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A compromise on the minimum wage [1]

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Assailed by ignorance of sound economic theory and socialism's addiction to government interference, free-market capitalism is seeking to preserve its hard-won legacy. It is only by melding the ideology of the free-market to the public's most prominent worries and concerns that it can regain the initiative and ultimately defeat these threats.

The abolition or reduction of the minimum wage for example, despite being popular with businesses, is often unpopular or even unthinkable for those workers being made redundant, or those living involuntarily off unemployment benefits, even though it is beneficial to them. If free-market capitalism is to survive the ravages of the emerging "conventional wisdom" that it is a failed system, it is imperative that we forge this connection, establishing the minimum wage as an enemy of the unemployed, young workers, and those on low incomes - the very people whom it claims to defend.

It is opposition from Trade Unions along with an unthinking popular consensus that stands in the way. However, this need not be the case. Why not keep the minimum wage, but allow workers to offer their labour for a lower rate if it means they will keep their job? Businesses would then still be unable to harm workers' interests by imposing lower wages on them. It would be an opt-out scheme that can only be initiated by employees or job applicants. This would allow employment to be negotiated in the market between free and consenting adults, but with the safeguard in place that preempts any counter-arguments over exploitation from the entrenched interests of the Unions.

If a liberal free-market ideology is to endure, it must both offer this example and others to further its agenda, both by acceptable compromise, and by melding its policies with those of the vast majority of the public and especially the most dispossessed in society. Free-market capitalism has the means to claim the moral high ground over socialism at a time when it most needs to. It is now a matter of whether it succeeds in doing so or not.

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