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Crisis and Social Change

We are in a time of crisis in the United States, and in the West more generally. The exit of Trump, although a real victory, doesn't change that. In fact, the more one is interested in *social change*, the less significant Trump becomes. As I've said, Trumpism is not The Crisis, but only the *symptom* of a crisis, what I have been calling The Big Crisis, encompassing such phenomena as growing inequality, our racial reckoning, declining empire, the crisis in democracy, changing demographics, climate disruption, social health, and the ongoing crisis of capitalism, which is the subject of this issue of the Notes.

Since so many people are unclear as to the meaning of the familiar phrase "social change," let's see if I can very briefly explain what I mean when I use that term.

People seeking social change are seeking change at the systemic, or structural, or institutional level. Sociologists tell us that an "institution" is "a well-established and structured pattern of behavior or of relationships that is accepted as a fundamental part of a culture."

So we can say that institutional (or systemic, or structural) change – that is, a change in what is acceptable or not acceptable in a culture – is what we would call social change. It's not just a matter of changing the rules. It's about changing – in the hearts and minds of the average person – what the rules should be, and who gets to change them.

In order for certain patterns of behavior or of relationships to be accepted "as a fundamental part of a culture," those patterns must be acceptable to the people with the power to enforce their will. And exactly who has such power is constantly in dispute. It's certainly in dispute right now.

Recall back in Nygaard Notes #646 (September 2019) when I discussed a 1958 essay by a sociologist named

Herbert Blumer. His main point is "that race prejudice exists basically in a sense of group position rather than in a set of feelings which members of one racial group have toward the members of another racial group." Isabel Wilkerson, in her wonderful new book "Caste: The Origins of Our Discontents," makes much the same point.

For the entire history of the United States, the only group with the power to decide, for the culture as a whole, what is acceptable and unacceptable has been white men. And that includes not only which rules and policies are acceptable, but also which *people* are acceptable. Who belongs. And who does not.

One of the perks of being in the dominant group in a caste system is that you get to help enforce the caste system, which is certainly "a well-established and structured pattern of relationships." However, in recent decades, from the civil rights era up to the current Black Lives Matter era, the subservient castes have been increasingly challenging their subservience. And the dominant group has responded, as expected, by taking all sorts of actions to re-assert its dominance. Trumpism is only the latest chapter in this story.

What's different now is that the day is approaching when white people will no longer be the absolute majority in the United States. This is seen to pose a grave threat to the longstanding caste system that has up to now placed whiteness at the top of the pyramid. Up to now it has been like two foxes and a chicken taking a vote on what to have for dinner. Majority rules!

Historically, the strategic response of the dominant group has consisted of various forms of voter suppression and intimidation. As those tactics become less effective, we can expect more brazen rejections of

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Greetings,

In this issue of Nygaard Notes I talk about the nature of social change and the failures of our current economic system. Millions of people are fed up with the status quo, and many of those millions have fallen under the spell of Trumpism. There is another way.

Back in July I briefly mentioned the fact that opinion polls are showing that U.S. voters are increasingly disillusioned with capitalism. It turns out that this disillusionment is widespread around the world. The demagogue's response to disillusionment is to offer a different set of illusions that are based on propaganda and false promises. But genuine disillusionment can be channeled toward making genuine social change. What is social change, anyway? I offer my definition this week.

Social change and The Economy. That's what I've got for you this week. Enjoy.

Nygaard

Social change *from page 1*

democratic forms. As Trump put it in October 2016, "I will totally accept the results of this great and historic presidential election, if I win." This month's insurrection is just the latest example of such rejectionism. Look for the future rise of even more authoritarian movements and leaders in the United States.

Social change, then, is a change in "well-established and structured patterns of behavior or of relationships that are accepted as fundamental parts of our culture." This is the kind of change that can't be achieved with guns or other force. It has to do with hearts and minds.

Consider that as we have a look at one of the most important institutions in any society: The Economy. ♦

Capitalism and Our Basic Desires

Like individuals, institutions exist in a complex ecosystem in which they influence each other. So let's have a look at an institution that is on everyone's mind these days: The Economy. Again we turn to sociologists, who tell us that "the economy" is "the social institution that organizes the production, distribution, and consumption of a society's goods and services." And recall that an "institution" is "a well-established and structured pattern of behavior or of relationships that is accepted as a fundamental part of a culture."

For centuries, the values and ideas of capitalism have been the basis of our economy, and the economic structures that have grown to be "fundamental parts of the culture" have been put together in line with those values and ideas. The values of capitalism include private ownership of the means of production, the pursuit of profit, competition for profit, and the lack of government intervention in this competition. In summary: Individuals competing for personal gain. Winners and losers.

So, the question to ask here is this: Are the values of capitalism the values that we want to use to organize our economy? A major disagreement about this is near the root of the "polarization" of U.S. society that we hear about so much. It's becoming increasingly clear that many people are increasingly disillusioned with the predominantly capitalist way of running the global economy. Let's take a look at why that is so.

Three Basic Things

In the last Nygaard Notes I suggested that some of the most basic things that people want from life are security, ↗↗↗

→→ the means to feed and clothe themselves and their families, and the opportunity to do meaningful work. I made that comment in the context of challenging the pernicious but widespread idea that we can't have effective pharmaceutical research unless we—as a society—offer the reward of profit as an incentive for pharmaceutical corporations to do the right thing.

A secure job. Meaningful work. An honorable income. It is quite remarkable to notice how broad is the agreement of people around the world that capitalism fails on all three counts.

Trust and Credibility

For the past 20 years the world's largest public relations firm, Edelman and Company, has conducted a huge survey that they say is a "trust and credibility survey." <https://www.edelman.com/trust/2020-trust-barometer>

They call it the Edelman Trust Barometer, and in 2020 they asked 34,000 people in 28 countries (which they call "markets") how much trust they have in various institutions. The 2020 survey, conducted last January (before the pandemic) found that "none of the four societal institutions that the study measures—government, business, non-governmental organizations, and media—is trusted" by people anywhere in the world.

And it's not just these four institutions that are distrusted. The survey asked about capitalism itself, which in a way is the institution within which the above-mentioned institutions operate. And here's where it gets interesting: The survey found that a majority of those 34,000 people in 28 countries believe that "Capitalism as it exists today does more harm than good in the world."

What is behind this loss of faith in our major institutions, including capitalism itself? I suggest that it has to do with the failure of capitalism to supply the three basic things that people want, the things I just mentioned: A secure job. Meaningful work. An honorable income. Let's look at each one in turn, starting with job security.

Failure to Provide Job Security

The Edelman survey tells us that "Eighty-three percent of employees globally are worried about job loss due to concerns such as the lack of training, cheaper foreign competition, immigration, automation and the gig economy." And the survey shows that, "despite a strong global economy and near full employment [remember that this report came out before the pandemic], a majority of respondents in every developed market do not believe they will be better off in five years' time."

Richard Edelman, the CEO of Edelman, says, "Since we began measuring trust 20 years ago, economic growth has fostered rising trust. This continues in Asia and the Middle East but not in developed markets [i.e. wealthy nations], where national income inequality is now the more important factor. Fears are stifling hope, and long-held assumptions about hard work leading to upward mobility are now invalid." (On a related note, Edelman found that "A lack of confidence in societal leaders, the stewards of the future, is pervasive.")

Other business sources say similar things. The headline of an October 19th report from Bloomberg News read "Fear of Job Loss Haunts Half of World's Workers as Crisis Rages." It reported on a poll of 12,430 people for the World Economic Forum which "showed 54% of them are either 'very concerned' or 'somewhat concerned' that their employment will cease in the next year. Respondents were from 27 countries spread around the world, including almost all of the Group of 20 [i.e. wealthy] economies."

So, one global survey says 83 percent are worried about losing their job, while another survey says 54 percent. Puzzling, but either way it's a majority.

Left unaddressed, this global failure to provide job security does not bode well for the stability of the global capitalist economic system. But even if workers are somehow allowed to hang on to them, jobs under late-stage capitalism increasingly fail to provide a decent income. We'll now have a look at that failure. ◆

The Failure to Provide a Decent Income

Capitalism's failure to provide a decent income to the average worker is evidenced by the growing inequality in societies around the globe over the past several decades.

The United Nations reported in 2014 that "Inequality is growing in almost all nations, and wages are amongst the lowest on record as a share of wealth." And this is not a new phenomenon.

The business trade magazine "Industry Week" began a 2016 article with these words: "For the last 35 years, hourly wages have been falling far behind economy-wide productivity. This has led to wage stagnation and inequality, which is now being felt by the majority of middle-class workers." The article "shows that corporations were incredibly successful at lowering labor costs" in the period, and they explain some of the reasons why, which I shall summarize here.

Automation: Automation of production lines began to eliminate jobs in the 1960s... After 1980, big corporations began investing more heavily in labor reducing equipment to eliminate blue collar jobs. Then along came the internet and personal computers, which helped corporations eliminate millions of white collar jobs too.

Union membership: American corporations have made a concerted effort to get rid of unions since 1980, and they have been very successful. Only 11.3% of all workers were unionized [in 2013]. In the private sector, unionization fell to 6.6%, down from a peak of 35% in the 1950s.

Outsourcing & Offshoring: More than 5 million U.S. manufacturing jobs were lost between 1997 and 2014. Most of those job losses were due to growing trade deficits with countries that have negotiated trade and investment deals with the United States.

Temporary and contract workers: Many of the jobs that have been created since the beginning of the Great Recession have been part-time or temporary jobs. In addition to part time jobs, many other changes have impacted wages including: the lowering of the inflation-adjusted value of the federal minimum wage, the decrease in overtime eligibility for workers,

and the misclassification of workers as independent contractors.

In addition to part time and temporary workers, there is another growing category called contract workers. These are full-time workers who are self-employed but not part of any company's head count. They do not receive benefits and have to pay their own payroll taxes.

Financial Deregulation: The deregulation of the finance industry also has contributed to the lower wages because it shifted the income to the upper end of the income scale.

Two-Tier Wage Systems: The most insidious strategy to reduce wages was the introduction of the two-tier pay system, which was part of the move toward temporary and part-time jobs. Generally, the two-tier pay system rewards long-time employees, allowing them to keep their current wages and benefits, but reduces wages and benefits of all new employees. This encourages older union workers to vote against younger workers to maintain their status and further erodes the union solidarity. Over time, as older workers retire and new workers are hired, the overall wage scale of the company declines.

Since 1980, two-tier wage programs have been used in the airline, railroads, construction, chemicals, electrical machinery, petroleum, printing textiles, food, transportation equipment, communications, health services, finance, insurance, steel, aircraft production, tire, wholesale and retail industries.

GDP growth: Since year 2000, Gross Domestic Product (GDP) growth has been an anemic 1.8%, and consumer consumption is now 71% of the economy. The relentless effort by the corporations to reduce labor costs has been very successful, but now consumer consumption is not high enough to buy all the goods that America's factories can produce.

Inequality: Wages have fallen from 50% of GDP to 43.5% since 2001, while wages of the top 1% have climbed from 7.3% to 12.9% of GDP. An economist at the University of California found that the top 1% of households garnered 65% of the nation's income growth between 2002 and 2007. ↗↗↗

Wages and the Pandemic

Of course, the pandemic is changing everything. The International Labor Organization last month published a report called “Global Wage Report 2020-21” that gives a hint of how the pandemic is likely to affect workers around the world: “In the near future, the economic and employment consequences of the COVID-19 crisis are likely to continue to inflict massive downward pressure on wages.”

Before the pandemic, the ILO reports, “In high-income countries, wage growth [since 1999] lagged behind labour productivity growth, and this gap led to a global decline in the labour income share (the share of GDP going to wages).”

The ILO report said a number of other interesting things. Like this: “The economic and labour market crisis due to COVID-19 has hurt vulnerable groups, threatening to further increase inequality and to push many families into poverty.” And this: “[An] estimated 327 million workers globally are paid at their countries’ minimum wage or below. This represents about 19% of the world’s wage earners, and includes 152 million women.”

The United Nations Conference on Trade and Development (UNCTAD) discussed the global wage issue in a report released on September 21: “Of all the pre-existing conditions exposed by the COVID-19 shock, hyper-inequality – the product of four decades of wage repression – poses the biggest threat.”

“Building on long-standing research, UNCTAD worries that polarization is now hard-wired into the hyperglobalized growth model in both developed and developing countries.”

“The policy cornerstone of a better recovery is income redistribution, which can be achieved by putting full employment and real wage growth at the centre of both macroeconomic and sectoral policies.”

For the workers who earn them, higher wages allow for a better quality of life, not only for the workers but for the communities in which they live. For the owners who pay them, higher wages are a cost that reduces profits. Something’s gotta give.

The third thing that workers want is a feeling that their work is making the world a better place. And here again capitalism is seen to be failing. Read on... ♦

The Failure to Provide Meaningful Work

Although it’s somewhat difficult to quantify, it seems clear that workers the world over want to do work that makes the world a better place, work that has meaning.

The Edelman survey I’ve been quoting notes that “73 percent of employees [say] they want the opportunity to change society.” And “human resources” people talk about the importance of meaningful work all the time. A multinational human resources company called “Workhuman,” for example, does big surveys of workers. Here’s what they said in a report on their 2019 survey: “Each year we ask workers what is most important in their career. For the third year in a row, workers across all age groups rank meaningful work as most important – beating out all other options, including positive company culture, compensation and perks, a supportive manager, and a fun team.”

The Gallup organization regularly asks workers how “engaged” they are with their jobs. In other words, Gallup tries to help corporations know how “into it” their employees seem to be – a rough estimation of how much meaning they consider their jobs to have. In July they reported that “Gallup found early last month, the percentage of ‘engaged’ workers in the U.S. – those who are highly involved in, enthusiastic about, and committed to their work and workplace – reached 38%. This is the highest it has been since Gallup began tracking the metric in 2000.”

Slightly more than one-third of workers are “enthusiastic” about their work, and that is the highest percentage in 20 years!

The Harvard Business Review reported in 2018 that “New research on the meaning of work shows that more than 9 out of 10 employees are willing to trade a percentage of their lifetime earnings for greater meaning at work. *to page 6* →→

Across age and salary groups, workers want meaningful work badly enough that they're willing to pay for it."

And they would pay a lot, says the Review: "On average, the research pool of American workers said they'd be willing to forego 23% of their entire future lifetime earnings in order to have a job that was always meaningful. To put this figure in perspective, consider that Americans spend about 21% of their incomes on housing. Given that people are willing to spend more on meaningful work than on putting a roof over their heads, the 21st century list of essentials might be due for an update: "food, clothing, shelter — and meaningful work."

The Meaning of Meaningful Work

Capitalism has a hard time measuring "meaning." And that's because it's not about money. It's more about the soul. And capitalism is much better at tracking things that are quantifiable – after all, turning things into commodities that can be sold in the marketplace is what capitalism is all about! But that doesn't mean that we can't tell the difference between work that is meaningless and work that feeds the soul.

A sustainable development organization called the Great Transition Initiative put out a short piece in 2017 called "The Struggle for Meaningful Work." In it, Wells College economics professor Kent Klitgaard makes a noble attempt to describe what is meant by "meaningful work." Here are a few excerpts from the paper:

"The simplification and degradation of work has proceeded apace in the computer era. Digital devices are generally assembled by low-wage labor in poor countries. High incomes accrue to those who develop the new products and use them to solve abstract and difficult problems; those who simply use computers as part of routine work have not shared in the bounty."

"Craft work embodies the essence of meaningful work. Craft workers are guided by an ethos of doing a good job for its own sake and strive to understand the entirety of a process... All craft labor entails caring... To the industrialists of the nineteenth century (and today), the autonomy afforded the craft worker was a barrier to increased profits and higher productivity."

"Caring and domestic labor are a crucial part of any economic system. Behind the invisible hand of an exchange economy beats an invisible heart. Such social norms as honesty and trust are produced and maintained in a caring environment along with the basic skills known today as human capital. Without caring labor, society would have difficulty functioning because institutions like the market that reward selfish behavior produce selfish behavior. The market, however, rarely rewards care provision at a level remotely commensurate to its contribution to society... Few activities provide as deep emotional satisfaction as care does, even though hardly every moment of it is pleasurable."

"The broad challenge before us is to create an environmentally and socially sustainable future that provides decent, meaningful work for all. Such meaningful work is about more than just economic sufficiency; to be truly meaningful, work must enable people to unite their heads, their hands, and their hearts. Craft labor and caring labor, two embodiments of this definition, have both been threatened by contemporary economic and technological forces. Ultimately, countering these trends and guaranteeing meaningful work for all depends on a broader societal transition rooted in the embrace of post-materialist values."

Workers increasingly find that their work offers no security, does nothing to nourish their souls, and fails to provide enough income to live a life of dignity. So it's no surprise that millions of people gravitate toward demagogues who (correctly) acknowledge that they have been treated unfairly and promise to Make America Great Again. But, rather than offering to "create an environmentally and socially sustainable future that provides decent, meaningful work for all," Trumpism and other forms of right-wing populism offer only scapegoats and tax cuts. Not only do these promises fail to address the structural realities of capitalism, but the propaganda in which the promises are wrapped has now brought hate and violence to our state and national capitols. Only an organized grassroots movement based on a vision of solidarity and compassion can displace the hate and fear that dominate our front pages today. Today is a good day to organize. ♦

“Quote” of the Week: “*Absolutely Catastrophic Failure*”

According to the International Labour Organisation, roughly 350 million people were “officially” unemployed around the globe last January, before the pandemic fired up. Since the pandemic began, the number of unemployed around the world has increased, and now may be as high as 1 billion, although it’s difficult to get accurate current data.

Keep that in mind as you read this week’s “Quote” of the Week, which is found on page 338 of the 1992 book “Understanding Power: The Indispensable Chomsky.” The Chomsky of the title is, of course, the noted linguist and radical Noam Chomsky, who offers just about the simplest imaginable explanation for the increasing dissatisfaction with the global capitalist system:

Now, there's a ton of work to be done in the world – everywhere you look there's work that ought to be done. And the people who don't have work would be delighted to do it. So what you've got is a huge number of idle hands, a vast amount of work that ought to be done, and an economic system that is incapable of putting those two things together. Okay, absolutely catastrophic failure.

Bonus “Quote” of the Week: “*Begin That Process of Popular Education*”

The inimitable Angela Davis was interviewed on New Year’s Eve by Amy Goodman. She addressed racism and capitalism, as she often does, and here’s the excerpt that I chose to be this week’s Bonus “Quote” of the Week:

Racism is integrally linked to capitalism. And I think it's a mistake to assume that we can combat racism by leaving capitalism in place. As Cedric Robinson pointed out in his book Black Marxism, capitalism is racial capitalism. And, of course, to just say for a moment, that Marx pointed out that what he called primitive accumulation, capital doesn't just appear from nowhere. The original capital was provided by the labor of slaves. The Industrial Revolution, which pivoted around the production of capital, was enabled by slave labor in the U.S. So, I am convinced that the ultimate eradication of racism is going to require us to move toward a more socialist organization of our economies, of our other institutions. I think we have a long way to go before we can begin to talk about an economic system that is not based on exploitation and on the super-exploitation of Black people, Latinx people and other racialized populations.

But I do think that we now have the conceptual means to engage in discussions, popular discussions, about capitalism. Occupy gave us new language. The notion of the prison-industrial complex requires us to understand the globalization of capitalism. Anti-capitalist consciousness helps us to understand the predicament of immigrants, who are barred from the U.S. by the wall that has been created by the current occupant. These conditions have been created by global capitalism. And I think this is a period during which we need to begin that process of popular education, which will allow people to understand the interconnections of racism, heteropatriarchy, capitalism.

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