more jobs for them.

References:

1. DiLorenzo, Thomas J., "The Myth of Voluntary Unions," Mises Daily, Ludwig von Mises Institute, Sept. 14, 2004, <http://mises.org/daily/1604>.
2. Edwards, Chris, "Public-Sector Unions," Tax and Budget Bulletin, Cato Institute, March 2010, [http://www.cato.org/pubs/tbb/tbb\\_61.pdf](http://www.cato.org/pubs/tbb/tbb_61.pdf).
3. Griswold, Daniel, "Labor's Day Is Over ...," Cato Institute, Sept. 6, 2009, [http://www.cato.org/pub\\_display.php?pub\\_id=10512](http://www.cato.org/pub_display.php?pub_id=10512).
4. Reynolds, Morgan O., "Labor Unions," Concise Encyclopedia of Economics, 2<sup>nd</sup> edition, <http://www.econlib.org/library/Enc/LaborUnions.html>.
5. U.S. Department of Labor, "DOL Accomplishments," <http://www.dol.gov/laborday/accomplishments.htm>.
6. U.S. Department of Labor, "Economic News Release," Bureau of Labor Statistics, January 22, 2010, <http://www.bls.gov/news.release/union2.t03.htm>.
7. U.S. Department of Labor, "Open Government Plan Version 1.0," April 7, 2010, <http://www.dol.gov/open/OGDplan.pdf>.

8. U.S. Department of Labor, "Our Mission," <http://www.dol.gov/opa/aboutdol/mission.htm>.
9. U.S. Department of Labor, "The History of Labor Day," <http://www.dol.gov/opa/aboutdol/laborday.htm>.
10. U.S. Department of Labor, "Video Transcripts: Secretary Solis' Labor Day Address (2010)," <http://www.dol.gov/laborday/video-transcripts.htm#english>.

[ShareThis](#)

Related posts:

1. [Earth Day 2010: Protect Human Freedom as We Protect the Environment](#)
2. [Cato University 2010](#)
3. [Atlas Experience 2010](#)

Tagged as: [Cato Institute](#), [collective bargaining](#), [Daniel Griswold](#), [End of Summer Day](#), [free market](#), [government](#), [Hilda Solis](#), [immoral](#), [Labor Day](#), [labor movement](#), [Labor Regulation](#), [libertarian](#), [Mises](#), [political](#), [regulation](#), [Thomas J. DiLorenzo](#), [unions](#), [violence](#), [workers](#)

Leave a Comment

Name \*

E-mail \*

Website

Notify me of followup comments via e-mail

Previous post: [Fed Up With the Fed](#)

#### • Recent Podcasts

#### • Categories

- [Afghanistan](#)
- [Atlas Economic Research Foundation](#)
- [Cato Institute](#)
- [Cato University](#)
- [Census](#)
- [Drug War](#)
- [Economic Myths](#)
- [Economics](#)
- [Education](#)
- [Energy](#)
- [Energy Independence](#)
- [Environment](#)
- [Federal Reserve System](#)
- [Financial Regulation](#)
- [Gulf of Mexico](#)
- [Health Care](#)
- [Jobs](#)
- [Labor Regulation](#)
- [Latin America](#)
- [Libertarianism](#)

- [Obama](#)
- [Privatization](#)
- [Public Choice](#)
- [Satire](#)
- [Science](#)
- [State Government](#)
- [Technology](#)

• **Connect**



- 

- [Subscribe](#) 



• **Talk with Dave**

(888) 364-9677

[dave@daveshellenberger.com](mailto:dave@daveshellenberger.com)

• **Organizations Supportive of Freedom**

- [Atlas Economic Research Foundation](#)
- [Cato Institute](#)
- [Center for Freedom and Prosperity](#)
- [Club For Growth](#)
- [Families Against Mandatory Minimums](#)
- [Foundation for Economic Education](#)
- [Foundation for Educational Choice](#)
- [Independent Institute](#)
- [Institute for Justice](#)
- [Liberty](#)
- [Ludwig von Mises Institute](#)
- [Manhattan Institute](#)
- [Reason](#)

Copyright © David E. Shellenberger 2010