

Preface

In Fall 2006 a small group of students at St Mary's College of Maryland where I teach took over the office of the college's president and refused to leave until the college's administration agreed to consider giving its lowest paid workers a living wage. After several days of negotiating the administration gave in to the demands of the students and the college held a series of community forums to discuss the issue of the living wage. Having written several books and articles on what economists thought should be done to help workers get better wages (Stabile, 1984, 1993, 1996, 1997, 2000) my sympathies should have been with the students and their efforts. Instead, I found myself to be of two minds, that is, wanting to see the workers gain a better life but objecting to the approach being used to get it for them.

On reflection I recognized that my objections had three sources. First, the students supporting the living wage insisted that a living wage should be given to workers because of 'social justice'. In their discussion at the community forums the college held they did not offer a definition of what they meant by 'social justice' and since those forums were poorly attended it was hard to determine whether all students believed in 'social justice' however defined. The definition of 'social justice' was crucial because, my second objection, the approach the protesting students were using to get a hearing was coercive and I wondered what theory of 'social justice' could be consistent with coercion. One could argue, I suppose, with apologies to Barry Goldwater, that coercion in defence of 'social justice' is no vice. But I remained unconvinced. The third cause for my objection was that the workers at the college were organized into and represented by a union. Having always held a favourable view towards unions, I wondered why the union had not negotiated a wage scale that included a living wage for the lowest paid workers and a suitable structure of pay for all other workers based on seniority and skill level. Why were students interfering in matters that were more appropriately a part of collective bargaining?

This book is a result of my reflections on these objections and why I felt in two minds about the living wage and the movement around it. In it I have documented what leading economists said both for and against the idea of a living wage for workers as a way to move the debate over the living wage away from a debate over the definition of 'social justice' towards a consideration of the economic issues involved in that debate. In writing it I have

tried to present fairly both sides in the debate because there are lessons to be learned from both sides of the debate. The concept of a living wage is more complicated than its advocates represent it to be, and if nothing else this book reflects those complications. Economists have been thinking about work and wages for a long time, including the idea of a community-based subsistence wage, and there are lessons to be learned from them.

In drawing out those lessons I want to avoid any suggestions that we should follow those lessons in the spirit of asking, ‘What would Jesus do?’ The economists whose ideas form the basis for this book were intellectually oriented men who wrote in the context of their time. While the concern of many of them for a community-based subsistence wage transcends that context, the ways they thought that wage would be achieved reflect what was feasible in their day. Several weeks after our campus’s flurry of activity over the living wage, I gave a talk to our Economics Club on Adam Smith and the Living Wage. It was well attended for that sort of talk. One student asked me whether Smith would have supported the efforts of community organizations to secure a living wage for low-wage workers. I confessed that I did not know nor did I know whether Smith would have supported labour unions. I did know that he wanted a better life for workers because he was in favour of the sustainability of the workforce. Because sustainability has become such a powerful slogan among students they readily understood what I meant. The terms I use to categorize the arguments of the debate this book details – sustainability, capability and externality – developed out of that talk to the Economics Club at St Mary’s College of Maryland.

Thus when it comes to giving thanks to the persons who helped in the production of this book my first gratitude is to two sets of students. The students who took over the president’s office motivated me to think about the living wage in a new way and to do what I always do, ask what the history of economic thought had to tell us about the issue. The students who attended my talk asked questions that led me to explain Adam Smith’s subsistence wage in terms of sustainability, capability and externality and thereby helped me to organize the debates over low wages in the history of economic thought. In addition Andy Kozak an old friend and colleague at St Mary’s College of Maryland read the manuscript and offered his usual encouragement and enthusiasm for the project. Jerry Friedman, a new friend at the University of Massachusetts/Amherst where I have many old friends, also read the manuscript and helped me tremendously with textual criticisms as well as with an improved organization of the chapters. Finally, I thank the staff at Edward Elgar Publishing – especially Tara Gorvine, Bob Pickens and Alan Sturmer – for their congenial support in the publication of this and previous books. The task of transforming a manuscript into a book is much easier when it is done graciously and effectively.