### Cap Good: Self-Correction – Worker’s Rights

#### **Capitalism protects workers’ rights using economic incentives and minimizing abuse within working communities. Prefer comparative evidence to socialism.**

Somin, 22, [Ilya, law professor at George Mason University, author of [Free to Move: Foot Voting, Migration, and Political Freedom](https://www.amazon.com/gp/product/0190054581/) and [Democracy and Political Ignorance: Why Smaller Government is Smarter](https://www.amazon.com/Democracy-Political-Ignorance-Smaller-Government/dp/0804799318/), “How Socialism Leads to More Domination of Workers than Free Markets,” Reason Foundation, 6/18/22, <https://reason.com/volokh/2022/06/18/how-socialism-leads-to-more-domination-of-workers-than-free-markets/> ocp]

One of the standard justifications for socialism is the claim that it will free workers from domination by their bosses. After the revolution comes, working people will no longer have to cater to the arbitrary whims of capitalists or their managerial lackeys. Anyone who has ever had to put up with a mean or incompetent boss can readily see the intuitive appeal of this idea. The intuition is backed by the ideas of ["non-domination" theorists](https://plato.stanford.edu/entries/republicanism/#LibNonDom) (not all of them socialists), who emphasize the importance of freedom from the arbitrary control of others. Even if the victim of domination has a high material standard of living, they argue, she has still suffered a grave injustice. Thus, even the best-paid employees of capitalist firms still labor under the domination of the boss. Some non-dominationists add the point that this is true even if the boss's dictates are always reasonable and he never abuses his authority. The mere fact that he could wield arbitrary power over you if he wanted to, is enough to make you a victim of subordination. Socialism would, it is claimed, put an end to this grave injustice. In a recent [guest post](https://betonit.substack.com/p/socialism-doesnt-liberate-workers) at Bryan Caplan's "Bet on It" blog, political philosopher Christopher Freiman takes issue with the non-domination rationale for socialism. While it may free workers from the potential domination of bosses, it exposes them to worse abuses at the hands of fellow workers: [I]magine that Alice is living under capitalism and owns a restaurant. She has somewhat puritanical sensibilities and doesn't like the look of her employee Tate's new tattoo. However, she would suffer a significant material cost if she acted on her anti-tattoo bias and fired him—namely, the loss of a productive employee. So even though Alice doesn't like tattoos, she has an economic incentive to grit her teeth and keep Tate on board. Indeed, it's plausible for [Becker-type reasons](https://sociologicalscience.com/articles-v3-36-849/) that if Alice does start making hiring and firing decisions on the basis of occupationally-irrelevant considerations like tattoos, she'll lose productive workers to competitors and see her business languish as a result. The system as a whole will punish arbitrariness even if a particular employer indulges in it. Now suppose Alice is living in a socialist society that's characterized by democratically-run, worker-controlled cooperatives. She still doesn't like tattoos and Tate—now her fellow worker-owner—still decides to get one. As an individual worker-owner in the cooperative, Alice can cast a vote to fire Tate. Notice that her material incentive to not indulge her anti-tattoo bias is much weaker in this scenario. Under capitalism, Alice's decision about Tate's employment is decisive—if she wants him fired, he's fired. Consequently, an arbitrary decision comes with a 100% chance of losing a high-productivity employee and taking money out of her own pocket. However, under socialism, even if Tate is productive and firing him would make Alice worse off economically, it may still be rational for her to vote to fire him to [express](https://plato.stanford.edu/entries/voting/#OtheReasVote) her distaste for tattoos. The vote, unlike the firing decision in the capitalist scenario, is not decisive—it comes with a much smaller chance of actually resulting in Tate's termination. Since there is a comparatively low chance that her vote to fire Tate will get him fired, the vote has a comparatively low material cost to Alice—making it more likely that she'll cast it. And the point holds for all of the other worker-owners, meaning this is a cooperative-wide problem. (It's true that Tate also gets a vote, but a single vote isn't much of a safeguard against domination.) While socialists claim that collectivization will liberate workers from the whims of their bosses, they tend to ignore how collectivization subjects workers to the whims of other workers. Indeed, worker-owners have stronger incentives than capitalist employers to make arbitrary decisions, so we should expect arbitrary decisions to be more prevalent under socialism than capitalism. Freiman's point can be extended in several ways. First, the dynamic he identifies becomes worse with increasing size. The larger the number of workers employed by any given enterprise, the smaller the significance of any given vote in the cooperative assembly, and the greater the voters' incentive to indulge various prejudices. At the same time, the larger the electorate, the less the chance that any potential victim of those prejudices will be able to exercise enough influence to change the outcome. In Chapter 1 of my book [Free to Move: Foot Voting, Migration, and Political Freedom](https://www.amazon.com/exec/obidos/ASIN/0197618774/reasonmagazinea-20/), I explain in greater detail how these dynamics ensure that democratic processes generally fail to solve the problem of domination, and may even exacerbate it. The danger of worker domination under socialism is exacerbated if the socialist system in question is one where enterprises are controlled not by their employees, but by the government - even a democratically elected one. In that event, the individual worker has even less chance of influencing the rules she must live under. And those rules apply not just to one enterprise - which dissatisfied employees can quit - but to every workplace throughout the economy. In that scenario, workers with minority preferences are likely to be far more thoroughly dominated than in almost any other. In the real world, of course, "democratic" socialism is [highly likely to devolve into dictatorship](https://www.washingtonpost.com/news/volokh-conspiracy/wp/2017/11/07/lessons-from-a-century-of-communism/), as has happened with every large-scale experiment in socialism throughout history. Workers throughout the nation then end up subject to the whims of a much smaller, and more centralized clique of bosses who - unlike capitalists - don't have to compete for labor. Dissenting workers are lucky if they only get fired or demoted, as opposed to executed or sent to the Gulag. As Freiman implies, the best safeguard against domination by bosses is the right of exit, combined with competition. If the boss makes arbitrary and unreasonable demands, she risks losing productive workers to her rivals. At the very least, she will have to pay good workers a higher salary to retain them. An employee who can say "no" to the boss by quitting has far more meaningful freedom from domination than one whose only recourse is, say, a 1 in 1000 chance of influencing the outcome of the next vote at the Workers Assembly. Such exit mechanisms are far from perfect. But they are vastly preferable to socialist alternatives. And, as Freiman also notes, much can be done to increase mobility and competition in existing capitalist systems, most notably breaking down barriers such as [occupational licensing](https://www.washingtonpost.com/news/volokh-conspiracy/wp/2017/12/12/how-occupational-licensing-laws-inhibit-interstate-mobility/) and [exclusionary zoning](https://reason.com/volokh/2021/04/28/a-cross-ideological-case-for-ending-exclusionary-zoning/), which make it harder for workers to seek out new opportunities. Finally, it's worth emphasizing that, if worker cooperatives are as wonderful as advocates claim, free market systems are entirely compatible with them. Nothing prevents people from setting up enterprises run by such collectives. Indeed, they have existed in "capitalist" societies for many decades now. If democratic cooperatives really do treat employees better than conventional bosses, that should give them important competitive advantages over the latter in attracting productive workers. They wouldn't have to pay as high wages to get the best people. And their happier workforces should be more productive, as a result, thereby increasing their competitive edge even more. The fact that cooperatives don't seem to be successful in most sectors of the economy is a sign they may not be as great as enthusiasts claim. Either they don't actually diminish domination of workers (perhaps for the reasons Freiman notes), or employees care more about things like pay and benefits than they do about non-domination. Some might even prefer a workplace where management is handled by the boss (or her specialized agents), because they find spending time on governance unpleasant and boring. As Oscar Wilde famously [put it](https://www.goodreads.com/quotes/7499001-the-trouble-with-socialism-is-that-it-takes-up-too), "the trouble with socialism is that it takes up too many evenings." Regardless, the existence of "socialist" enterprises in capitalist societies further expands exit options for workers, and further diminishes the risk of domination by bosses. By contrast, a socialist society cannot readily accommodate conventional "capitalist" firms - at least not without ceasing to be socialist if the capitalist firms begin to outcompete their cooperative rivals. In sum, exit rights, not socialism are the best antidote to overbearing bosses. And if you are a non-domination theorist, they are also a far better solution to the problem of arbitrary power than is democratic governance.

### Cap Good: AT Cap rejects workers’ rights

#### Capitalism compatible with worker’s rights – exit rights solve

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