

Three Ways Capitalism Makes Workers Better Off

For several generations now, one of the loudest criticisms of capitalism is summed up by dismissively characterizing the working class under free markets as being “free to starve.”

For instance, this [2017 Socialist Worker article](#) described Marx’s critique of capitalism as a system in which “workers are free in a ‘double sense’– free to work or free to starve.”

In other words, workers face no choice other than to sell their labor to owners of capital to ensure their own survival.

Socialists rally behind this critique as if it is a unique feature of a capitalist economic system for people to be compelled to work to avoid starvation.

But its not capitalism that necessitates humans to work to avoid their demise, but nature itself.

In a state of nature, even on a desert island, man must engage in productive behavior (work) to attain food for his survival. Food does not just effortlessly fall into his mouth.

To grow vegetables, he must exert effort farming. To eat meat, he must exert effort hunting. For other foods, perhaps climbing trees in order to pick fruit off the branches.

Which brings us to the issue of how one chooses to work to obtain the resources needed to feed himself.

According to the *Socialist Worker*, there really is no choice at all. “(C)apitalism depends on one group of people that owns the means of production – factories, offices, machinery, raw materials, etc.–and another, much larger group that owns none of these, and must go to work for the smaller group to survive.”

Moreover, socialists will insist that the owners of the means of production create no value and use their power over workers to exploit them for profit.

This is a false dilemma, however, because the “group” that owns the means of production isn’t set in stone. Individuals are free to acquire capital goods to produce products that generate income for them.

The real question, then, becomes: why do so many choose to work for wages for capitalist owners of the means of production? What purposes do capitalists really serve?

Let’s start with the example of “Smith.” Smith has no job and owns no means of production. To feed himself and his family, he only has his bare hands to use to produce goods to survive. Obviously, Smith’s productivity will be close to zero. At best, he may be able to grow a few vegetables and catch a few small animals to feed his family. Or he makes small crafts with his hands using resources he finds in nature in order to sell for revenue. If the Smith family survives, a bare subsistence level will be all they can hope for.

To be more productive, and guarantee his and his family’s survival, obviously Smith needs access to capital goods in order to increase his productivity.

Now Smith faces a choice: acquire capital goods to use himself to produce goods for sale, or go to work for a capitalist who provides means of production with which Smith can combine his labor with in exchange for wages.

There are three main benefits the capitalist provides that leads Smith, and most people, to find it more beneficial to work for a capitalist.

1. The capital goods provided by the capitalist make the worker far more productive than the worker would have been on his own. Most individuals have limited

resources, and would be able to obtain relatively fewer, or otherwise less productive, capital goods than the capitalist can provide. Higher productivity will translate into higher wages for the worker compared to the revenue he could have generated producing and selling goods on his own.

2. Working in a company for a capitalist enables the worker to earn a living immediately. Instead of having to wait for the completion of the production process and the sale of the finished goods to obtain his revenue, going to work for a capitalist enables the worker to collect income right away. The workers' wages are a de facto advance on the revenue the finished goods bring in; an advance not afforded the individual producing with capital goods himself.
3. The capitalist bears the risk of potential losses. Appetite for risk is in limited supply. Most people are not willing to risk losing their own funds (or borrowed funds that they will have to repay) in the event their produced goods are not valued by consumers at a price higher than the production costs.

In short, the wage-paying system allows workers to earn more income than he would individually, get paid well in advance of the finished goods being sold, and export risk of investment loss onto the capitalist.

Not only is the "free to starve" critique misplaced because the requirement of work to sustain one's life is the fault of nature, not capitalism, but the capitalist provides valuable services that make workers better off than they would be otherwise.

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