

Free At Last: An Examination of Servitude

What had been achieved came to be regarded as a secure and imperishable possession, acquired once and for all. The eyes of the people became fixed on the new demands, the rapid satisfaction of which seemed to be barred by the adherence to the old principles. It became more and more widely accepted that further advance could be expected not along the old lines, within the general framework that had made past progress possible but only by a complete remodeling of society.

F.A. Hayek, *The Road to Serfdom*

Hayek's thoughtful treatment of the hazard that complacency poses to free societies has never resonated more strongly than it does today. On all fronts, individual liberty is threatened by encroaching state power and the mass of men's disdain for the fundamental principles that are the bedrock of our nation's success. The "complete remodeling of society" that Hayek warns against is recognizable in the prescriptions of contemporary social engineers, with their promise that a solution to every problem is to be found in multiplying entitlements and an ever expanding public sector. In our schools, competition has been replaced by "outcome-based education," and the practice of "social promotion" has been instituted in order to spare the feelings of those who fail to keep pace with their peers. In our workplaces, onerous regulations and intrusive inspections stifle entrepreneurship and dilute shareholder equity. And in our homes, the unchecked growth of the nanny State ensures that every decision, no matter how seemingly trivial, is cataloged and second-guessed by a bureaucrat.

The struggle isn't wholly one-sided, of course. Thankfully, there still exists a vocal minority of liberty-loving persons who understand that freedom is an all-or-nothing proposition. These individuals are rightfully alert to the dangers posed by taxation and state intervention, and they are quick to organize a defense against the latest collectivist assault. But even their best efforts are not enough; if the forces of liberty remain forever on the defensive, they must lose in the end, and so it is essential that we identify opportunities to roll back the anti-freedom forces, rather than simply fend them off. In a fortuitous turn, a volatile economy and a return to more traditional social mores have provided just such an opportunity: the time has come to reconsider the prohibition against selling oneself into servitude. Americans will never be truly free until they possess the right to auction their freedom off to the highest bidder, and now is the moment to secure them this right.

...the time has come to reconsider the prohibition against selling oneself into servitude

Even among conservatives this proposition will be a controversial one, and so it will be worthwhile to examine the pseudo-ethics that underlie the prohibition against indentured servitude—a practice that will hereafter be referred to as the sale of the proprietary self—before tackling the technical details associated with implementing this policy.

The Fallacy of Human Dignity. The sale of the proprietary self is legally prohibited in American society because it is presumed that all men are created equal, and it is therefore unjustifiable that one man should control the destiny of another. This presumption of equality is dependent upon the idea of human dignity, a quasi-religious notion holding that each human being possesses innate value simply by the fact of existence. Such a view,

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which may have held some appeal in an earlier age, is no longer tenable. As the century-long struggle between totalitarianism and freedom proved, ‘value’ is a subjective term, one that has meaning only in the context of a marketplace, and only as the expression of an impartial pricing mechanism. Whether a corporation or a society, no organization has access to all of the information needed to accurately determine a commodity’s value, and this holds just as true for calculations of the value of a human being as it does for other raw materials, like oil or steel.

If the failure of the planned economies of Eastern Europe has taught us anything, it is that attempting to enforce distributive equality by arbitrarily assigning values to commodities leads to scarcity, disequilibria, and social instability. Talk of human dignity as a basis for equality is erroneous: ‘worth’ is meaningful only as it reflects the value that a market assigns to a commodity; hence, prohibitions against servitude do not protect the value of the individual human being, they effectively deny its reality by preventing its measurement.

In addition to being philosophically untenable, the adoption of human dignity as a basis for asserting the equality of mankind runs contrary to common sense. To insist that human beings are equal to one another because everyone is possessed of human dignity assumes a quantitative equivalence. It implies that all individuals are provided with an equal amount of dignity—but there is no other realm in which we assume such an equality among individuals. While walking down the street, does one assume that the people encountered possess identical intellect, manual dexterity, or artistic capacity? Of course not. There are no such identical, invisible characteristics shared by every individual across the entire race, and only superstition suggests otherwise.¹ Human dignity is only worthy of acknowledgment inasmuch as it is understood as a function of an individual’s material contribution to society, as determined in the marketplace, for we have no other means of measuring it.

By this reasoning we must conclude that human dignity either does not exist, or that it is fully amenable to the laws of the market. In either case, the voluntary sale of the proprietary self cannot be claimed to deprive an individual of his dignity.

¹The argument that human dignity is somehow evident in the ability to express compassion, to suffer, to cry, or other behaviors is a spurious one. Individuals perform these actions to variegated degrees, making it highly unlikely that they are the manifestation of a property shared equally by all. If a person can be involuntarily “deprived of his dignity,” yet perform any of the aforementioned actions—as is obviously the case—then the actions in question cannot be equated with ‘dignity’.

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The Instrumental Value of Freedom. Just as we reject the possibility that a hypothetical ‘dignity’ confers equal value on all human beings, we must also challenge the impulse to fetishize freedom. Mainstream conservatives too often characterize the relationship between freedom and coercion in Manichean terms, a habit which, intentional or not, conceals the dynamic interplay between the two in a properly functioning marketplace.

In America, as in any modern economy, economic success depends upon the ability to combine the labor of numerous employees in order to gain economies of scale. Because of this fact, the majority of men will necessarily depend on a small number of entrepreneurs and managers for their livelihood, a situation that any classical liberal would be forced to term a coercive arrangement. But clearly, while it is coercive, such an arrangement is perfectly justifiable—indeed, necessary—because the resulting self-selected division of labor corresponds to the degree to which each individual values freedom. The varied set of work circumstances allows different individuals to express different levels of freedom aversion; we might even go so far as to say that the broad scope of possible economic activity acts as a market in freedom and coercion, with dynamic go-getters opting for the former, and the more typical couch potatoes choosing the latter.

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Freedom is instrumentally necessary to those entrepreneurs who can put it to productive use, but it has no such utility for the great majority of men. The freedom-loving individual’s fear of being subject to coercive arrangements motivates him to take action, while the contented everyman’s terror of the unknown consequences of freedom pushes him with equal enthusiasm into the security of a coercive employer-employee relationship. By depriving the individual of her right to manifest her own preferences regarding freedom and coercion, the prohibition against servitude curtails individual freedom and interferes with the efficient functioning of the market.

The Case for Servitude. We’ve seen, then, that there is no ethical barrier to the sale of the proprietary self—in fact, since property rights to an object can be expressed only in terms of the proprietor’s ability to bring that object to market, the individual in a free society can only prove that he is sovereign over himself if he can do the same with himself.² And we’ve proven that freedom and coercion are differentially valued by the individual players within the marketplace, and are necessary elements of a free market system. It follows, then, that prohibiting a sovereign individual from indenturing himself is the one form of coercion that truly is unjustifi-

² John Sirico of the Acton Institute has stressed the importance of this principle on several occasions. Using the example of peasants who received parcels of land after Nicaragua’s communist revolution, he notes that this “land reform” did not empower the peasants in any meaningful way, as they were not free to sell the land that the revolution had supposedly “returned” to them.

able. When the sale of the proprietary self is prohibited, the individual who does not value freedom per se, but rather the economic security of himself, his family, or his descendants, is being deprived of that which is likely to increase his happiness and well being. In other words, by prohibiting voluntary servitude, the State is imposing “freedom” upon many of its citizens who would instead choose economic security if they had the freedom to do so.³

There is no doubt that a demand for indentured servants exist

Of course, while it may be philosophically and economically desirable to permit the sale of the proprietary self, other, more practical questions must be addressed before it can be made policy. For instance, would there be a demand for, or a supply of, indentured servants, if this prohibition were lifted? How would a marketplace in servitude function? What level of regulation would be appropriate? These questions must be investigated before formulating any initiative.

There is no doubt that a demand for indentured servants exist. Human history shows that men desire to control the destinies of other men, and the legalization of the sale of the proprietary self would provide these individuals an opportunity to do so with only contractual risk to themselves. In our affluent society, in particular, the demand for indentured servants, or formerly proprietary selves (FPS), is assured by the presence of a large number of wealthy individuals and the ennui resulting from saturated markets for consumer goods and entertainment. Indentured servants might serve as domestic help, travel companions, sexual partners, or provide any number of other services already being traded in the legal and illegal labor markets. But unlike the present system, one which enforces a cookie-cutter framework for economic relationships regardless of the desires of the interested parties, a policy permitting the sale of the proprietary self would allow buyers and sellers to enter into agreements that more accurately reflect the preferences of both parties.

A steady supply of FPS is also assured, as the majority of Americans have already expressed just such a willingness to forsake freedom and embrace coercion. These individuals gratefully accept the economic security afforded by employment in the pay of another, a relationship that typically involves the suspension of a variety of rights when in the workplace. These individuals value the economic returns associated with employment more highly than they value abstract freedoms like those enunciated in the Constitution, and it stands to reason that the higher the reward on offer, the more liberties these Americans will be willing to sacrifice.

³ William F. Buckley expresses this notion eloquently: “Give me the right to spend my dollars as I see fit—to devote them, as I see fit, to travel, to food, to learning, to taking pleasure, to polemicizing, and, if I must make a choice, I will surrender to you my political franchise in trade, confident that by the transaction, assuming the terms of the contract are that no political decision affecting my sovereignty over my dollar can be made, I shall have augmented my dominance over my own affairs.”

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One can imagine any number of situations in which selling oneself into servitude might be an appealing option. An individual of limited earnings potential whose family incurred debilitating amounts of medical expenses might indenture himself to repay the debt, and persons refused bank loans because of a lack of assets might offer themselves as collateral, exchanging a term of servitude for the necessary funds to build a house or start a business. Of course, while financial hardship will undoubtedly motivate many who volunteer for servitude, we must not assume that only the needy will take advantage of this opportunity. A hungry young entrepreneur, tempted by the cash and confident enough to gamble his freedom, might opt to become a FPS, structuring the arrangement so that the proceeds from the sale of his proprietary self are placed in an investment account. Given a little luck, this entrepreneurial FPS might very well turn this working capital into a windfall fortune, allowing him to purchase his freedom at an attractive price to his purchaser and exit the relationship with a healthy cash reserve. One can even envision an especially ambitious FPS becoming the proprietor of other FPSs!

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Like any other kind of contract, parties to a servitude contract must be bound to abide by its terms, under penalty of legal sanction. For obvious reasons, the bulk of the state's interest in this matter will focus on ensuring the compliance of the FPS with the terms of the agreement: FPS who attempt to default on their obligations should be subject to liens, prohibited future employment, denied a passport and be subject to other consequences of sufficient severity to ensure compliance. As for the contracts themselves, a minimum of state interference is warranted; the parties involved should be allowed to contract whatever terms they desire. Agreements might be for fixed or indefinite lengths of time, and may even detail certain responsibilities or classes of activities that the indentured servant is expected to perform. As just about anything can be negotiated into a servitude contract, just about anything can be kept out of one as well; serious physical or other abuse of the FPS will be prohibited, for example, unless the parties have negotiated otherwise.

And just as the contracted services will vary according to the wishes of the interested parties, so, too, will the compensation structures. For example, an individual in immediate need of a large sum of cash might wish to exchange his proprietary self for a one-time payment equal to a potential future stream of income, a value which could be calculated by the proprietor based on the value of his potential FPS's available skill set. And in long-term or indefinite arrangements, proprietors will likely favor an amortized payment system to protect against the total loss of his investment, though other alternatives are conceivable. In most cases, though, weekly or bi-weekly transfers will likely be the norm, and in this respect indentured servitude will be barely distinguishable from the more traditional employer-employee relationship.

Any proposal as sensible as this must inevitably draw the wrath of the 'progressive' community. Their complaints will undoubtedly be the same ones they level against 'predatory' lending practices, mainly, that the consequences of failing to comply with a voluntary servitude agreement are either obscured by marketing or are too abstract for the potentially indentured to fully appreciate. In addition to being elitist in tone, objections of this sort ignore the fact that freedom entails taking responsibility for one's own actions.⁴ It must again be stressed that no one will be forced to indenture himself against his will, and it is precisely the voluntary nature of the servitude exchange that guarantees against abuse. In this way, the sale of the proprietary self embodies the classical liberal dictum that each individual is the best judge of his own well-being.

As Nobel Prize-winning economist James Buchanan notes, "any person's ideal situation is one that allows him full freedom of action and inhibits the behaviour of others so as to force adherence to his own desires. That is to say, each person seeks mastery over a world of slaves." It is time that we profit from this reality. Permitting the sale of the proprietary self is the only means of simultaneously guaranteeing personal liberty and providing material abundance to all. The poor will gain access to the capital resources needed to enrich themselves. The well-off will have additional consumption pathways open to them. And society will benefit from the creation of yet another opportunity for each individual to satisfy her needs in the manner in which she sees fit.

⁴ Of course, there is no reason why the State should not run educational campaigns to warn against, say, the signing of perpetual servitude contracts by those who are unlikely to be able to buy back their freedom during the term of the agreement. Such a campaign would provide a valuable public service without infringing on the rights of citizens to be the ultimate arbiters of their fate.