Licensing Occupations

Kleiner, Morris M.

Published by W.E. Upjohn Institute

Kleiner, Morris M.
Licensing Occupations: Ensuring Quality or Restricting Competition?
Project MUSE. muse.jhu.edu/book/17393.

For additional information about this book
https://muse.jhu.edu/book/17393

For content related to this chapter
https://muse.jhu.edu/related_content?type=book&id=573250
Preface

The licensing of occupations has a long and varied history. Among the oldest evidence of rules governing occupations is the existence of the Babylonian Code of Hammurabi, dating to around 1780 BCE. This body of codes stipulated both the fees patients were to pay for medical services and the punishments practitioners were subject to for negligent treatment. The medieval guilds of Europe form perhaps the most often-cited example of the imposition of tough restrictions on entering a craft or occupation. In the United States, through much of the nineteenth century, few restrictions were imposed on occupations that we normally think of as licensed, such as doctors or lawyers. During the past 50 years, however, with the increase in complexity of jobs, especially in the service sector, the licensing of individuals in these occupations has emerged as one of the fastest-growing labor market institutions in the United States and other industrialized nations.

Academics and policymakers have examined whether workers, consumers, practitioners, or society benefits from the regulation of occupations. As other labor market institutions such as unions have declined as a percentage of the workforce, the new guilds (as some have called licensed occupations) have grown. In this book, I attempt to answer some of the following questions: Why is occupational licensing a growing labor market institution? Who gains from this form of regulation? Do members of the occupation receive higher prices and earnings for their services as a result of regulation? Is the quality of service to consumers enhanced through the additional training and scrutiny of practitioners that licensing requires? Does the impact of licensing in the United States differ from that in Europe? Are there net economic benefits to occupational licensing? Why are practitioners often the driving force behind occupational regulation? Are there policy alternatives to occupational licensing?

The answers to these difficult questions are not made easier by the large amount of published material from economics, political science, history, law, psychology, and sociology on these topics. Although this book touches on all the disciplines that have delved into the topic of occupational licensing, its focus is on policy analysis, using economics and statistical methods. The book attempts to present a systematic discussion of the major benefits and costs of occupational licensing to the economies of the United States and several European countries. It follows that the reader must bring some knowledge of economics and statistics to the analysis of the topic. The general reader without this background will have no difficulty getting through the major portions of the book. Nevertheless, in places, I have brought in specialized material and directed the exposition to the specialist in economics and policy analysis.
Here the general reader may feel like a guest at a family party. When, after polite general conversation, the family turns to narrow, immediate concerns, the guest is left out of the loop of conversation. At such places, the reader should judiciously push on, since the key elements of the book can be understood without a technical background.

Morris M. Kleiner