

A Policymakers' Guide to Helping Workers

Market-oriented policies for today's workers

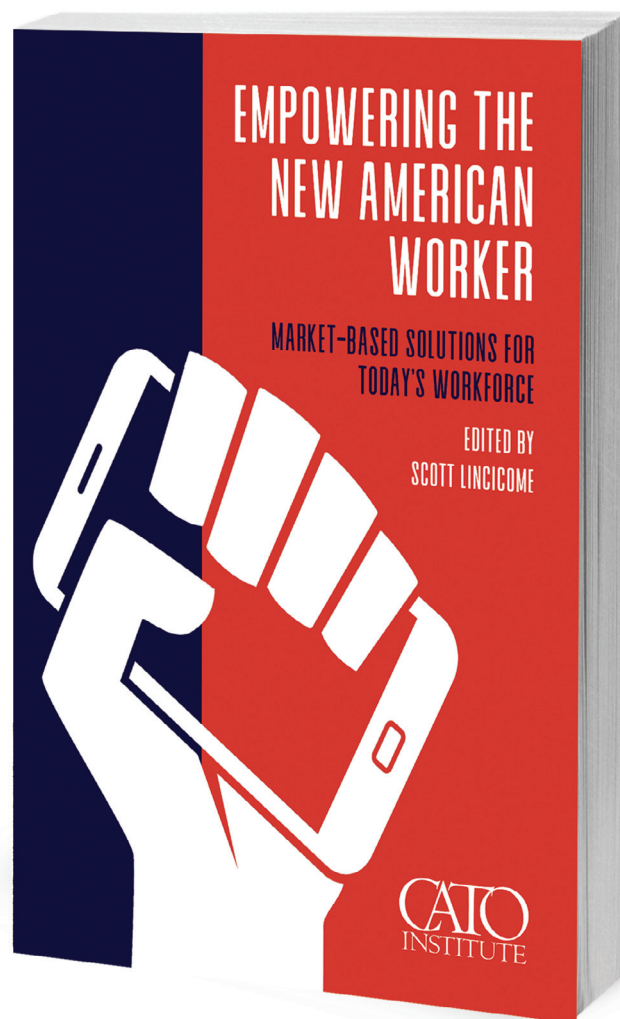
In 2020, President Donald Trump issued a “Pledge to America’s Workers.” President Biden has embraced similar rhetoric, such as his “worker centric” trade policy and “Buy America” rules. Almost everywhere you go you can find a politician lamenting the supposed plight of today’s American worker and promising to fix it. However, the most common “pro-worker” policies today—heavy on government intervention in labor, trade, or other markets—suffer from critical flaws.

The new Cato book for policymakers, *Empowering the New American Worker*, lays out recent trends in manufacturing, remote work, independent work, globalization, and other areas that argue for thinking differently about today’s American worker. Instead of promoting a certain kind of job, promising cradle-to-grave protection from disruption, or presuming that the employment and lifestyle trends of today will last beyond tomorrow, policymakers should seek to maximize Americans’ autonomy, mobility, and living standards. This book identifies what Cato Institute scholars believe to be the most important market-oriented policies to achieve these objectives, on issues like education, labor regulation, licensing, housing, health care, childcare, criminal justice, and consumer necessities.

Each chapter identifies the problems facing American workers and suggests pro-market ways for federal, state, and local officials to better address these challenges.

Contrary to popular arguments, most Americans engage in independent work because they prefer the arrangement over traditional employment, not because they’re forced into it by greedy business owners. This preference is driven primarily by the flexibility and control—over schedule, location, clients, public affiliations—that a conventional employee usually lacks. One 2021 study found that nearly half of all independent workers are unable to work a traditional 9–5 job for varying reasons, and a separate survey found that 70 percent of independent workers cited flexibility as their major reason for going into freelance work.

However, it is not only workers seeking more flexibility who benefit from this new way of working. Business owners and consumers also gain from independent work arrangements. Ridesharing services have reduced drunk driving; food delivery services helped restaurants weather pandemic lockdowns; and new platforms such as Bite Ninja have helped restaurants navigate labor shortages by having gig workers run drive-through windows from home.



Despite these benefits and Americans’ clear preferences for independent work, various laws and regulatory proposals seek to significantly curtail the arrangement. Certain state and federal regulations would force hundreds of now-independent occupations to be reclassified as employees, regardless of workers’ and employers’ own contracting decisions. This could impose significant economic harms—including for the very workers the proposed rule is supposedly protecting.

Empowering the New American Worker lays out smarter policies that will give individuals the freedom and resources they need to be the worker they want to be—not the one many policymakers think they should be—and to be happier and more prosperous in the process. ■