

# The Broken Model Karl Marx & The US Economy

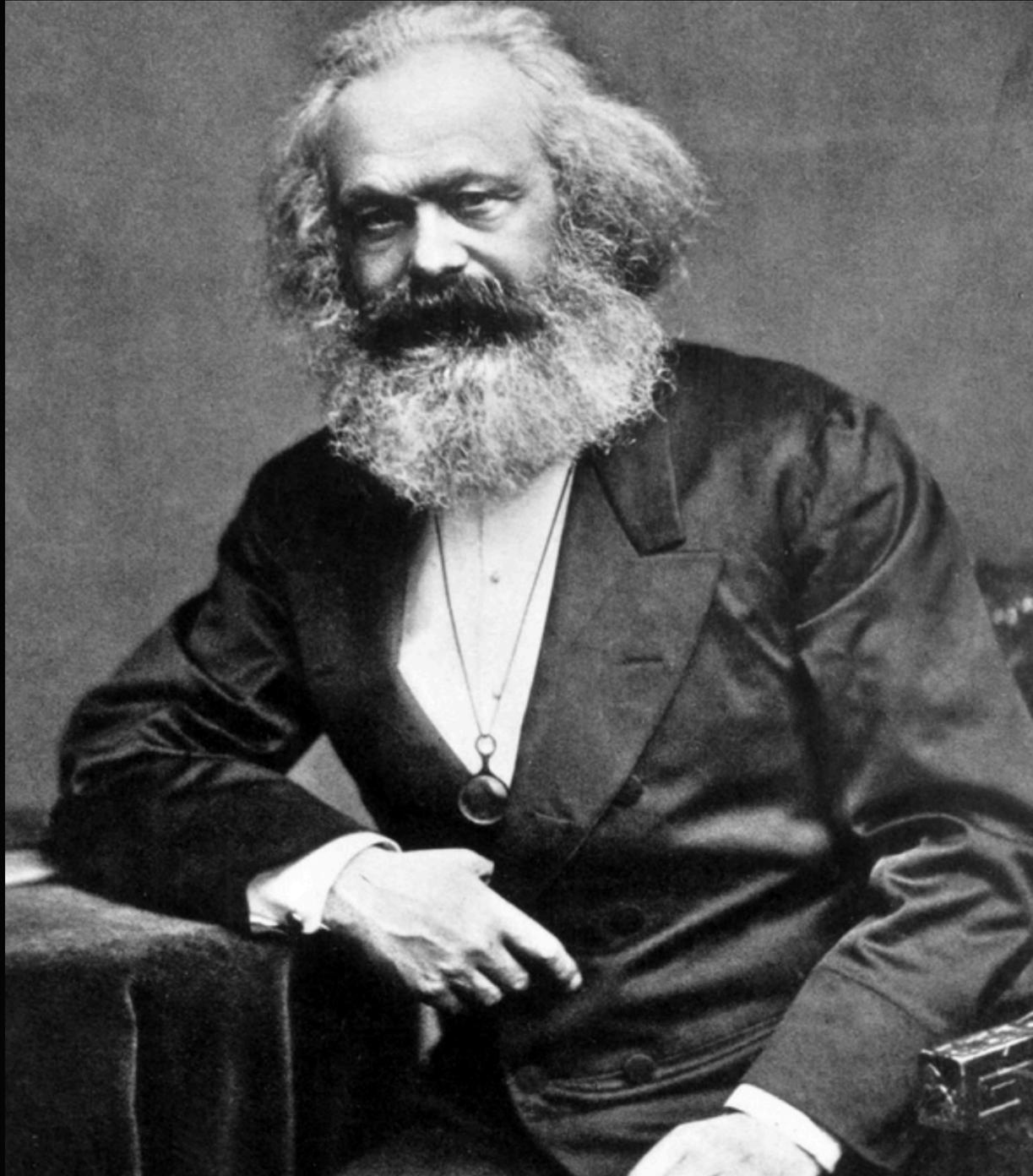
Context: Say & Mill's classical model (Supply creates Demand) is failing in the US.

The Reality: Divergence between Wall Street records and Main Street decline.

We using the Marx Vision to explain the paradox of US inequality.

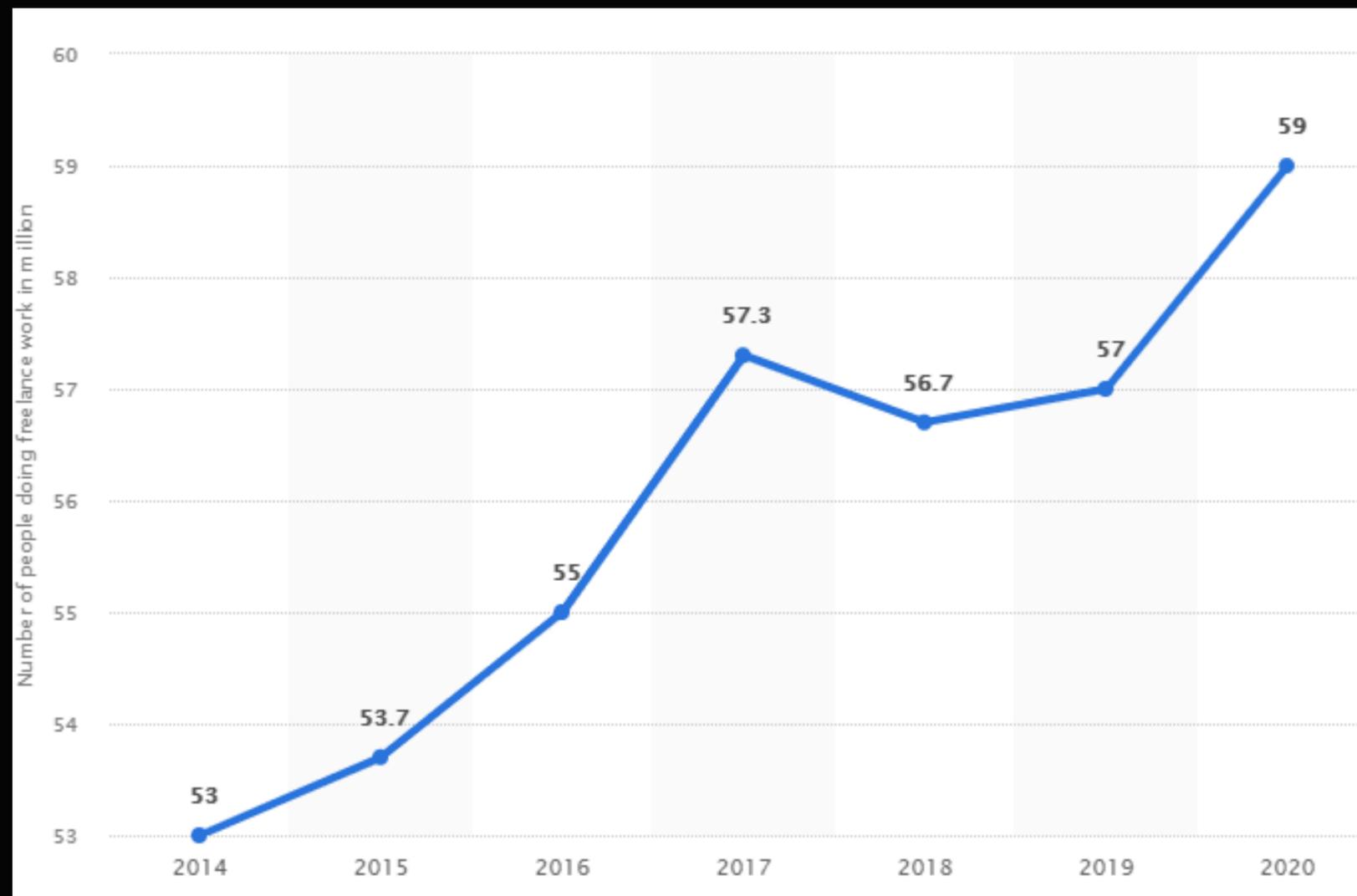


# The Three Marxian Pillars of US Inequality



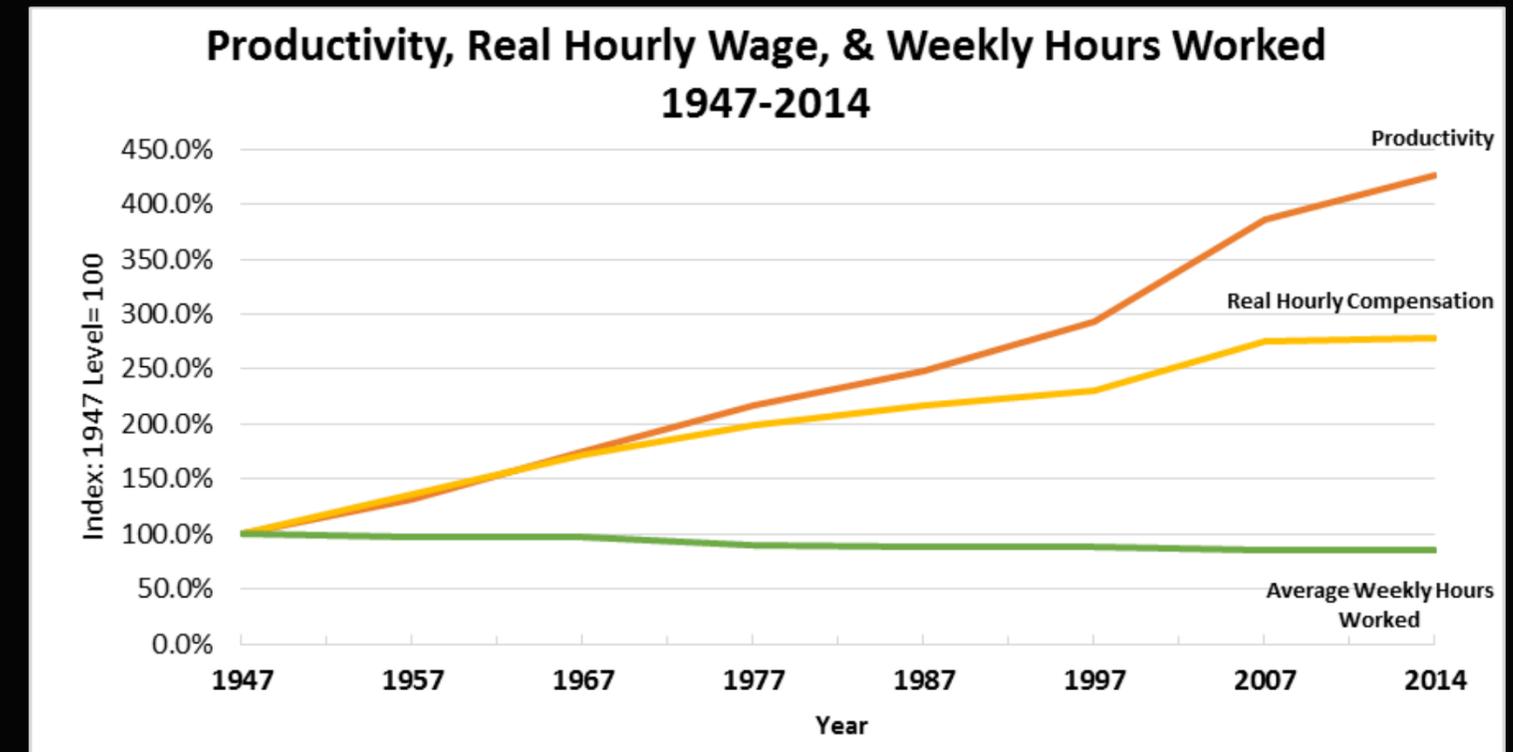
- Mechanism 1: The Industrial Reserve Army 2.0 (Gig Economy).
- Mechanism 2: Fictitious Capital (Financial Bubbles).
- Mechanism 3: Modern Alienation (White Collar despair).

# Part 1 : The Industrial Reserve Army 2.0: Precarious Work



- Marx's Theory: Capital needs precarious workers to keep wages low.
- 2025 Reality: The "Gig Economy" is the new reserve army.
- Data: ~38% of US workforce did freelance work in 2023.
- Impact: Shifting from employees to contractors (Uber, Amazon Flex) removes social safety nets.

# The Productivity-Pay Gap



- Trend: Since 1979, productivity rose 4x faster than real wages.
- Marx's Prediction: Without unions, wages fall to the minimum subsistence level.
- Result: The rise of the "Working Poor" in the richest country on earth.

## Part 2 – The Rise of Fictitious Capital

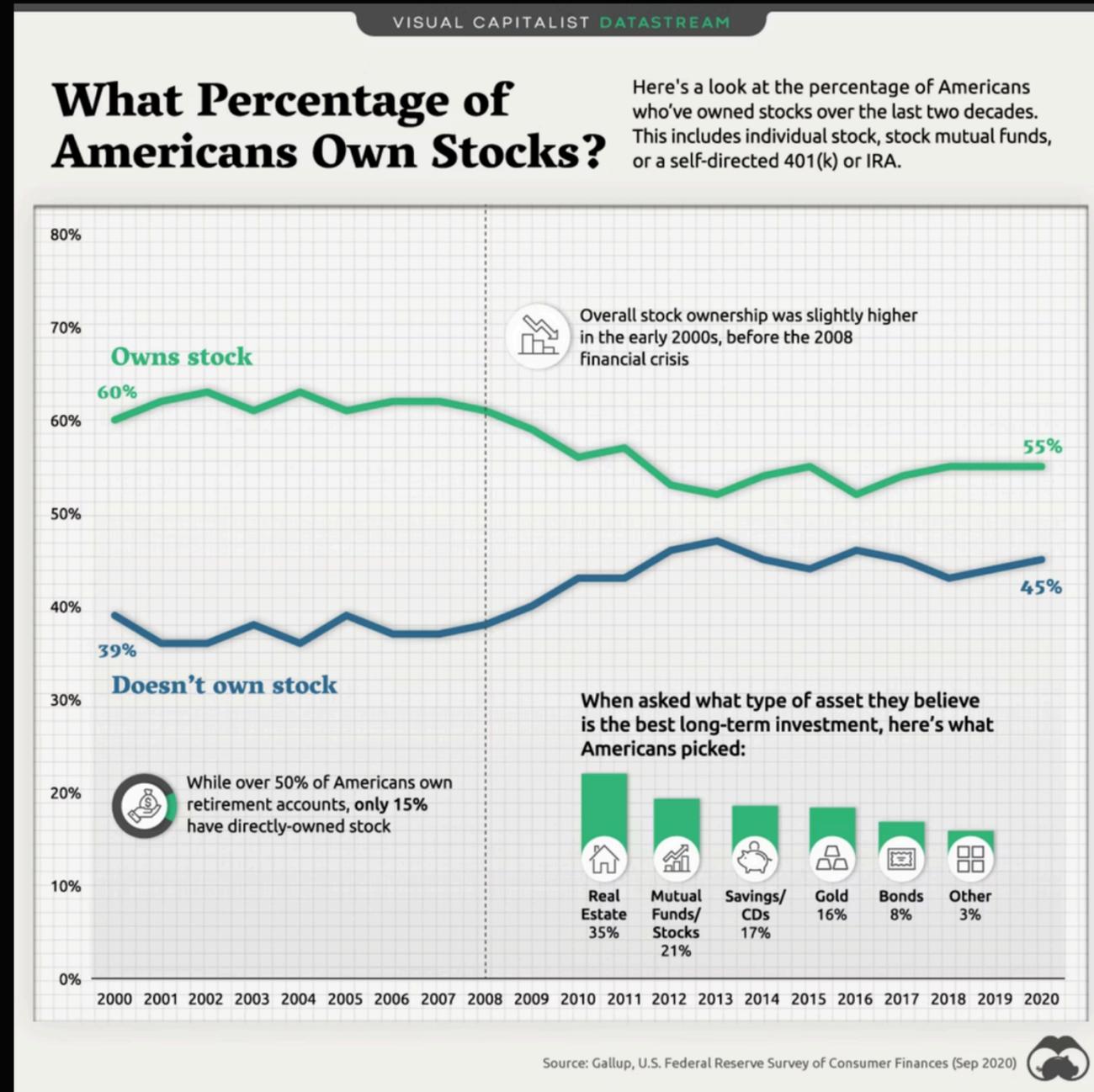
Concept: Shift from M-C-M' (Money-Commodity-Money) to M-M' (Money-Money).

Definition: Wealth generated through financial titles, disconnected from real production.

The Engine: Profits are not reinvested in factories/wages, but in asset inflation.



# Wealth Concentration & Buybacks



Stock Ownership: Top 1% owns 50% of stocks. Top 10% owns 93%. Bottom 50% owns just 1%.

Stock Buybacks: S&P 500 companies spent a record \$942 billion in 2024 on buybacks.

Conclusion: A closed-loop system where assets appreciate without benefitting the real economy.

# Part 3 – Modern Alienation

Shift: From factory floor to the open-space office.

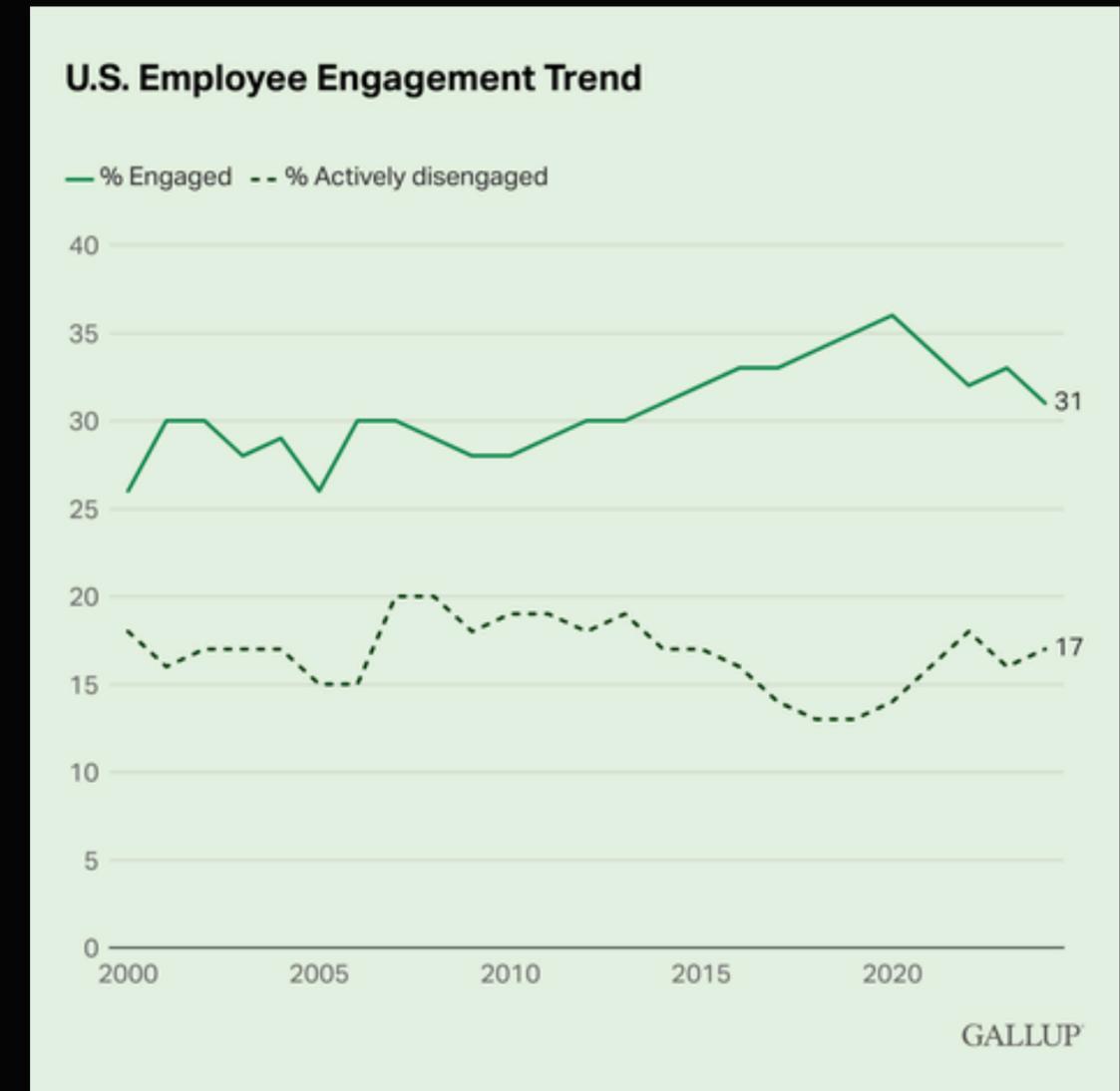
Process Alienation: Algorithmic Micromanagement (Bossware, Amazon KPIs).

Result: The worker becomes an "appendice of the machine" (software).



# The "Bullshitization" of the Economy

- Product Alienation: Workers feel disconnected from the output (PowerPoint slides, endless meetings).
- Theory: David Graeber's "Bullshit Jobs".
- Stats: Gallup 2024 shows only 30-33% employee engagement.
- Cost: \$8.9 trillion lost globally in productivity due to disengagement.



# The Commodification of Self: Alienation of the Species

- Alienation of Species: "Human Capital" and "Personal Branding".
- Social Market: Selling your personality on LinkedIn/Instagram.
- Consequence: "Quiet Quitting" and burnout among high earners (\$200k+).



**When labor becomes life, and  
life becomes cost, you are no  
longer human.**

Karl Marx



# Conclusion: Marx's Enduring Insights

Marx's theories, once dismissed as outdated, offer a powerful framework for understanding the deep-seated inequalities and psychological tolls of contemporary American capitalism. The precariat, the financialization of wealth, and the pervasive alienation are not glitches but structural features.

## Bibliography

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