

Occupational Licensing: Economic Protectionism That Harms Consumers, Workers, and the Texas Economy

Regulation Turned Upside Down: Barriers to Entry and Market Monopoly

In Texas, it takes just 150 hours of training over approximately 35 days to become an Emergency Medical Technician. Yet, it takes 1,000 hours over 233 days to become a barber or cosmetologist. This imbalance is not an issue of public safety—it's an example of unnecessary government intervention creating significant barriers to entry, especially for those who need jobs most, such as individuals from low socio-economic backgrounds. This system has less to do with consumer safety and more to do with creating government-imposed monopolies.

Occupational licensing now functions as a “government union,” requiring individuals to join under the threat of legal punishment, including potential imprisonment. Instead of allowing a free market where consumers and workers decide the value of services, licensing laws create an artificial monopoly, forcing aspiring workers to meet burdensome requirements. Those already in the field benefit, while new entrants face costly barriers that stifle competition and innovation. The more difficult the process to receive government approval to practice an occupation, the less competition. So, of course, there is a huge incentive to constantly increase the requirements to drive away future competition.

Shifting Responsibility from the State to the Individual: The Free Market Approach

The current licensing system operates as a “nanny state” mechanism, assuming government knows best when it comes to consumer choices. This undermines individual

responsibility and free-market principles, taking choice away from consumers and placing it in the hands of regulatory bodies. In a free market, responsibility lies with the consumer to make informed decisions based on quality and value rather than government-mandated credentials.

Occupational licensing's one-size-fits-all requirements prevent people from determining for themselves who is qualified and competent. Instead of state-imposed restrictions, voluntary certification or reputation-based services can achieve the same goals, while empowering consumers and promoting economic freedom. A truly free market allows for flexibility, competition, and personal choice—values incompatible with the heavy-handed, protectionist nature of occupational licensing.

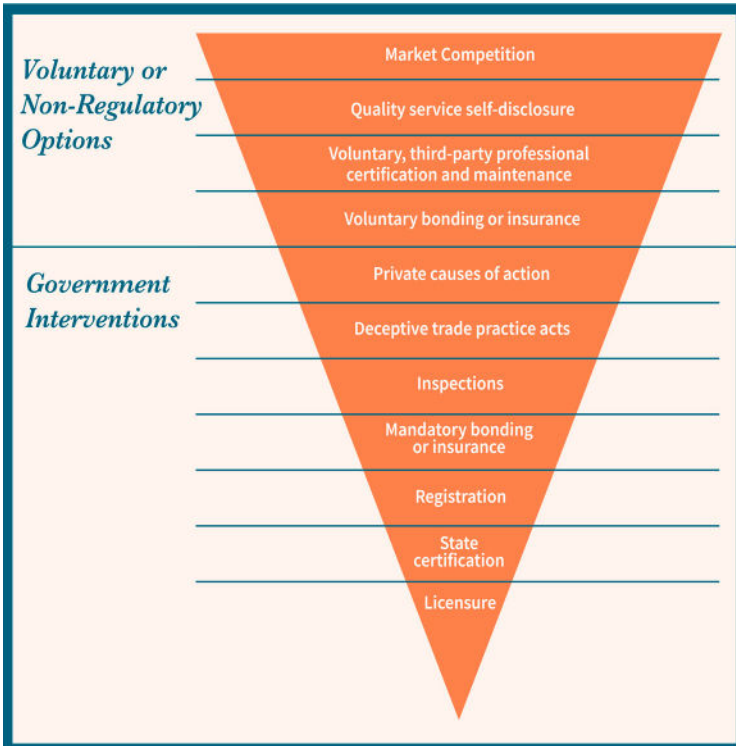
Case in Point: The Harmful Effects of Occupational Licensing

Consider the case of [Ron Hines](#), a Texas veterinarian who began advising pet owners online due to a physical limitation that restricts his ability to practice. In 2012, the Texas State Board of Veterinary Medical Examiners attempted to shut down his online advice service, despite no evidence of harm. Why? His online services posed competition to established veterinarians. This is just one example of how licensing stifles innovation, limits consumer choice, and protects incumbents at the expense of new entrants and consumers.

According to the [Institute of Justice](#), Texas ranks 18th in terms of the regulatory burdens placed on 38 lower-income occupations, though it licenses fewer occupations than

many other states. These burdens disproportionately affect workers from disadvantaged backgrounds, making it harder to find employment, build careers, and achieve economic independence.

A Paradigm Shift: Are Licensing Laws Really About Public Safety?



There are fields where safety concerns are valid. But the question remains: must government licenses be the solution? [The Institute for Justice's "inverted pyramid"](#) model outlines numerous alternatives to occupational licensing, suggesting that voluntary certification, reputation, and direct consumer feedback are often more effective than state-imposed requirements. This approach not only respects free-market principles but aligns with foundational constitutional values by prioritizing the individual's right to choose.

Licensing laws that supposedly protect consumers often serve as protectionist barriers, excluding skilled workers who may not have the financial means to complete licensing

requirements. A free-market solution holds consumers accountable for their choices, trusting in their ability to select competent service providers without excessive government interference. During the COVID-19 pandemic, for example, many regulatory bodies discouraged certain medical treatments, prioritizing bureaucratic control over patient choice—tragically resulting in lives lost.

Occupational Licensing: A Question of Liberty and Economic Freedom

The issue is more than just economic; it's about personal liberty. Licensing laws backed by the threat of government-imposed penalties or even imprisonment infringe on Texans' freedoms. Think of Shelley Luther, whose [salon license was threatened](#) by Governor Greg Abbott when she reopened her business during the COVID-19 lockdown, or the [17 Texas establishments](#) whose licenses were suspended in June 2020 for exceeding capacity limits. These examples illustrate the extent to which licensing laws can control individual choices and suppress economic freedom.

The Solution

Historically, occupational laws were grounded in biblical principles, such as those in Leviticus 22:5, 25 and Deuteronomy 22:8, focusing on consumer safety and property protection rather than limiting access to occupations. Drawing from these principles, the [Huffines Liberty Foundation](#) conducted a review of 38 occupations licensed or regulated by the Texas Department of Licensing and Regulation (TDLR).

Our research found that consumers, workers, and the Texas economy would all benefit if 28 of these occupations were deregulated, including auctioneers, barbers, cosmetologists, and dietitians. Existing consumer protections, such as reputation, certification,

and civil liability laws, are more than sufficient to ensure safety and quality. Removing these licensing requirements would promote competition, reduce costs, and allow Texans the liberty to pursue their careers freely.

However, many more occupations in Texas remain under restrictive licensing. We recommend that the Texas Legislature trust and

empower millions of Texans, not government, to do what is best for themselves and their families. With thousands of Austin lobbyists and the government dictating who can or can't practice an occupation, businesses are more beholden to the lobby and government than to their customers. Let Texans have the freedom to choose, compete, and thrive in a genuinely free market system.