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Always Low Wages. Always.

Last week Standard and Poor's, a bond rating agency, downgraded both Ford and General Motors bonds to junk status. That is, it sees a significant risk that the companies won't be able to pay their debts.

Don't cry for the bondholders, but do cry for the workers.

Standard and Poor's downgraded G.M. and Ford sooner rather than later because it believes that the public is losing interest in S.U.V.'s. But the companies were vulnerable because they still pay decent wages and offer good benefits, in an age when taking care of employees has gone out of style. In particular, they are weighed down by health care costs for current and retired workers, which run to about \$1,500 per vehicle at G.M.

So the downgrade was a reminder of how far we have come from the days when hard-working Americans could count on a reasonable degree of economic security.

In 1968, when General Motors was a widely emulated icon of American business, many of its workers were lifetime employees. On average, they earned about \$29,000 a year in today's dollars, a solidly middle-class income at the time. They also had generous health and retirement benefits.

Since then, America has grown much richer, but American workers have become far less secure.

Today, Wal-Mart is America's largest corporation. Like G.M. in its prime, it has become a widely emulated business icon. But there the resemblance ends.

The average full-time Wal-Mart employee is paid only about \$17,000 a year. The company's health care plan

Why workers need the safety net.

covers fewer than half of its workers.

True, not everyone is badly paid. In 1968, the head of General Motors received about \$4 million in today's dollars — and that was considered extravagant. But last year Scott Lee Jr., Wal-Mart's chief executive, was paid \$17.5 million. That is, every two weeks Mr. Lee was paid about as much as his average employee will earn in a lifetime.

Not that many of them will actually spend a lifetime at Wal-Mart: more than 40 percent of the company's workers leave every year.

I'm not trying either to romanticize the General Motors of yore or to portray Wal-Mart as the root of all evil. GM was, and Wal-Mart is, a product of its time. And there's no easy way to reverse the changes.

What should be clear, however, is that the public safety net F.D.R. and L.B.J. created is more important than ever, now that workers in the world's richest nation can no longer count on the private sector to provide them with economic security.

When they reach 65, most Wal-Mart employees will rely heavily on Social Security — if the privatizers don't kill it. And many Wal-Mart employees already rely on Medicaid to pay for health care, especially for their children.

Indeed, a growing number of working Americans have turned to Medicaid. As the Kaiser Family Foundation points out, that's why children have for the most part retained health coverage, despite a sharp decline in employer-based health insurance since 2000.

Yet our current political leaders are trying to privatize Social Security and reduce benefits. And they are slashing funds for Medicaid even as they give big tax cuts to people like Mr. Lee.

The attack on the safety net is motivated by ideology, not popular demand. The public isn't taken with the vision of an "ownership society"; it seems to want more, not less, social insurance. According to a poll cited in a recent *Business Week* article titled "Safety Net Nation," 67 percent of Americans think we should guarantee health care to all citizens; just 27 percent disagree.

The question is whether the public's desire for a stronger safety net will finally be seconded by corporations that haven't yet adopted the Wal-Mart model of minimal benefits and always low wages.

Last year Richard Wagoner Jr., G.M.'s chief executive, gave a speech about the costs of America's "Kafkaesque" health care system that sounded a lot like my recent columns. And his company has made it clear that it likes Canada's system: in 2002 the president of General Motors of Canada and the head of the Canadian Auto Workers signed a joint letter declaring that "it is vitally important that the publicly funded health care system be preserved and renewed."

But according to The Journal Register News Service, which covered Mr. Wagoner's speech, he "stressed later to reporters that he was not proposing a national health care plan." Why not? □

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