WHAT KIND OF SOCIETY IS THE UNITED STATES?
Some Basic Facts & definitions
FROM RURAL TO URBAN LIVING

1870: 75% of population was rural; > 50% of labor force was in agriculture. This is still true in most of the world.

1930: majority lived in towns and cities; about 20% employed in farm occupations

2000: less than 3% employed directly in agriculture
Occupational change: dramatic transformations in Labor force

<table>
<thead>
<tr>
<th>Occupation</th>
<th>1900</th>
<th>1950</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professionals</td>
<td>4.0%</td>
<td>8.5%</td>
<td>15.6%</td>
</tr>
<tr>
<td>Managers</td>
<td>6.0%</td>
<td>9.0%</td>
<td>14.6%</td>
</tr>
<tr>
<td>Clerical</td>
<td>3.0%</td>
<td>12.0%</td>
<td>13.8%</td>
</tr>
<tr>
<td>Crafts &amp; Operatives</td>
<td>24.0%</td>
<td>35.0%</td>
<td>24.6%</td>
</tr>
<tr>
<td>Laborers</td>
<td>13.0%</td>
<td>7.0%</td>
<td>4.8%</td>
</tr>
<tr>
<td>Farmers and laborers</td>
<td>38.0%</td>
<td>12.0%</td>
<td>2.1%</td>
</tr>
<tr>
<td>Female (%)</td>
<td>18.0%</td>
<td>28.0%</td>
<td>46.5%</td>
</tr>
</tbody>
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Basic Definition of “Capitalism”

1) Production is for the market

2) Enterprises are privately owned and run for profits.

3) People who do not own enterprises earn their living by working as employees for privately owned firms.
DEVELOPMENT OF A CAPITALIST LABOR FORCE

1780s: U.S. Not fully capitalist: 2/3 or more of the Northern labor force was self-employed (mostly farmers); a majority of labor force in much of the South were slaves.

1870s: a bit less than half of the population was probably self-employed. Slavery was abolished, and the development of a class of industrial employees was well on the way.

1930’s: at least 2/3 of the labor force work for wages, but most adult women are not in the labor force.

2000s: Only around 10-15% are self-employed. The vast majority of the labor force are employees and women have almost as high labor force participation as men.
Hyper-Capitalism

A form of extreme capitalism with:

- powerful corporations
- weak unions
- relatively little public regulation of markets
- low taxation
- very high levels of economic inequality.
US Capitalism is dominated by Rich Giant Corporations

1. The top 10 U.S. Industrial corporations had a combined sales in 1999 of $1.1 trillion. If these ten corporations were a country, they would constitute the ninth richest country in the world. The total GNP of India with a billion people was less than half of this.

2. In the late 1990s the top 100 manufacturing corporations in the US own nearly 75% of the total industrial assets in the US.

3. In 1950 the top 200 corporations owned under 48% of total assets. Each of the America’s four largest corporations -- GM, Walmart, Exxon and Ford -- had 1999 revenues greater than the 500 million poorest people in the world combined.
Very Weak Unions

US today: < 12% of the nonfarm labor force is unionized.
Sweden: more than 80%
Most other European countries: 30-50%

Result: U.S. workers have fewer rights than in most other developed countries. Examples:

Rights to Paid Parental Leaves:
Germany = 6 months after birth and 6 weeks before birth, with guarantee against dismissal and an allowance;
France = 4 months at 90% pay;
Sweden = 9 months at full pay shared between parents;
U.S. = none.

Right to strike: only in U.S. can an employer higher permanent replacements in a legal strike.
US has a relatively Underdeveloped state

**Public employment**
US: < 15% of labor force
Sweden = about 40%
Most developed capitalist countries = about 30%.

Growth of public employment in US 1960-2000:
- Federal = 25%
- State and local = over 100%

**Civilian spending**
US = about 34% of GDP (not a dramatic change since the 1960s)
Germany = 49%
Sweden = 69%

**Taxation**
US: under 30% of GDP
Germany: 39%
Sweden: 49%
Inequality and Poverty

- US has the highest poverty rates & highest levels of inequality of any developed country
- Over 20% of kids live in poor households in the US. In most other rich countries the figure is 5-10%
- The richest 1% own 40% of all financial wealth; the richest 10% own 80% of wealth; the bottom 80% own only 9%
  - top 5%: increase = $109,000
  - middle 20%: $6,785
  - bottom 20%: $839
Economic Globalization

1. Four stages of US Capitalism since 1860:
   (1) Competitive capitalism (1860s-1890s)
   (2) Corporate capitalism (1099-1930s)
   (3) Regulated capitalism (1940s-1980s)
   (4) Transnational capitalism (1990s- )

2. Trade: WWI to 1960s: imports + exports = 10% of US GNP; end of 1970s = 20%; now = over 25%

3. Production: the global factory

4. Ownership: global stockmarkets: what is the “nationality” of a “multinational” firm?
Militarism and global domination

- We spend more than ten times as much on the military than any other country in the world.

- In 2003 – even before the Iraq War – we spent 13 times more than China and over 20 times more than Russia on the military.

- We have more soldiers around the world outside of our borders than all other countries combined and our soldiers have fought in more countries than any other country in the last half century.

- In the last fifty years we have intervened militarily in scores of conflicts and have been directly involved in trying to overthrow at least a dozen governments.

- Our economy has become deeply dependent upon military spending. Note: this is a distinctively noncapitalist, non freemarket aspect of our economy.
Violence in the U.S. and domestic repression.

- In the 1980s into the mid-1990s If you were born in a large American city and remained a resident in the inner city, your chances of death by homicide were greater than of death by combat for US soldiers in WWII.


- Prisons: In US in 2003 about 702 prisoners/100,000 people. That is the highest in the world, ahead of Russia (628). The US rate is 6-10 times higher than most other industrialized countries. 25% of the prisoners in the world are in US prisons.

- The US is the only liberal democracy in the world besides Japan and Korea to have the death penalty.