I. Economy and Work

1. Function

1. production and distribution of goods and services for a society

2. determines the division of labor: types of jobs (work)

1. Industrial economic systems: two types
   1. Socialism
   2. Capitalism

C. Capitalism (aka free market or free enterprise system): characteristics

1. private ownership of the means of production

a. natural resources

b. factories, machines, tools, infrastructure

c. (means of distribution) stores, internet

2. pursuit of profit

a. freedom to maximize personal gain

b. “universal human nature”: greedy

3. competition

a. freedom to compete in market place

b. law of supply and demand

c. rewards: creative, intelligent, courageous risk-taking entrepreneur

d. benefits: workers, consumers, and society

4. laissez faire

a. no government intervention in market place

b. except!

D. Socialism: Characteristics

1. public ownership of the means of production for their collective benefit

2. democratization: every institution

3. egalitarianism

a. equality of opportunity

b. equality of participation

c. equality of outcomes

4. planning of production

a. needs based

b. directed

5. community

II. U.S. Economy

A. Monopoly Capitalism

1. multi-national corporations

2. concentration of ownership

3. shared monopolies

4. interlocking directorates

5. “persons” within meaning of the law

6. legal obligation

7. “Wealthfare’ or socialism for the rich

a. tax breaks: Work Opportunity Tax Credit

b. subsidies

i. direct $

ii. research and development

c. low or no interest loans

d. bailouts

B. Factors

1. mergers

2. acquisitions

3. failure to enforce laws

4. lack of regulation

C. Power and Monopoly capitalism

1. power over economy

2 power over workers

3. power over communities

4. power over political system

D. Power over economy

1. own means of production

2. eliminate competition

3. control supply

a. gas prices

b. aluminum

<http://www.thedailyshow.com/watch/thu-july-25-2013/john-oliver-s-arcane-details-of-boron-group-metals-pricing-update>

4. create demand

a. advertising

b. “art of making people want things”

c. “wants” become “needs”

E. Power over workers

1. downsizing

2. off shoring

a. GE

b. Wal-Mart

3. outsourcing

4. automation

5. attacks on organized labor: % unionized

F. Power over communities/states: race to the bottom

G. Power over political system

III. Work in U.S.

A. Post-civil war: industrial based manufacturing economy

B. Post-WWII-mid1970s

1. economic boom!

2. blue collar and white collar manufacturing jobs

a. middle class

b. benefits and retirement

3. low inequality: flatter stratification pyramid

4. social contract

1. Mid-1970s to present: deindustrialization and a service-based economy

D. Where did all the good jobs go? Off shore, outsourced or automated

<http://www.thedailyshow.com/watch/mon-january-16-2012/fear-factory>

E. Jobs: Three-tiered

1. High paying, high status: CEO’s, upper level management, upper level administrators, corporate lawyers, doctors, hedge fund managers

2. Middle level: school teachers, social worker, police, mid-level management, federal, state, municipal employees

3. four out of five: McJobs (50% created since “recovery”)

i. part-time

ii. low wage

iii. no benefits/too expensive

iv. no advancement

v. easily replaceable

vi. alienating

vii. emotional labor

4. Temps/contingent employment

i. +400 per cent since 1980s

ii. 40% less per hour

5. Internships

i. unpaid or low pay

ii. no guarantee of job

F. Example: San Diego

1. 61% since 2001 less than $25,000

2. mainly in service sector

3. On average, all households lost $2,337 in purchasing power from 2010 to 2011

d. 136,000+ working full-time but w/o health care

G. Monopoly Capitalism and Corporate Profits

1. 2001 $503 billion 2008 $1.35 trillion

2. ALL TIME RECORD 2010 $1.68 TRILLION

3. Cash on hand $2 trillion (largest in over fifty years)

4. Fortune 500 2011 all time record $824 billion

5. Taxes

a. 60 % of companies pay no taxes

b. Corp contribution to federal tax revenue: 1950/30% to 2010 8%

c. GE $14.2 billion, $1.1 billion tax benefit

d. 2008-2010 12 lgst corps +$170 billion -1.5% tax rate

e. Deficit Commission recommendation: cut corporate taxes!

H. Monopoly Capitalism and the Worker

1. Wages stagnant or declining for 90%

Earnings Adjusted for inflation

Avg Worker Top 1%

1978 $48,302 $393,682

2010 $33, 751 $1,101,089

1. Between 2009 and 2012 95% of income gains to top 1%

3. Disposable income: down

4. Consumer debt: up (1700% since 1980)

5. Dual working families: up

1. Mortgage debt: up

7. health care costs: up

8. education costs up and student debt up