

Individualism and Voluntarism

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The answer to the question posed by Brian Dijkema’s title, “Is Catholic Social Teaching the Same as Individual Contract Theory?” is, I think, obvious: Of course not. Catholic social teaching (CST) and individual contract theory (ICT) are not different names for an identical set of propositions. For example, ICT, at least in its libertarian expression, sees no reason to prohibit exchanges between consenting adults in prostitution, pornography, and drugs. Catholic social teaching unequivocally proscribes such exchanges. I do not see CST as “a pale papal Gestetner of Robert Nozick.”

Common Ground

However, CST and ICT *are* intersecting sets. There is common ground between them. In *Liberating Labor: A Christian Economist’s Case for Voluntary Unionism*,¹ I sought to explore some, but not all, of that common ground. I purposely focused on the issue of voluntarism. Specifically, I tried to show that certain papal encyclicals from Leo XIII through John Paul II supported, on grounds of freedom of association, the formation of trade unions among consenting adults in the absence of force and fraud. Moreover, I pointed out passages in some of those encyclicals that decried “coercion,” which I define as involuntary exchange that governments often impose. Before examining the encyclicals, I explicated my understanding of “freedom of association” and “voluntary exchange” in sections 2 and 3 of that monograph.

I did, as Dijkema says, ignore “the large sections of the papal encyclicals that speak about why trade unions were formed, their purpose, [and] why they were needed in the first place.” I did not think these issues were controversial; in any case, they were not interesting to me. My focus was, and always has been, on the ways in which trade unions, empowered by governments as they are today, violate freedom of association through coercion.

Any Sort of Unionism?

Dijkema suggests that I am “being dishonest [!] or naïve” when I assert that I unequivocally endorse some form of trade unionism. As evidence, he cites the home page of my website wherein I congratulate the VW workers in Chattanooga who recently voted against the United Auto Workers union. He takes exception to my assertion that “good jobs are union-free jobs.” He opines that this “is a long way from even equivocal support for *any* form of trade unionism” [emphasis added]. But my declaration is in the specific context of a National Labor Relations Board (NLRB) election to select an “exclusive [read ‘monopoly’] bargaining agent” under the National Labor Relations Act (NLRA). In America, this is the only form of unionism legally permitted. I continue to believe that, under the NLRA, good jobs are union-free jobs. Union jobs can be good jobs, but only in a regime of voluntary unionism.

The “works council” form of labor-management cooperation sought by VW in Chattanooga is illegal under Section 8(a)2 of the NLRA unless the labor side of the cooperation is run by a NLRA-approved union. In America, labor-management cooperation is limited to union-management cooperation. This is true even in union-free firms.² I discuss some of the coercive aspects of the NLRA in Section VI of *Liberating Labor*. Taken in context, my declaration cannot reasonably be read as a condemnation of *all* forms of unionism.

If unionism were voluntary, many forms of labor-management relations and cooperation could emerge. Entrepreneurs in what might be called the market for worker-management relations services would be alert to new ways to fashion and offer such services to workers and to employers. A variety of possible solutions would be offered. None of them would be backed by government force. Government’s only role would be to enforce the rules of voluntary exchange as the experiments proceed. Packages of cooperative services that worked would be imitated, and those revealed not to work would be shunned. This is a simple example of what Hayek called “competition as a discovery procedure.”³ It is a continuous process of discovery as successful ideas are continuously refined,

and altogether novel ideas continue to be introduced. Alas, in labor-management relations, this discovery process is illegal in the United States.

Individualism?

Next, Dijkema challenges me “to differentiate [my] concept of voluntarism from the type of individualism that comes under severe scrutiny from all of the papal encyclicals and that appears to be the dominant ideology of our day.” What Dijkema seems to mean by individualism is “it-is-all-about-me.” Individuals are self-absorbed, having no concern for the welfare of others. Others are only means to the individual’s selfish ends; therefore, the dignity of those others is denied. Individuals are isolated islands of greed. They lack what Adam Smith called “moral sentiments.” They are like Ebenezer Scrooge before his epiphany. They are epigones of Gordon Gekko. Of course, the encyclicals condemn this sort of individualism, and I do too.

My understanding of individualism is informed by F. A. Hayek’s distinction between “true individualism” and “false individualism.”⁴ True individualism and voluntarism are integral parts of legitimate unionism.⁵ True individualism recognizes that individuals are self-interested, but their interests are not limited to pecuniary profits. Furthermore, to the extent that individuals pursue their ends constrained by the rules of voluntary exchange (which is based on mutual consent in the absence of force and fraud) they must care very much about the welfare of others. To achieve their individual ends, from profits to beneficence, they must help others achieve their individual ends. The dignity of those others must be acknowledged and respected.

The pursuit of individual ends by means of voluntary exchange results in the emergence of an extraordinary variety of associations among people, including the intermediary organizations that are the basis of the very civil society that Dijkema and Cardus rightly promulgate. I suspect they subscribe to Hayek’s true individualism as much as I do.

Voluntary unions could be among the intermediary organizations that are vital to civil society. NLRA-type unions that are given monopoly status and special privileges and immunities by force of law cannot be.⁶ While unions, per se, are neither necessary nor sufficient for human flourishing, voluntary unions are consistent with, and can even be conducive to, human flourishing.

Coercion?

Dijkema says that unions are not at their strongest when they resort to coercion, but “this is not to suggest that all use of coercive force by unions is negative—papal encyclicals are clear about the positive role of conflict when it takes the form of a ‘struggle for social justice.’” His definition of *coercion* must be different from mine. To me *coercion* always violates the entitlement, consent, and escape criteria of voluntary exchange.⁷ It involves saying to an opponent “give me what I want or I will take it and even harm you in other ways.” Your money or your life is not a voluntary exchange offer. While conflict and struggle are often legitimate, coercion, except in self-defense against another’s coercion, can never be. I challenge Dijkema to show me a passage in any papal encyclical that supports the initiation of coercion (as I define that term) by labor unions.

Dijkema writes,

Too often unions have sacrificed individual creativity and have diminished the elements of judgment that help make work meaningful in favor of clauses in collective agreements that protect and enhance economic return for workers but that simultaneously standardizes the workers and forces them to work in ways similar to cogs in a machine.

I argue that this is inevitable whenever any union depends for its existence on crony favors from government. Government force usually converts individual autonomy to individual anonymity within the union or any other kind of machine.

Voluntary Unionism

Dijkema next quotes a long passage from the beginning of section 8 (the concluding section) of *Liberating Labor* wherein I attempted to sketch some of the main features of a form of unionism that is, as I put it, “consistent with every individual’s full—both positive and negative—freedom of association and Catholic social teaching.”⁸ After quoting me, he restates my sketch in his own words:

To recap: workers can choose to join a union, or not. Unions can decide to represent workers, or not. Unions would only represent workers who chose them individually, unless the employer (why the employer I do not know) chooses to let his workers decide by majority vote to allow the union exclusive representation, but then, an employer is free to be union-free as well.

The answer to his parenthetical question is simple: Freedom of association for everyone must, logically, include employers as well as workers. Just as workers

should be free to choose whether to accept employment offers from unionized, union-free, or open-shop⁹ enterprises, employers should be free to choose whether to operate as unionized, union-free, or open-shop enterprises. Freedom of association requires mutual consent. Neither side should be coerced into accepting the preferences of the other. If one does not like the preferences of another, one is free to seek voluntary associations elsewhere.

Dijkema seems here to assume implicitly that employers have the upper hand because workers have narrowly constrained employment alternatives. Notwithstanding the number and quality of employment alternatives that may have existed at the dawn of the twentieth century, today, because of economic growth based on competition and entrepreneurship, workers choices are much less constrained. The answer to the perceived problem of poor worker alternatives is not for government to give unions the power to coerce employers to deal with them. It is, rather, for government to cease and desist from trying to cripple the processes of competition and entrepreneurship.

Dijkema's recap of my sketch continues:

In short, there are no real ties that bind in Baird's concept of unionism, and certainly the state has no role in providing laws that might allow associations any binding strength when they form.

Exactly. In the private sphere of human action, binding parties to deal with each other by force of law is morally reprehensible. The force of law should be limited to enforcing the rules of voluntary exchange within those interactions in which individuals choose to engage.

Dijkema concludes his recap of my concept:

The only real power that is exerted by anyone is the individual or the individual employer (which, incidentally may be an individual or a massive public corporation).

Does Baird actually think this will lead to the concord, stability, and peace among workers and employers that Catholic social teaching seems to be after?

The first answer is no. Voluntarism would not eliminate intermediaries between individual workers and individual employers (whether big or small). As noted above, voluntary unionism would result in a wide variety of forms of labor representation organizations with which individual workers and employers could choose to affiliate. The second answer is yes. I do think that voluntarism will lead to peaceful employee-employer relationships based on mutual consent and respect.

Dijkema fails to note that, as I pointed out in *Liberating Labor*, my concept of what voluntary unionism might look like is based on a real-world (albeit

imperfect) example—labor-management relations in New Zealand under the 1991 Employment Contracts Act (ECA). Notwithstanding the formal repeal of the ECA in 2000 by a resurgent Labour Party, most of the key reforms of the ECA still stand, and the economic results have been salutary.

Total Economic Freedom

Dijkema goes on to note that Leo XIII wrote against both “total economic freedom” (which Dijkema associates with “the liberals of the day”) and the “socialist currents of the time.” He says, correctly, that subsequent popes, including John Paul II, maintained this “double-barreled critique.” He then asks, “Is Baird’s concept of trade unions—or of any economic association—different from that criticized by Leo and Church teaching?” The concept of unionism that I support is based on freedom of association (which requires that all individuals be free to choose to accept or decline offers of association from others). I think Leo XIII criticizes coercive, not voluntary, unions. Consider this passage from Leo that I quoted in *Liberating Labor*:

Working classes ... assuredly have the right to unite in association for the promotion of their interests....

Whilst it is proper and desirable to assert and secure the rights of the many, yet this is not to be done by a violation of duty; and that these are very important duties; *not to touch what belongs to another; to allow everyone to be free in the management of his own affairs; not to hinder any one to dispose of his services when he please[s] and where he please[s]*. The scenes of violence and riot which you witnessed last year in your own country [referring to the nationwide Pullman strike of 1894] sufficiently admonish you that America too is threatened with the audacity and ferocity of the enemies of public order.¹⁰

The italicized words, although written before the 1935 NLRA, clearly condemn some of its worst features. Exclusive representation, by force of law, denies the right of any individual worker “to be free in the management of his own affairs.” Union security (by force of law coercing workers to pay union dues) enables unions “to touch what belongs to another.” NLRA strike rules permit unions “to hinder any [worker] to dispose of his services when he please[s] and where he please[s].”

The “total economic freedom” critiqued by Leo was not the freedom of all individuals to pursue peacefully their ends constrained by the rules of voluntary exchange, which is the total economic freedom I, and most classical liberals, endorse. Rather, it was the privileges and immunities generally perceived to

be granted, either positively or by neglect, by governments to employers at the expense of employees at the turn of the twentieth century. I decry all political privilege no matter who enjoys it—employers in Leo’s time or American unions since 1935. I am for equality before the law for everyone and against privilege for anyone. No one should enjoy “total economic freedom” in the sense of being able to do whatever one wants no matter what the consequences are for others.

Protections for Unions?

Dijkema writes that unions should have “protections from those organizations that would prefer not to have to deal with unions.” Why? Unions are private organizations of private individuals. Freedom of association requires that any dealings by one party with another party must be by mutual consent. Suppose Party A does not want to deal with Party B. What gives Party B the right to compel Party A to deal? If Party A is forced to deal with Party B, Party A’s freedom of association is violated. Freedom of association means that anyone has a right to associate with anyone else *who is willing to accept the association*.

Dijkema is concerned that if unions cannot force unwilling parties to deal with them they would lose “the bonds that give unions the strength to exercise the functions that the Church endorses as not only legitimate but also as desirable.” However, strength acquired by coercion is illicit. In an open market for labor-representation services, unions would be able to bond only with those who find their services useful. Only mutually gainful bonds, discovered and adopted in the process of competition, could be forged.

To Conclude

Dijkema worries that my “proposed normative framework [voluntarism] for trade unions would deprive unions of any powers or protections under law and leaves us, as individual economic actors, and the state as the enforcer of individual contracts.” The only “powers or protections under law” of which I seek to deprive unions are those of compulsion. He seems to think that if unions lose their powers to coerce, no intermediary organizations would emerge to facilitate the interactions between employers and employees. However, it would be profitable to form such organizations. Why would entrepreneurs forgo such profit opportunities? They would not. They would, in his words, “look carefully at [be alert to] small but steady [and perhaps revolutionary] ways whereby we could put both trade unions themselves and the culture of work and economic life in North America at the service of the individual.”

Notes

1. Charles W. Baird, *Liberating Labor: A Christian Economist's Case for Voluntary Unionism* (Grand Rapids: Acton Institute, 2002).
2. See the NLRB's *Electromation* decision of 1992 (309 NLRB 990).
3. F. A. Hayek, "Competition as a Discovery Procedure," in *New Studies in Philosophy, Politics, Economics, and the History of Ideas* (Chicago: University of Chicago Press, 1978), 170–90. On the entrepreneurial role in such discovery, see Israel M. Kirzner, *Competition and Entrepreneurship* (Chicago: University of Chicago Press, 1973).
4. F. A. Hayek, "Individualism: True and False," in *Individualism and Economic Order* (Chicago: Regnery, 1948), chap. 1.
5. Hayek's "false individualism" is not the Scrooge/Gekko type. Rather it is the "fatal conceit" that for social arrangements to work well they must be purposely designed by individuals who possess the expert knowledge to do so. See chapters 2 and 4 in *Individualism and Economic Order* for an explanation of why relying on individual experts' knowledge for design of complex social institutions is foolhardy.
6. For an especially egregious example of such privileges and immunities granted to American unions see *U. S. v. Enmons* [410 U.S. 396 (1973)], wherein the Supreme Court said union activists are not subject to federal prosecution for acts of violence against persons and property committed in labor disputes.
7. See section 3 in Baird's *Liberating Labor*.
8. Baird, *Liberating Labor*, 75.
9. An open shop is one in which there is a mix of unionized and union-free workers.
10. Leo XIII, encyclical letter *Longinqua* (January 6, 1895), 16, 17, emphasis added.