

Activities/Critical Thinking Questions/Research Suggestions

The Global Economy: Connecting the Roots of a Holistic System

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Chapter 3. The Neoliberal Stew: A Dozen Essential Ingredients

Section 3.1 Introduction

1. Sitting Bull

- What does the quote by Chief Sitting Bull mean to you?
- Who was Sitting Bull?
- Write your own quote that conveys the same meaning as Sitting Bull's?

Section 3.2 The Philosophy of Neoliberalism

1. Economic Philosophy

- Divide the class in half. One half of the class writes a brief biography of former Federal Reserve Chairmen Alan Greenspan and the other on Marriner Eccles. Have each group describe the merits of their particular biographical person's position on how the economy should be run.
- Which Fed Chair's economic philosophy – Alan Greenspan or Marriner Eccles – do you most agree with? Explain.
- If students have a more sophisticated understanding of the two economists, form teams to debate the merits of each particular approach to the economy and their role as Chairmen of the Federal Reserve.

Section 3.3 Ingredient #1: Free Trade

1. Alexander Hamilton

- Research the topic of Hamilton's position on trade at the beginning of this nation?
- What do you think would be his position on trade today?

2. Free Trade and Protectionism

- What policy do you favor, protectionism or free trade?
- What are the benefits and drawbacks of each one?
- Today, who benefits under protectionism? Under free trade?
- Fill out the chart on protectionism and free trade in your on-line resources.
- Why do you think that free trade promoted in the U.S. today?

3. Free Trade

- Free trade theorists claimed that the "rising tide will lift all boats," providing broad economic benefits to all levels of society. What do you think this phrase means?
- Does the evidence bear out the statements claim?
- Some claim that free trade lifts only yachts. Does the evidence bear out this statement's claim?
- Which position do you think appears to have the most evidence to support its claims?

4. NAFTA is a far-reaching free trade agreement. It has brought benefits to some groups (remember our group listings) and has been detrimental to other groups. Organize the class into two sides – the benefits side and detriments side. Have each investigate information to support their particular side. Have a dialogue about their fact-finding mission.

- Does your class or group feel that NAFTA should be overturned?

b. Does your class think that certain provisions should be added to NAFTA to make it different?

5. NAFTA's Chapter 11

The following campaigns track the problems associated with Chapter 11 in the NAFTA agreement:

Public Citizen's campaign against NAFTA <http://www.citizen.org/trade/nafta/>

NAFTA and Mexican Environment

<http://web.petabox.bibalex.org/web/20060521125008/http://developmentgap.org/rmalenvi.html>

Council of Canadians <http://www.canadians.org/> Challenges to Chapter 11 that the Council is tracking

<http://www.canadians.org/campaignblog/?p=3233>

a. Form students into groups of 3-5, have each group select a recent case that is challenging Chapter 11. Report on their findings.

Section 3.4 Ingredient #2: Privatization

1. Privatization

There are many public sector programs that entrepreneurs are targeting for privatization in the U.S. and in other countries such as water, education, Medicare, social-security, parks, the military, prisons, and others.

- Have students individually or in groups research areas of privatization.
- Have students conduct research on different case studies of specific privatization efforts.
- What were the pros and cons of privatization efforts? Who benefitted the most?
- Have students present their research to the rest of the class?

2. Privatization in their Local Community

- Would you support the privatization of your municipal water supply? Why or why not?
- Investigate examples of privatization of public services in your local community or state. What have been the results of the privatization?
- Have you personally benefited from the passage of deregulation laws? Not benefitted? Give examples.

Section 3.5 Ingredient #3: Deregulation

1. Deregulation

- What deregulation laws do you know about?
- Have you personally benefited from the passage of deregulation laws? Not benefitted?

Section 3.6 Ingredient #4: Small Government is Best

1. Government's Role

- What do you think the role of government should be?
- What things should the government not be involved in? Explain each one.

Section 3.7 Ingredient #5: Supply Side Economics

1. Supply Side Economics

- What policy makes more sense to you to end the recession, stimulate demand or supply side? Explain.

Section 3.8 Ingredient #6: Lower Taxes

1. Lower Taxes
 - a. Whose taxes are being lowered? Who benefits from lower taxes? Explain how this is so.
 - b. Explain how labor is picking up the slack in lower tax rates that wealthier individuals and corporations are not paying.

2. Write an editorial piece to the *New York Times* expressing your views on the disparity of wealth.
 - a. How does it compare to the one written by Warren Buffet?
 - b. Why does Buffet have such a significant influence on the general public?

Section 3.9 Ingredient #7: Reduce the Deficit

1. Debt
 - a. Do you think there is a debt problem?
 - b. What do you think is the most sensible way to solve the deficit (debt) problem (if there is one)?

2. Debt chart Since 2000 <http://www.theatlantic.com/politics/archive/2011/07/the-chart-that-should-accompany-all-discussions-of-the-debt-ceiling/242484/>
 - a. What does this chart have to say about our debt?

Section 3.10 Ingredient #8: Markets Know Best

1. Markets
 - a. What do you think of Eastwood's research that finds humans are more cooperative than competitive? Are you surprised by these findings? Explain.
 - b. How is our modern society shaped by the notion that competition among humans is best for society?
 - c. Can you think of ways to make society more cooperative and less competitive. In your opinion would this be good for society?

Section 3.11 Ingredient #9: Support of Corporations and the Financial Sector

1. Corporations and the Financial Sector
 - a. Conduct research to find ways in which government policies favor corporations and the financial sector. What sources are you using for this research? Are these sources biased in any way? Explain.
 - b. Conduct research to find ways in which government policies favor labor (workers). What sources are you using for this research? Are these sources biased in any way? Explain.
 - c. Compare the findings of your research project. What are your conclusions?
 - d. From your research, which group appears to be favored by the government?
 - e. Do you think this is fair?

2. Divide into groups. Do you think this favoritism could be stopped? Explain your position.
 - a. Make a chart of the policies and/or laws that you think could stop government favoritism (if you found any) of particular groups?

Section 3.12 Ingredient #10: Labor and Neoliberalism

1. Neoliberalism and Labor
 - a. What are your thoughts about neoliberals' actions towards labor?
 - b. Have you or your friends been directly affected by neoliberal labor policies? Give examples.
 - c. Have you seen labor changes in the last 30 or so years? Give examples.

2. Interview people who are looking for a job. Suggested questions:
 - a. For older workers: How is this labor market different than past labor markets?
 1. What skills are employers looking for today?
 2. Are they offering a living wage?
 3. What are the job prospects today for a person with your particular skills?
 - b. For younger workers: Has your education and training helped you in the job market?
 - a. What skills are employers looking for today? Do they have the needed skills?
 - c. What other questions can you think of?

Section 3.13 Ingredient #11: Rugged Individualism

1. Rugged Individualism
 - a. Do you think that rugged individualism is a worthwhile value for society to promote?
 - b. What are its benefits? What are its drawbacks?

2. Trace the historical roots of rugged individualism through American history (or the history of your country)?
 - a. Make a visual presentation to show this American tendency to glorify rugged individualism.
 - b. What people in American (or your country's) history exemplify rugged individualism?

Section 3.14 Ingredient #12: Spreading Neoliberalism

1. Spreading Neoliberalism
 - a. What countries has neoliberalism spread to?
 - b. Conduct research of a particular country and examine whether neoliberal policies have benefitted the majority of its people? (hint, South Africa is one example)

Section 3.15 Concluding Insights: The Neoliberal Stew

1. An Assessment of Neoliberalism
 - a. From the short description of neoliberalism presented in this chapter, do you think it has many flaws in its theory and actual workings? What are they?
 - b. Do you think the successes outweigh the flaws? Explain.