

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***

	1900	1950	2000
Professionals	4.0%	8.5%	15.6%
Managers	6.0%	9.0%	14.6%
Clerical	3.0%	12.0%	13.8%
Crafts & Operatives	24.0%	35.0%	24.6%
Laborers	13.0%	7.0%	4.8%
Farmers and laborers	38.0%	12.0%	2.1%
Female (%)	18.0%	28.0%	46.5%

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 hire 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%
- ❖ Increase in mean household income 1983-2003 (in 2004 \$)
 - 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.
- ❖ Handgun murders: US 1996 = 26/day. Great Britain: 30/year; Canada 106; Japan 15.
- ❖ *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.