

# Minimum wage: exploitation through a subsistent wage



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## The Raising of the Minimum Wage: Exploitation through a Subsistent Wage

### I. Introduction

For many years in the United States the minimum wage has not aligned with the cost of living. Low wage workers typically earn the minimum wage and cannot sustain themselves due to the constant rise of housing, food, and health care. The bourgeoisie manipulates the proletariat through exploitation with a subsistent wage that rarely increases. In this essay, I aim to demonstrate that the elite cause a class conflict to keep the bourgeoisie in power to maintain a hegemony over the lower class.

### II. The Elite Perspective

In a New York Times article titled, "Higher Minimum Wage May Have Losers," Noam Scheiber highlights that many cities and states are considering raising the minimum wage, but some economists and business owners warn that a raise may be problematic for business owners and current low wage workers. At the annual American Economic Association, Economics professor John Horton Of New York University delivered an essay concerning an experiment he did regarding raising the minimum wage. Using an online platform, employees post jobs anonymously. Workers then submit an hourly wage competing for them. Scheiber states:

Mr. Horton, working with the platform, was able to impose a minimum wage random on one-quarter of about 160, 000 jobs posted over roughly a month and a half in 2013. If a worker proposed an hourly wage that was below the

minimum, the platform's software asked him or her to raise the bid until it cleared the threshold. (cite)

At *prima facie*, the experiment demonstrated that when the minimum wage increased there was little if no decline in hiring. However, the hours a worker spent on a job fell for the jobs that were lower wage before the study. In addition, Horton claimed that employers were hiring more productive works to compensate for the lost earnings from the adjusted higher wage. Consequently, the lower wage workers were less productive, according to Horton, and thus lost their jobs. He concluded that raising the minimum wage could cost low-skilled workers their jobs, as employers replace them with higher productive individuals. Additionally, some economists claim that the more productive workers that do not take the jobs from the low skilled workers will also need a pay raise, which may cause more economic issues. Furthermore, others such as Zane Tankel, chief executive of Applebee's restaurant infers that higher wages will accelerate automation, which will offset costs and leave many workers jobless.[1]

### III. A Sociological Critique

Horton's data is tailored to benefit the bourgeoisie and highlights how the individuals in elite position help maintain a hegemony over the lower class. Consequently, the proletariat is given a subsistent wage and is exploited for their labor. Marx claimed that the worker is given just enough pay to survive and have a family and children so that when the worker falters, the children can take over the subsistent wage.[2] Horton's experiment highlights how the worker is exploited with a subsistent wage. In addition, his data

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demonstrates that low wage workers will lose their jobs to the high output workers. This conflict between the two workers causes what Marx termed alienation. Marx defined it as:

the breakdown of, the separation, from, the natural interconnection between people and their productive activities, the products they produce, the fellow workers with whom they produce those things, and with what they are potentially capable of becoming.[3]

This alienation keeps individuals from achieving their full potential and keeps them in a subservient state.

Scheiber's article contains a comment from Applebee's executive who states that forced higher wages will accelerate automation, thus more employees will lose their jobs. The inference that workers will be replaced faster by automation demonstrates that the bourgeoisie does not value the labor that the proletariat loses for a meager wage. Marxist theory states that "all value comes from the labor and is therefore traceable, in capitalism, to the proletariat." [4] The bourgeoisie does not recognize this value and further exploitation of the surplus value that is extracted from the worker.

Scheiber's article demonstrates that Horton neglects the conflict between classes and actually helps the elite in a bias fashion.

#### IV. Solution

One may contemplate if the worker and capitalist comprehend the magnitude of the conflict between them. Marx would assume that, "both the proletariat and the capitalists [bourgeoisie] have an inaccurate sense of

themselves, their relationship to one another, and the way in which capitalism operates.”[5]While this may be true that the average individual or business owner is unaware of this conflict and holds false consciousness, it is unlikely that Professor Horton is ignorant of these conflicts. While some are aware and have false consciousness, it is crucial that the majority of both capitalists and workers become aware or have class consciousness-the ability of a class, in particular the proletariat, to overcome false consciousness and attain an accurate understanding of the capitalist system. [6]Additionally, once this consciousness is achieved, then the workers must engage in what Marx termed *praxis*, or “ the idea that people, especially the proletariat, must take concrete action in order to overcome capitalism. This solution of praxis is extreme and workers can most likely keep some form of capitalism but demand a proper wage. The consciousness compounded with praxis can even out the conflict between the classes and articles concerning the debate over low wages would be nonexistent.

## V. Conclusion

The article “ Higher Minimum Wage May Have Losers,” highlights the conflict that individuals such as Horton create between the workers and capitalists. The conflict between the two creates what Marx claimed to be a loss of human potential through exploitation, alienation of surplus value, and the fact that workers work and live under a subsistent wage. The solution is class consciousness and praxis that results in change.

## Bibliography

[1]Cite article

[2]Pg 26

[3]Pg 24

[4]26

[5]27

[6]28