



# Labor Market and Class Struggle from the Perspective of Marxist Political Economy

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**Abstract:** Within the viewpoint of Marxist political economy, inequalities in the labor market are regarded as products of class struggle under the capitalist system. These inequalities reflect the relatively disadvantaged position of the working class, who often face low wages, unstable working conditions, and exploitation. These injustices not only reflect economic structures but also deeply influence the construction of social status and power relations. Studying the organizational forms of the working class within this theoretical framework holds significant importance. Labor unions, as organizations representing workers' interests, undertake the responsibility of advocating for better working conditions and wages. Union organizations engage in collective actions, such as strikes and demonstrations, demonstrating the solidarity and strength of the working class, challenging the authority of the capitalist system.

**Keywords:** Marxism, political economy, labor market and class struggle

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## 1. Introduction

Marxism's focus lies not only in current struggles but also in how these class struggles create possibilities for social change. It argues that inequalities in the labor market and class struggle act as the driving force behind historical developments, potentially leading to fundamental changes in social structures, thereby achieving a more just and equal social order. Hence, from the Marxist perspective, class struggle within the labor market carries the hope and potentiality for societal transformation.

## 2. Wage gap and class differentiation

From the Marxist political economy perspective, the wage gap and class differentiation illustrate inherent class contradictions and divisions within the capitalist economic system. This disparity signifies not only an economic inequality but also a reflection of class struggle and production relations under the capitalist system.[1]

The existence of a wage gap originates from the capitalist class's control over the means of production and the deprivation of workers from the production process. Capitalists control the means of production, while workers sell their labor power in exchange for wages necessary for their livelihoods. This unequal relationship leads to the loss of surplus value created by workers, where the value they create far exceeds what they receive as wages. This exploitative wage structure not only exacerbates socioeconomic inequality but also deepens contradictions between classes.

This widening wage gap is not coincidental but rather an inevitable outcome of capitalist production relations. In pursuit of maximizing profits, capitalists strive to suppress wages, leading to an expansion of the wage gap.[2] This inequality in economic structures not only remains confined to the economic sphere but permeates through various layers of society, profoundly impacting relationships between classes.

Thus, from the Marxist viewpoint, the existence of a wage gap is not merely an economic phenomenon but also the root and manifestation of class struggle under the capitalist system. This economic foundation of class differentiation prompts the working class to recognize their situation and endeavor to challenge the injustices and exploitation of the capitalist system through organization, unity, and struggle.

## 3. Occupational discrimination and exploitation

Marxist political economy places profound emphasis on occupational discrimination in the labor market, considering it an undeniable form of inequality within the capitalist system. This discrimination encompasses various aspects such as gender, race, and class, making certain groups more susceptible to exploitation and exclusion, simultaneously weakening the overall unity of the working class.

Occupational discrimination reflects inherent class divisions and social injustices within the capitalist system. Gender

discrimination results in lower wages for women, restricted opportunities for advancement in the workplace, and other injustices. Racial discrimination leads to higher unemployment rates and limited career choices for minority groups. Class discrimination makes it harder for the lower strata of society to escape poverty, increasing the likelihood of their exploitation.[3] These disparities have long-term adverse effects on individuals' and groups' economic rights, social status, and psychological well-being.

The presence of occupational discrimination not only deepens societal injustices but also weakens unity and strength within the working class. As different groups face varying degrees of discrimination and exploitation, this exacerbates internal divisions within the working class. Capitalists often exploit these divisions, undermining the overall collective resistance of the working class, making it challenging for them to unite against the exploitation and injustices of the capitalist system.

Therefore, the Marxist political economy's focus on occupational discrimination aims not only to reveal the inequality itself but also to deeply understand the interwoven relationships of class struggle among different groups. Only by eliminating occupational discrimination and fostering genuine equality and unity can the working class effectively engage in unified struggles, advocating for a fairer societal order and rights.

#### **4. Labor unions and collective action**

Marxist political economy emphasizes the significance of the organization of the working class to combat capitalist exploitation, with labor unions playing a crucial role as representatives of this organizational form in class struggle.

Labor unions constitute the core of collective action for workers and serve as a vital platform for the unity and resistance of the working class. Through unions, workers can collectively negotiate and bargain on various issues, including wages and working conditions, striving for more reasonable rights. Labor unions not only provide opportunities for collective bargaining but also offer a platform and means for collective actions like strikes and demonstrations, enabling workers to contest with capitalists for better working conditions and social welfare.[4]

This organizational form not only secures economic benefits for the working class but also plays an active role in societal transformation. The collective actions of unions garner widespread societal attention, prompting governments and society to focus more on workers' rights, thereby fostering social fairness and justice. Furthermore, the existence and activities of unions provide organized strength to the working class, balancing to a certain extent the exploitation by capitalists and promoting the transformation of societal systems.

Marxist political economy asserts that labor unions, as a crucial organizational form for collective action by the working class, not only combat class oppression on an economic level but also play a pivotal role in societal transformation and promoting fairness and justice. Through various actions initiated by unions, the working class can voice their rights and propel society towards a more just and equitable direction.

#### **5. Possibilities of social change**

Marxist political economy emphasizes that class struggle aims not only to improve the economic conditions of the working class but also to fundamentally transform the entire social structure, achieving a radical societal change. The organizational forms of the working class, particularly labor unions and other collective actions, provide important avenues and platforms for exploring and achieving the potentiality of socialism.

Marxists argue that inherent class contradictions and exploitation within the capitalist system inevitably awaken the working class to their predicament. The unity actions of the working class through forms like labor unions are not solely about seeking better wages and working conditions but also involve criticism and resistance against the capitalist system. This resistance is not merely about ameliorating immediate hardships or advocating for the interests of their class; it questions and challenges the entire societal structure.

Marxists believe that the awakening and actions of the working class can pave the way for societal change. The collective actions of the working class lead society to a deeper understanding of unfairness and exploitation, thereby propelling society towards a more just and equal direction. This awakening and action are not just challenges to capitalism but attempts to construct a more humane, democratic, and egalitarian societal order.

From the perspective of Marxist political economy, the organizational forms and collective actions of the working class not only strive for economic rights and social status but also offer the potentiality for societal transformation. The objective of this transformation, facilitated by the awakening and organization of the working class, aims to drive society towards a more just and equal societal form, ultimately realizing a fundamental transformation of societal systems.

## 6. Conclusion

Marxist political economy, with its unique perspective, profoundly analyzes the labor market and class struggle, revealing profound contradictions and inequalities inherent within the capitalist system. From the wage gap to occupational discrimination, from labor unions to collective actions, these theoretical viewpoints emphasize class struggle as a key force for societal change. Inequality within the labor market is not merely an economic phenomenon but a manifestation of class struggle under the capitalist system. The organization and collective actions of the working class offer potentiality for societal change, promoting society to reflect on and explore alternatives to the capitalist system. The research in Marxist political economy provides essential ideological foundations for understanding societal inequality and striving towards a more just and equal society.

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