

Market Share Minimum Wage

By Anthony David Vernon

There are no arguments that will be presented here to lower the minimum wage. Minimum wages already do not exist as a living wage, as an example; Oklahoma's minimum wage is 7.25\$ matching the federal minimum wage but, "The 'living wage' for a single individual with no kids in Oklahoma as \$42,141 per year, or \$20.26 per hour" ([Zhu](#)). And while it is much needed to raise the minimum wage in several localities, across the board raises of minimum wage ignore the main culprits of wage suppression, monopolies, near-monopolies, oligopolies, and duopolies.

Companies who own imposing market shares of an industry ought to pay a higher minimum wage than competitors. There should be cost in stifling competition and a moral basis that companies with massive resource accumulation should compensate their workers well. So many companies try to avoid paying workers a fair share, we can use Uber and Walmart as two of many examples.

In Belgium, "a driver for the taxi app Uber approached the Administrative Commission for the Settlement of Labour Relations (CAR) at the Ministry of Social Security, arguing that he was not actually self-employed, but an employee, because Uber determined his terms of employment...CAR ruled that there was a clear relationship of subordination between the driver and Uber and that the man was therefore an employee" ([The Brussels Times with Belga](#)). Should a company who accounts for 76% of the ride share industry in the US ([Andersson](#)) be able to avoid minimum wage payments? Not only that, Uber only has one other competitor, Lyft, should Uber given its dominance not arguably not have to pay employees above the minimum wage given that Uber is hampering growth and industry innovation? Both the raw capitalistic and ethical case work here, there is a series of injustices when a company's market share is too large. To account for this unfairness, justice in the form of higher worker compensation would benefit workers lives and stimulate economic growth by increasing labor's purchasing power. There is a clear industry dominance that Uber holds, but what then when the dominance is not as clear cut?

Walmart has its hand in a lot of buckets: "Walmart's share of the U.S. retail market is 6.04%" ([Capital One Shopping](#)), "Walmart has captured 21.2% of [U.S.] grocery market share" ([Zboraj](#)), they hold 25.7% of the U.S. online grocery market share ([Oberlo](#)), and 6.4% of e-commerce market share in the U.S. ([Statista Research Department](#)). Are these percentages separately or jointly enough to enforce wage hikes on the basis of market share. There is no inherent answer here ethically or objectively, but there are approaches that could lead to economic growth and shrinkage especially given that companies with large market shares hire lots of people. Walmart alone "employs about 1.6 million people in the United States alone" ([Frerick](#)) which comprises about 1% of Americans. This is not to say that hiking up the minimum wage leads to job loss, "positive wage effects, especially in high impact counties, but do not detect adverse effects on employment, weekly hours or annual weeks worked" ([Godoe & Reich](#)). The question instead is on the basis of corporate reinvestment, but sadly a greater percentage of corporate investment goes toward stock buybacks, "Share buybacks jumped 22% to a record \$1.31 trillion in 2022" ([Janus Henderson Group](#)).

The potential benefits of increase minimum wage rates for companies with large market share would allow for a means to combat monopolies in all but name, allow workers to provide for themselves and families more easily while increasing labor consumption rates. We could get into topics here of de-growth which have validity, the main point here is that from myriad angles a market share minimum rate is a sensible policy. We could argue that 25% to 70% market share within an industry should lead to that corporation having to pay out a higher minimum wage, that standard could be anywhere from 0.25\$ an hour to 5\$ and hour, the exactitudes are more economists proper to debate. But why must minimum wage be absolutely standardized, if some companies are overly empowering themselves at the cost of others, there might as well be tools made use of disempower to a fair degree. A lack of radical rethinking about the minimum wage beyond raising or eliminating it has caused us to be all too narrow minded about how the minimum wage could be used as a selective tool.