

Functionalism, conflict theory and symbolic interactivist theories for wage discrim...



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There are three main paradigms that are Functionalism, Conflict Theory and Symbolic Interaction. “ Functionalism is a theoretical framework that defines society as a system of interrelated parts, because functionalism focuses on the entire social system and not just the individual and considered a macro approach to sociological study.” Conflict theory is “ a theoretical framework that views society as being a constant struggle over a limited amount of resources.” Symbolic is the last paradigm, it is “ a theoretical framework that focuses on how individual interactions between people influence their behavior and how these interactions can impact society.” (Carl, 2013). These frameworks are used in this discussion to examine wage discrimination.

CHAPTER I: INTRODUCTION TO THE STUDY

Wage determination remains today an arbitrary award to employees. A market exists when there is a demand for and supply of a product. In the case of the labor market, firms demand an individuals’ time as an input for production, and workers then supply it. The nature of the labor market, including the number of firms and special qualities of workers, influences the wage determination process. This research discusses the basic process of wage determination along with the influences of market structure, government regulation, and other social interactions. This includes discrimination, the male-female pay gap and policy implications.

The three major theoretical frameworks are used to frame the topics. There is Functionalism, this plays a part because different parts, there are political influences and government role in wage determination. The Conflict Theory plays a part also by the pay difference for men over women is so great that

women have less resources than men have. Lastly symbolic, if an employer is paying a female less than a male or discriminating against different people in the workplace, and employees see this, this could cause coworkers to start treating others different ways.

Symbolic, “ This perspective relies on the symbolic meaning that people develop and rely upon in the process of social interaction. Society is thought to be socially constructed through human interpretation. People interpret one another’s behavior and it is these interpretations that form the social bond.” Carl says “ a theoretical framework that focuses on how individual interactions between people influence their behavior and how these interactions can impact society.” (Carl, 2013, pg. 9)

“ Functionalism interprets each part of society in terms of how it contributes to the stability of the whole society. Society is more than the sum of its parts; rather, each part of society is functional for the stability of the whole society. The different parts are primarily the institutions of society, each of which is organized to fill different needs and each of which has particular consequences for the form and shape of society. The parts all depend on each other.” Functionalism, if something in the system starts to fall another part of the system picks up the slack. Social structures operate just like the functionalism. Family, education, along with the economy, are all interrelated social institutions. Carl says that Functionalism is a “ theoretical framework that defines society as a system of interrelated parts, because functionalism focuses on the entire social system and not just the individual and considered a macro approach to sociological study.”(Carl, 2013, Pg. 8)

Conflict “ claims society is in a state of perpetual conflict because of competition for limited resources. It holds that social order is maintained by domination and power, rather than consensus and conformity.” Chappelow, J. (2019, August 23) Conflict theory is “ a theoretical framework that views society as being a constant struggle over a limited amount of resources.”(Carl, 2013, Pg. 9)

CHAPTER II: WAGE DETERMINATION

History

Wage determination has been apart of the political and economic side of the world for over 80 years now. The main purpose of minimum wage isto stop employers from exploiting desperate workers. It is said that minimum wage should provide enough income to afford a comfortable living which is said to be set at the amount needed to provide enough food, clothing, and shelter.

Minimum wage was first introduced in the United States with The Fair Labor Standards Act (FLSA) in 1938 whichPresident Franklin D. Rooseveltpassed as part of theNew Dealto protect workers during theGreat Depression.

Roosevelt set the minimum wage at \$0. 25/hour, which is equivalent to \$4. 36/hour in 2019. This created a floor on wages in the labor market and helped to create more fair labor standards throughout the country.

Since president Roosevelt set the first minimum wage in the United States in 1938, the wage has been raised 22 times by 12 different presidents. In 1956 Eisenhower raised the minimum wage to \$1/hour equalling about \$8. 61/hour in today’s world. In 1968 Johnson raised the wage to \$1. 60/hour which

would be \$10.75/hour today. The minimum wage has increased in a linear fashion in terms of dollars but in terms of real dollars the wage has declined from its highest point in February 1968. The value of money has increased over the years making the previous minimum wages look like a steady increase but if its compared to today's value, it has actually decreased tremendously. In July 2009 Obama set the national wage to \$7.25/hour which today would actually amount to only \$7.80/hour which is significantly less than the wage set in 1968.

Business and market structure

The effect of a minimum wage depends on whether the labor market is competitive or not, in which case employers exert significant power over wage decisions.

A perfectly competitive labor market is made up of many firms that are in competition for workers. Firms have no power to set wages so the market determines a competitive wage. If a firm deviates from this wage, it either pays less and loses workers or pays more and sustain a loss which would cause them to exit the market. In a perfect competition supply and demand characterize every economic market. Market supply is the total quantity of a good available at different prices while market demand is the willingness to purchase at different prices. In the case of the labor market, individuals supply, and firms demand time. Generally, workers are willing to provide more hours of their time to employers when wage rates are higher.

Therefore, total supply increases with the wage rate. Demand arises when workers for the firm are useful. Firms require labor to produce goods and

that dollar amount of their total production is associated with the individuals value to the firm. Equilibrium in a perfectly competitive market occurs when the quantities of total labor supply and demand are equal. The wage rate determines the quantity of labor supplied and demanded prevails in a competitive market to the number of individuals the firm wishes to hire. Due to this, the total supply and demand determines the market wage rate.

A monopsonistic labor market consists of only one firm which has no competition. In this market, one firm determines the amount of labor used. As the firm expands its use of labor it will have to pay a higher wage rate to all individual workers. This causes a monopsonistic market to generally have fewer workers than a competitive market. Because the firm would use less workers it would attract smaller amounts of labor at a lower wage rate. Workers receive less pay than they would if they had many employers active in the market. This results in less pay and less employment than a competitive market.

Labor unions are another type of business structure. They are formed to enable workers to become more effective with large employers. Unions have the ability to determine the amount of labor supplied to a firm at a given wage rate. Unions have the ability to set the wage rate equal to a competitive market rate through bargaining. The result of this could raise both wage rates and bring employment back to a competitive level. However, unions are usually placed under examination due to the impact it has on reducing the competitiveness of firms.

Government role or potential

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The United States government has many influences on the economy as a whole. The U. S. government's role in the economy can be broken down into two functions. The first is its attempt to promote economic stability and growth and the second is to regulate and control the economy. The tools they use to use for stability and growth are making changes in the tax rates, wage rates and spending programs. The federal government regulates and controls the economy through laws affecting activity. The involvement of the government in the economy started after the Great Depression when president Roosevelt passed the New Deal and set the first minimum wage. The government also influences growth and stability through a monetary policy and fiscal policy. The monetary policy steers the economy towards a steady growth with low unemployment and stable prices while the fiscal policy changes tax rates. When the government raises taxes, money moves out of private hands and moves into the government. This causes people to have less money to spend and the quantity demanded for products declines so the economy slows down. The opposite happens when the government cuts tax rates. The money would move out of government hands and into the hands of private individuals causing economic growth.

Political influence

Politics have a huge role in the economy and specifically the determination of wages and the outcomes. Individuals will vote on presidents and mayors based on their goals for taxes, wages, job security and much more. The massive decline in the U. S. private sector labor union membership is associated with the increase in wage inequality across society. In fact, research has found that between 1973 and 2017 the decline of unions <https://assignbuster.com/functionalism-conflict-theory-and-symbolic-interactist-theories-for-wage-discrimination/>

explains one-third of overall increase in wage inequality in men and one-third increase in women. While a recent study found that the impact of union members on low-income members was too small to constitute a significant difference other studies show substantial effects. A 2010 study from Texas A&M university found that memberships increased life satisfaction to workers that earn below average incomes compared to those earning higher incomes. It is said that it is the most vulnerable members of society who are most positively affected by membership and the influence of organized labor in the industrial world. Today, protestors are demanding a \$15 minimum wage. Democrats want a higher minimum wage and republicans do not.

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