

# CONCLUSION

## Labor as an American Institution

*It is not needed nor fitting here that a general argument should be made in favor of popular institutions, but there is one point, with its connections, not so hackneyed as most others, to which I ask a brief attention. It is the effort to place capital on an equal footing with, if not above, labor in the structure of government. . . . Labor is prior to and independent of capital. Capital is only the fruit of labor, and could never have existed if labor had not first existed. Labor is the superior of capital, and deserves much the higher consideration. Capital has its rights, which are as worthy of protection as any other rights. Nor is it denied that there is, and probably always will be, a relation between labor and capital producing mutual benefits. The error is in assuming that the whole labor of community exists within that relation. . . . Many independent men everywhere in these States a few years back in their lives were hired laborers. The prudent, penniless beginner in the world labors for wages awhile, saves a surplus with which to buy tools or land for himself, then labors on his own account another while, and at length hires another new beginner to help him. This is the just and generous and prosperous system which opens the way to all, gives hope to all, and consequent energy and progress and improvement of condition to all. No men living are more worthy to be trusted than those who toil up from poverty; none less inclined to take or touch aught which they have not honestly earned. Let them beware of surrendering a political power which they already possess, and which if surrendered will surely be used to close the door of advancement against such as they and to fix new disabilities and burdens upon them till all of liberty shall be lost.*

—Abraham Lincoln, "First Annual Message to Congress,"

December 3, 1861



I have tried to reconstruct the morality of labor of the American people, less in theory than from the daily experiences of the common citizen. The account has been pieced together by listening to the way American citizens reason over their lives: what they hope to accomplish in and with their jobs; the significance of working well and of recognition for doing so; whom they are willing and unwilling to help and under what conditions; their impressions of brethren in economic strata different than their own; their notions of property; the role of government in economic justice, at home and abroad; and, ultimately, what a fair return on a full day's work is. The result is the Covenant on Affordability, which, while finding a home within the heart of every American, is selectively repressed in the political minds of the same.

In closing, I call readers' attention to an excerpt from Abraham Lincoln's "First Annual Message to Congress," delivered December 3, 1861. The excerpt is important because it contains Lincoln's vision of labor, a vision that simultaneously grounds the Covenant on Affordability and legitimates Americans' outrage at the unaffordable nation. That vision consists of four propositions, which taken together comprise an unequivocal rejection of economic optimism as wholly out of step with the American project of freedom. The propositions are that:

- Labor is a political institution;
- Labor is prior to and independent of capital;
- Labor is a form of political participation;
- Labor is a primary source of public hope and motivation.



*Labor is a political institution.* Economic optimism casts labor as if it is little more than an empirical reality, a primordial trait of human life largely unaffected by politics or the choices that a society makes. That view is false. As Lincoln makes clear, labor is a *political* institution,

similar in kind to voting and education, all of which play indispensable roles in ensuring equality of opportunity for all. Like education and voting, labor is also a *popular* institution, for one of its functions is to place all Americans on equal moral footing by positioning each to achieve economic stability (and the dignity and respect that comes with it) through the choice to work hard.

Americans have no difficulty understanding voting and education to be popular political institutions. Americans make this connection with voting through their discontent with the impact of wealth upon the political process and by supporting campaign finance reform to restore the principle of "one person, one vote." Americans make this connection with education through their outrage at the systemic failures of public education to live up to its reputation as the Great Equalizer, especially for inner-city families. Voting and public education are not under any threat to disappear, however. They will always be American institutions. Nonetheless, Americans understand that these institutions can fall into disrepair and can only be brought to perform their true functions through national reforms.

Due, in part, to the misguidance of economic optimism, Americans have lost sight of the fact that labor is also a political institution. As a political institution, labor can fall into disrepair, and is only as healthy as the nation's support for it. The health of labor, like the health of voting and education, is as much a matter of national choice as it is individual choice. As I have argued throughout this book, the good citizen's choice to work hard can mean very, very little if the United States has not made valuing labor a national priority.



*Labor is prior to and independent of capital.* Lincoln's observation that labor is prior to and independent of capital is not the universal claim that it appears to be. It is not a general philosophical claim about how labor should be valued in relation to capital under ideal circumstances. It is a specific political claim about how labor must be valued



in order to advance the particular ideals of the American nation. In his own words, Lincoln's concern is over the attempt by some "to place capital on equal footing with, if not above, labor *in the structure of government.*"

To ask what roles of labor and capital play in the structure of American government is to ask what each is *supposed to do* for the nation and its people. On this question, there is much more to say of about labor and capital than that they are the respective inputs and outputs of free markets. If that is the question, then Americans must ask why the United States opted for free markets at all. The reasons were then, and are now, that a free market system is the most promising system of production for meeting the needs of the American people and for Americans to address those needs most directly through their labor.

In Lincoln's view, making capital equal to or greater than labor casts labor as having no fundamental role in the success of the United States. In that case, the primary economic concern of American government would be only that the nation as a whole generates sufficient capital. In that case, too, government would lack principled reasons for looking past labor products to the nature of the labor itself. Similarly, if American government was unconcerned about preserving a moral relation between labor and capital and was only concerned to get the amount of capital it needs, it would not matter whether the source of that capital is American labor or the labor of workers from other nations.

Once labor is understood as an American institution, it becomes evident that labor performs social functions other than maximizing productivity. Labor is prior to and independent of capital in the American structure of government because, like voting and education, it is directly related to the roles that the United States needs its citizens to play. For Lincoln, it is not necessary to link labor to capital to understand this. In fact, part of Lincoln's point is that it is impossible to fully appreciate the institutional role of labor in America if labor is reduced to its market value.

Lincoln's argument that labor is prior to and independent of capital is tantamount to my argument that the moral valuation of labor is indispensable to the well-being of the United States. As conceded in the introduction to this book, the economic valuation of labor has its place, a place sufficiently important to take steps to ensure that American markets remain substantially free. But the economic valuation of labor cannot be the end of the story—or even the start of the story. The need for substantially free markets places important constraints on labor as an American institution. However, that need does not entirely usurp, or even always trump, the other functions that labor must perform in America.

Therefore, irrespective of what is going on in the world, including the impact of globalism upon the morality of trade, the health of the United States requires a moral valuation of labor. That is, the United States must find a way to value labor to preserve it as a political institution, not simply as the fuel of production. This is the sense in which Lincoln considers labor to be prior to, and independent of capital.



*Labor is a form of political participation.* Yet another oversight of economic optimists is that, in at least two important respects, labor is a form of political participation.

First, citizens who give their pound of flesh through work, law abidance, and paying taxes do not view themselves as engaged in a wholly private enterprise. They link their labors to the success of the nation. Americans do not work simply to earn wages that will allow them to send their children to whatever public schools exist. They also work so that public schools exist in America that they will want to send their children to. Americans understand that worthwhile social services such as public education must be paid for and that the institution of labor—their labor—plays a key role in the quality of institutions they can expect enjoy.



Second, for Americans working hard is at some level an act in defense of the American way of life, much like choosing to vote. It is not enough for Americans to be able to vote. It is also necessary that the institution of voting be effective. Americans would find no pride or solace in voting if the institution itself were shown to fail as a vehicle for representative democracy. That is why Americans are so concerned by the malfunction of (and possible malfeasance by individuals in) voting ballots in recent presidential elections.

Americans measure the efficacy of voting by its ability to ensure that each citizen's vote counts for as much, or as little, as the vote of every other citizen. Americans measure the efficacy of labor as an institution by their ability to live decently by it. This should help to explain why Americans rightly believe the unaffordable nation to be a political issue. Complaints about the unaffordable nation are political objections to the inefficacy of labor as an institution.

The failure of economic optimists to understand labor as a form of political participation leaves them unable even to comprehend the unaffordable nation. In response to Americans' demand for decent lives in exchange for hard work, economic optimists respond, "We cannot afford it." The response is much like telling slaves that the United States cannot set them free because the nation is too economically dependent upon chattel slavery, or like telling citizens who are denied voting rights that the financial investment necessary to make the institution valuable *for all* is cost prohibitive.

Economic optimists miss that *there is no economic justification for political injustice*. Economic optimists can try to convince Americans that justice does not require decent lives in exchange for hard work, but the recitation of statistics will never do. As long as Americans believe the unaffordable nation to be a political injustice, a denial of the right to effective labor, the only solution is restoring the efficacy of labor as an American institution.



*Labor is a source of public hope and motivation.* Finally, labor is a fundamental spring of public hope and individual motivation. As Lincoln observes, the poorest of America's citizens—the prudent, penniless beginners—have absolutely no reason to believe that they can improve their circumstances other than through their labor. Absent that fundamental enticement to working hard, Americans might as well try their luck at lawsuits and lotteries. Americans are not so fickle that they can sustain these positive economic sentiments without seeing a correlation between labor and return.

Working forty hours per week for a mere fraction of a living wage is eroding Americans' hope in their labor. Yet economic optimists dispense with hope altogether. As explained earlier, the desire to obtain items of decency may get a person to work, but increasingly that desire is getting people to *charge*, to delve deeper and deeper into the credit welfare system. And while the desire to obtain items of decency may keep a person working, I sincerely doubt that it is enough to make good employees of people.

Lincoln understood how important it is for Americans to believe that they can succeed by their own labor. Lincoln also understood that such beliefs are not hallucinatory; they cannot be faked, but are the products of economic conditions that make decent lives possible in exchange for hard work. Lincoln, at least, links these positive sentiments to economic growth and innovation, as well as to the characters of Americans. Americans are better for having—and for being able—to succeed by their labor.

"Closing the door on advancement," as the unaffordable nation is doing, is not harmless. I have tried to show that at some point Americans will lose faith in their labor and will turn to other, less savory means of getting a living. Being an industrious people, this is what we should expect them to do. Americans cannot reasonably be expected to waste their industry pursuing dead options simply because those options are moral and legal, or to refrain from pursuing their only live options simply because those options are immoral or illegal.



The operative rule in the unaffordable nation is “get yours.” That means the American pursuit of immorality and illegality for economic gain. It also probably signals an end to much good that Americans currently do through volunteerism, charitable donations, and the pursuit of careers from a desire to do public good, rather than just for more money. The social costs of Americans’ loss of faith in their labor will be monumental.



Lincoln’s vision of labor, which I share, is the response to the misguided ascent of economic optimism in the United States. The vision understands that labor is much more than its market value and is actually to be held in higher moral regard than the capital that it makes possible. Lincoln’s vision also reveals that the *effectiveness* of labor—the ability of each person to use his or her labor to earn a decent life—is integral to the American model of political and economic justice. Therefore, labor cannot be sacrificed to capital in the manner that is happening in the United States right now without doing real harm to the nation—and to American freedom.

I will count *The Unaffordable Nation* a success if only it makes clearer the moral grounds upon which struggling Americans object to their economic circumstances. Lincoln’s speech is partly concerned with taking a position against African American slavery—“whether it is best that capital shall hire laborers, and thus induce them to work by their own consent, or buy them and drive them to it without their consent.” Enslavement is not the only means of devaluing labor to the point of injustice, however. Placing capital above labor, so as to deny individuals the freedom to earn items of decency, has a similar result.

The Covenant on Affordability is real to the citizens of the United States. This social contract captures the role of labor in the American program of freedom. Many, many Americans are doing what the United States expects of them in terms of labor contributions. Having done their parts, they are anxiously awaiting the benefits of their bar-

gain. As we speak, their plea to God and government is “What more can we do?” Having issued their pleas, all they can do is wait. The failure of the United States to respond, or even to take such pleas seriously, is at the nation’s own peril.