

When "Economic Security" Becomes A "Prohibited Expression"

A Blog Entry in Comments From Left Field and GordonTalk

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Year after year, workers in America "bake an economic pizza pie" bigger than the year before. But [over the last quarter century](#), about 900 of every thousand Americans have each gotten a smaller slice of the pie; 99 have each gotten a slightly larger slice of the pie; and one, at the very top, has gotten a slice twice as big as before—a piece of the pie that's gotten bigger only because of the increased "productivity" (that's workload, no matter how you slice it) of the other 999 of us.

And to add not only insult but also injury to injury, "economic security"—the ability to get and keep a job with middle-class pay and benefits—is rapidly becoming an endangered species. [Although this trend has been increasing over the last quarter century](#), the policies of the current administration, and its allies controlling Congress, not only are failing to protect the current and future economic well-being of the vast majority of working Americans but are aggressively undermining the economic security of the many, in order to enrich the few.

Make no mistake, this is an attack upon America, being waged both at home and abroad, just as surely as—and of enormously larger

consequence than—any disaster ever inflicted upon us by some religious fanatics overseas.

Let's take a glaringly honest look at the problem and then in that light consider any possible solutions. We literally cannot afford not to.

The Wal-Martization of the American Workforce

Perhaps the most telling "sign of the times" made the headlines quite recently: [General Motors announced it would layoff more than 25,000 blue-collar workers](#)—eliminating more than one in every five of its typically unionized jobs, paying middle-class wages and benefits.

In May, [Standard and Poor's downgraded bonds issued by General Motors and Ford to "junk" status](#). And it wasn't just because they make way too many gas-guzzling SUVs (a problem exacerbated, as we feel at the pump, by having Big Oil run the White House). No, investors were down on the automakers because they are still paying living wages and substantial benefits.

C'mon, guys, get with the program! It's the 21st Century. No company can afford to take care of

its employees and compete in the global marketplace. What do you think this is? 1968?!

In 1968, GM was the largest corporation in America, the very model of corporate capitalism. Its workers were the envy of the world, earning on average \$29,000 a year (in today's dollars)—decidedly middle-class wages for the time—with good health and retirement benefits. Many worked for GM for life, secure in contracts hammered out between their unions and management. And similar benefits were enjoyed by even non-union workers nationwide.

Today, Wal-Mart is the largest corporation in America, the icon to be imitated. Its workers, at least those "associates" fortunate enough to work full-time, earn on average \$17,000 a year—which the company itself admits is typically not enough to support a family—with a health plan covering not quite half its workers, most of whom cannot afford the plan's premiums and deductibles (Wal-Mart workers and their families constitute a large portion of the nation's uninsured emergency room patients whose healthcare is paid for by counties: Taxpayers—increasingly at the local level, as Congress continues to slash Medicaid reimbursements—are subsidizing the healthcare costs of the largest corporation in America). Almost half of Wal-Mart's workers quit each year, and aggressive tactics by management—some legal, others found otherwise in courts of law—have kept its entire workforce non-unionized (You can get fired for even talking about unions on company property—your workplace).

And sometimes Wal-Mart has cut its labor costs to zero. As proved in infamous court cases, "rogue" store managers—under intense, systematic pressure from corporate headquarters to cut operating expenses—have tampered with time cards and bullied workers to work overtime without pay.

So where do corporate earnings that previously went to workers now go?

In 1968, the head of GM was paid \$4 million (in today's dollars), hardly an inconsequential sum. Last year, H. Lee Scott Jr., CEO of Wal-Mart, was paid almost \$18 million (plus stock options of about \$11 million).

On average, it would take each of the over one million employees of Wal-Mart—the largest corporation in the world, the business leader for all to follow—almost two lifetimes to earn as much as the CEO is paid every month (less stock options).

Well, to be perfectly honest, Mr. Scott did part with \$2000 of his income in 2003—[a contribution to Bush-Cheney '04](#)—which was undoubtedly a wise investment, considering how much this administration has done to cut Mr. Scott's taxes (much more so than for his workers).

And carrying on the tradition of the founder, the late Sam Walton, Mr. Scott and the other executives at Wal-Mart empty their own trash, fly coach, and drive humble vehicles. Just like regular people.

The Wal-Martization of the American Marketplace

Although the Wal-Marts of this country don't make automobiles (at least not yet), they do do retail—in a big, big way.

As the nation's largest seller of everything from toys and jewelry to furniture and groceries, [Wal-Mart racks up about a quarter trillion dollars in sales year after year](#)—almost twice as much as General Electric, almost eight times as much as Microsoft.

The unprecedented success of Wal-Mart is the result of its unequalled success in slashing prices. With its sales representing approximately two percent of the entire Gross Domestic Product of the United States, Wal-Mart is generally credited for helping keep inflation in check across the entire nation.

The company's supporters say that effectively boosts the buying power of all workers' wages; the company's detractors ask at what price?

The success of the Wal-Mart business model is predicated in large part upon pitting consumers against workers; unfortunately, consumers are workers, too. Wal-Martization of the workforce is an insidiously self-reinforcing proposition: The less one earns, the less one can afford to spend—ultimately we are all dragged down (By contrast, in a healthy, growing economy, there will typically be mild inflation, as demand—for products and services, materials and labor—outpaces supply).

But in ensuring that Wal-Mart offers its customers "Always Low Prices. Always." others besides its employees also pay dearly: We don't get something for nothing.

When a Wal-Mart supercenter comes into town—a town that usually provides big breaks to the big box store, in order to snag big sales tax revenue (away from surrounding towns)—local merchants from mom-and-pop shops to supermarkets, and the shopping centers they anchor, fail. Their prices simply cannot compete with those of the world's largest discounter.

On average, for every Wal-Mart supercenter that opens, 200 union jobs are lost at neighboring grocery stores, the wages and benefits at a Wal-Mart less than half of those paid in a supermarket.

Of course, the groceries are from 20 to 40% cheaper.

The Wal-Martization of the Global Workplace

From the loading docks—where truckers must often unload their own freight, or pay Wal-Mart to do so (and not get to use the bathrooms)—to the factories that supply them, Wal-Mart flexes its muscle as the world's largest retailer to squeeze the greatest discounts from its suppliers.

Just as it pits workers against workers, [Wal-Mart pits vendors against vendors, at home and increasingly abroad](#). Such international corporations wield far more raw power than

many of the world's nations (including those 13 original united states, whose citizens demanded protections under a Bill of Rights).

10,000 vendors from across America and around the world make their pilgrimages to the mecca of modern capitalism, Bentonville, Arkansas—headquarters of Wal-Mart Stores Inc. —to sell their wares, the prices routinely dictated by the retailer, exploiting the ever-increasing desperation among suppliers that it creates by demanding ever-decreasing prices.

And the effects have been as relentless as predictable. Living and dying on their orders from the world's largest retailer—if your products aren't on the shelves or racks of the 3,000 Wal-Marts in America and your competitors' are, you're pretty much resigned to failure—manufacturers, and their jobs, have been moving from low-wage regions of the U.S. (primarily, ironically the reddest of the Red States) to such countries as Honduras (where half a buck an hour is good pay), to Bangladesh (which, like many nations, sends ambassadors to the world's largest corporation as it does to sovereign states, in order to protect its manufacturing jobs, paying just a few cents an hour), and ultimately to [Vietnam](#) and [China](#).

And it is in China, more than anywhere else in the world, that such corporations as Wal-Mart have found the ideal manufacturing environment: Wages are low (not as low as in Bangladesh but read on), raw materials are cheap, factories and transportation facilities are modern, and—above all—the government is very "friendly" to the Wal-Mart model of business.

Although reports in the 1990s of scandalous working conditions overseas—long hours, ever tighter deadlines, dangerous working conditions, child labor, unpaid labor—shamed many American companies, Wal-Mart included, to demand better of their suppliers (many of whom now just keep two sets of books), at least as of 2003 [Wal-Mart, unlike other companies, refused to allow independent inspections of its suppliers.](#)

And as the manufacturers of China are infamous for their lack of worker safeguards, so the government of China is infamous for its open, sometimes violent hostility towards organized labor.

And don't expect the situation there to change anytime soon: Dissent is a dangerous thing in China. Scholars are harassed. Journalists are "schooled." And [even such cutting edge American corporations as Microsoft and Yahoo! are assisting the Chinese government in monitoring and censoring Internet access for 100 million users in China \(a market second only to the U.S.\)](#): If one is foolhardy enough to attempt to use such words as "democracy," "capitalism," "liberty," or "human rights" in an on-line posting, one receives a bright yellow warning—"This message includes forbidden language. Please delete the prohibited expression."—and perhaps a visit from the thought-police (and maybe an extended stay in a location yet to be announced, or not). Microsoft reassures us, however, that such Internet filtering of titles used in its messaging services is not without precedent: It blocks words like "whore" and "pornography" in

America just as it does "democracy" and "liberty" in China. Just let that sink in.

Isn't it ironic? Wal-Mart, the world's largest capitalist corporation, has found the perfect home in China, the world's largest communist nation.

**From the Compost Heap of Despair,
Sprout the Tender Seedlings of Hope.**

Fortunately, we live in America, not China; and as long as we can speak our minds, we can change our country. Ever the optimist, I still believe where there's a will, there's a way. But is there the will to change? Or have we Americans grown so complacent—so mesmerized by the omnipresent corporate culture at work, in stores, and in our media-saturated homes—that we are satisfied with the direction in which we are heading?

[Only one in three Americans thinks our country is on the right track.](#)

In particular, George W. Bush has become the most unpopular President, at this point in his presidency, in modern American history; and this is largely attributable not only to his unprovoked and unrelenting war in Iraq but also to his plan for privatizing Social Security, the centerpiece of his so-called "Ownership Society".

Although Americans traditionally preach and practice personal responsibility, [most Americans simply aren't buying the concept of an Ownership Society](#), as being so obsessively,

increasingly desperately sold by President Bush: They simply can't afford to buy it.

A majority of Americans—surprisingly led by white males in Red States—has come to adamantly oppose efforts by the Economic Right (at odds with even the Religious Right) to dismantle the "safety net" programs enacted by Democratic administrations, from the New Deal through the Great Society and beyond. And the reasons are numerous.

As mentioned above, employers attempting to be more competitive in the global marketplace are increasingly shifting responsibilities for retirement and healthcare onto their employees, even as they downsize and outsource jobs.

Five times as many Americans file for personal bankruptcy now as did a quarter century ago; not surprisingly, the reasons most often cited are layoffs and medical emergencies.

Two-thirds of Americans want—and need—the government to guarantee healthcare.

Two-thirds of Americans are "uneasy" about President Bush's decision-making on Social Security. Most Americans think his plan, with privatized accounts, would mostly benefit the rich (which most Americans, despite their hard work, are not).

Almost half of Americans want—and need—the government to guarantee a decent standard of living in retirement.

Many older, often independent men see privatized Social Security accounts as a windfall for Wall Street that puts their children and grandchildren at risk.

Many suburban Security Moms share that concern.

Many Baby Boomers have been victims of stock market downturns, corporate downsizing, "vaporware" pensions, and the constant threat of outsourcing.

Many Thirtysomethings need economic security to put their kids through college and to help take care of their retiring parents.

Many X-Generation techies have seen not only the glamorous upside but also the revolting downside of all-too-unfettered capitalism.

Poor and working-class students have access to [dramatically less federal aid](#) to make college, and the American dream, possible.

Given such breadth and depth of very personal discontent, no time in the last quarter century has been more ripe for a fundamental change in American economic and political policy than today ... with, unfortunately, the probable exception of an even more desperate tomorrow, if things do not change—if we do not make things change.

Each of the particular problems presented above suggests a particular solution: Adjusting, not privatizing, Social Security; establishing national health insurance; making the tax code far more progressive; enforcing corporate responsibility,

both at home and abroad; guaranteeing employee safeguards; promoting unionization, both at home and abroad; ending tax incentives for outsourcing or insourcing (importing trained workers); publicly financing political campaigns, with the allotment of equal television time to all qualified candidates, in order to diminish the corrupting influence of corporate contributions; etc.

But more than this, there is a general, fundamental principle that must be adhered to if any such reforms are to be introduced, let alone succeed: Workers must work together—and not be divided and conquered, at the workplace, at the marketplace, at the polling place, or at any other place—if we are to progress and prosper together, if we are to keep "economic security" from inevitably becoming a "prohibited expression."