

# Low-Wage Capitalism

A review of Fred Goldstein's book

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*Fred Goldstein, Low-Wage Capitalism: What the new globalized, high tech imperialism means for the class struggle in the US today. World View Forum, available free online at*

<http://www.lowwagecapitalism.com//Low-WageCapitalism-lores.pdf>

With the corporate capitalist economy falling apart as it is, some people are looking at socialism with a less jaundiced eye. Of course, there are some people for whom socialism was never the spawn of Satan that banksters and other corporate cutthroats and their political minions would have us believe. One of these people is Marxist author Fred Goldstein, who was inspired as a college student to become a Marxist by the Cuban revolution. Goldstein, a contributing editor to Workers' World newspaper, has demonstrated, in the book *Low-Wage Capitalism*, that Marxist economic theory is alive and well in the post-Soviet era. In fact, Marxist theory provides an excellent analytical tool for explaining the failures of globalized capitalism to provide a decent way of life for the world's people.

The book looks at major developments in the past three decades which have led us to the current crisis. In considering the growth of the available world labor force, Goldstein shows that 19th Century Marxist theory can be applied to a world very different from that in which the theory was born. A world in which more women and people of color are in the labor force still operates according to Marx's law of wages. Just add sexism and racism to the various ways the bosses exploit labor.

The essence of this book, however, is Goldstein's analysis of the role that technology plays in the exploitation of labor. Technology has its own chapter in the book, but it is a recurring theme in other chapters. Technology, which should make life and work easier and safer for workers, is instead used to reduce the labor force, so that the unemployed and underemployed compete with the employed, thus keeping a downward pressure on wages. Technology is also used to "de-skill" jobs, making workers more fungible. This way, workers who are being too "troublesome" in their demands for higher wages or union representation can be more easily replaced.

Economic conditions have gotten desperate, says Goldstein, despite the fact that more families have at least two earners. He explains the decline as inevitable, given the way capitalism works. Goldstein amply demonstrates the decline with statistics, graphs and reports without getting overly academic. This is a book one could easily read on the train or bus to work.

Goldstein believes that the workers need to do something on the political front to change

things. He argues for more understanding on the part of workers of the existence of class differences and the need for class struggle. This is where the book left me a bit dissatisfied because the argument is for an old way of doing things: a class struggle or “war”, if you will. There are definitely class differences in this country, and the overwhelming majority of workers end up in the class in which they were born or lower, despite the myth of upward mobility. Goldstein makes an excellent point in saying that people who believe that they are in the owning class because they own a business or are middle managers in a large corporation have to realize that they have more in common with the employees under them than with the bosses above them. (Owners of Chrysler dealerships that were recently terminated, even if they were profitable, should take heed!)

Workers would be will served by having a greater understanding of labor history, including the recent history of resistance to the demands for cutbacks and concessions, because the study of history is useful to any political movement. But people like me, who are having trouble with the idea that the paradigm of struggle rather than cooperation is still useful as a change mechanism—struggle is still a necessary defensive tactic—may have problems digesting the last part of the book.

Perhaps I am having trouble with this approach because I believe that our environmental crises will force everyone, even the bosses, to understand that we have only one planet, we all live on it together and even gated communities will not protect the ultra-wealthy from environmental devastation. The book makes no mention of environmental issues, and for me, that was a glaring omission. I don’t believe that any serious political change can be made without factoring the environment into the economic analysis. In a radio interview I conducted with Goldstein several months ago, he expressed concern for the environment, explained how socialism was the answer to our environmental problems, and wondered how capitalists could devastate the environment as they have; after all, ecology and economy come from the same root. I wish he ad brought that viewpoint to bear in the book.

Still, *Low-Wage Capitalism* provides an excellent analysis of the current economic situation. Whether or not you believe in the value of class struggle a key to a better future, it is worth reading for its look at the way things are now.

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