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Workers organize and strike to fight pandemic and capitalist inflation

written by Gary Wilson
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Wages are not driving up gas prices. Profit-gouging is.

The COVID-19 pandemic continues as the new year begins, spreading faster with the Omicron variant. Average daily infections in the U.S. are over 500,000. Total deaths are approaching 1 million. The coronavirus is now the top killer of adults ages 25 to 44 in the U.S., [reports the Journal of the American Medical Association](#).

“For years, the number-one cause of death in my age group [25 to 44] was not cancer or heart disease but accidents, followed closely by drug overdoses and suicide,” says Dr. F. Perry Wilson of the Yale School of Medicine. “COVID-19 changed that.”

The pandemic’s deadly impact is the result of capitalist governments putting profits

before people's lives. It doesn't have to be this way. [Look at China](#). Since the beginning of the pandemic, only 4,849 COVID deaths have occurred in China.

In the U.S., while the working class was suffering and dying in the pandemic, Wall Street was booming.

"Global stock and bond markets never had it so good," reports economist Michael Roberts. "Central bank-financed credit flooded into financial assets like there was no tomorrow.

"The result has been a staggering rise in financial asset prices (stocks and bonds) and in real estate. Central banks have injected \$32 trillion into financial markets since the start of the COVID-19 pandemic, lifting global stock market capitalization by \$60 trillion.

"And companies worldwide raised \$12.1 trillion by selling stock and taking out loans as a result. The U.S. stock market index rose 17% in 2021, repeating a similar rise in 2020. The S&P 500 index reached a record high. The Nikkei 225 Index had its highest annual gains since 1989.

"But as we go into 2022, the days of 'easy money' and cheap loans are coming to an end. The huge stock market boom of the last two years looks likely to peter out," Roberts explains.

"So this year could be the one for a financial crash or at least a severe correction in stock market and bond prices, as interest rates rise, eventually driving a layer of zombie corporations into bankruptcy.

"This is what central banks fear. That is why most are being very cautious about ending the era of easy money. And yet they are being driven to do so because of the sharp rise in the inflation rates of prices of goods and services in many major economies," concludes Roberts.

Inflation is for profits

What about inflation? Workers can't have prices rising faster than their wages and benefits.

The big business-controlled media reports about inflation, however, are meant to boost corporate profits.

What needs to be looked at economically is the state of wages. Are wages keeping up with rising prices? Over the last two years of the pandemic, inflation has been relatively low but wages have been stagnant. That means that wages have been kept at poverty levels or even have been going down.

Inflation is rising now, but that's because businesses are raising prices, which has resulted in record profits.

What's needed is not a focus on inflation but a focus on wages.

Karl Marx led a battle in Britain for raising workers' wages. Marx pointed out that wage rises do not cause price rises (inflation is price increases, not wage increases). As Marx put it in ["Value, Price and Profit,"](#) when he debated with trade unionist John Weston, who argued that wage rises would cause inflation:

"Firstly. A general rise in the rate of wages would result in a fall of the general rate of profit, but, broadly speaking, not affect the prices of commodities.

"Secondly. The general tendency of capitalist production is not to raise, but to sink the average standard of wages.

"Thirdly. Trades unions work well as centers of resistance against the encroachments of capital."

Prices are not driven by wages. Gas prices are soaring, but no one can say that's

because petroleum workers are being paid that much more (they aren't). In fact, according to Oilman Magazine, some 107,000 jobs "vanished" from the U.S. oil, gas and chemicals industry during the last two years.

So wages are not driving up gas prices. Profit-gouging is.

Labor unions fight

Yes, labor unions have been central to the fight for better wages and working conditions. 2021 was a year of strikes, unionization efforts and worker mobilizations.

Low-wage workers suffered disproportionately during the pandemic and are demanding increased wages, sick pay, meal and rest breaks, better benefits and shorter shifts.

As the new Omicron strain spreads quickly across the United States, threatening to draw the pandemic out even longer, workers organizing and fighting back is the only way forward out of the crisis.

