



Licensing and Permitting Laws: Barriers to Upward Mobility

Suppose you're a trucker with an interstate license to ship goods but you want to expand to shipping goods within your state. Is it fair for the government to permit your competition to show up at your hearing, with their attorneys, to protest that your services are not needed and therefore you are denied what's called a "certificate of necessity," which would allow you to ship goods within the state? Attorney Timothy Sandefur discusses this despicable process in his recent article "CON Job," published by the Cato Institute (summer 2011). "Certificate of necessity" monopolistic restrictions exist across the country, governing a variety of industries, from moving companies and taxicabs to hospitals and car lots. The intention and the effect of these laws is to protect incumbent practitioners from open market competition, enabling them to charge higher prices as a means to higher income.



Interior designing has almost no startup costs. Not so if you want to practice in Florida. State law mandates that anyone who wants to practice interior designing have six years of education and experience, including graduating from a state-approved interior design program and completing an apprenticeship under a state-licensed interior designer. Then the applicant must pass a state-mandated licensing exam. The sole purpose of the law is to keep the outs out so the ins can charge monopoly prices.

If interior designing is not for you, how about being a tour guide in Philadelphia or Washington, D.C.? Neither city will permit you to be a tour guide without a government-issued license.

In Phoenix, you could earn a living doing something as simple as shaping eyebrows, a safe and common practice known as "eyebrow threading." To do so legally, the Phoenix government requires you to take hundreds of hours of irrelevant training and spend thousands of dollars on classes. None of those classes actually teaches you how to practice eyebrow threading.

One would think that civil rights organizations, leftists and progressives would be fighting the battle for people's rights to earn a living. The fact of business is that they are often on the other side, and it's the Washington, D.C.-based Institute for Justice that has been waging war against entrenched incumbents who use government to protect them from competition. In fact, the Institute for Justice has current court battles against restrictions on tour guides, eyebrow threading and interior designing, as well as several more found at its [website](#). The Institute for Justice has had remarkable success in lawsuits,



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breaking many economic barriers, such as those against hair braiding in Arizona, Minnesota, Mississippi, Ohio and California and taxi restrictions in Denver, Minneapolis, Cincinnati and Indianapolis.

Arbitrary licensing and permitting laws foreclose many occupations that are ideally suited to people of modest means, particularly minorities. Here's my bet: Ask any liberal politician, from the president and the Congressional Black Caucus to civil rights organizations and black local politicians, whether he'd take up the fight to eliminate these barriers to upward mobility. You'll get answers, but they won't be a simple yes. The reason is the ins contribute to their political campaigns and the outs don't.

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