1. **Consider the different Modes of Production that have been described in class. Define "Mode of Production" as explained in the lecture. Explain the characteristics that make Capitalism a unique Mode of Production?**

A mode of production, as described by Dennis, is “the political economic social way production is organized by humans” (Dennis, Lecture). There was not a singular mode of production, rather throughout human history there came different ways of structuring and organizing production. As described in the lecture, there were different modes of production: a kin-ordered mode of production is a way to consume and produce through kinship or family relations which can be real or not; an alliance mode of production is organized through political agreements in which multiple groups will be obligated to conform to; a tribute mode of production involves a laborer and a lord or ruling elite, in that production by the laborer is motivated by the right to live under that lord or ruling elite, and that the higher power receives all the benefits (Dennis, Lecture). Other modes of production include mercantilism, in which powerful groups control colonies which are forced to purchase high value manufactured goods from those powerful groups, and capitalism. Capitalism was a unique mode of production, and there are several reasons why.

Capitalism, first off, branched off mercantilism. Dennis quotes Wolf in that “The capitalist mode produced, at one and the same time, a new form of deploying social labor and a change from a mercantile to a capitalist market” (Wolf, 298, as cited by Dennis, Lecture). What capitalism did differently from mercantilism is that capitalism put value on the laborers who manufactured goods or transformed raw materials into something new. Dennis describes how, under capitalism, in exchange for productive activity you have “the expectation of profit by the utilization of opportunities for exchange. Action, which is in the last analysis, oriented to profit from exchange” (Weber, as cited by Dennis, Lecture). The capitalist mode of production had, according to Dennis, “a qualitatively different mode of committing social labor to the transformation of nature” (Wolf, as cited by Dennis, Lecture). What this means is that labor and the way it is organized is of more quality compared to other modes of production. Labor in capitalism was valued and the value assigned to labor was also a factor in the capitalist market almost directly.

Capitalism was a unique mode of production in that it valued social labor and expected profit through exchange. It required labor power, or the capacity to do work, and relied on free human labor power. In other words, it gave individuals the capacity to contribute to a global market through their labor and not necessarily the goods that resulted from the labor.

References

1. Dennis, Evan (2023). Lectures. CCNY.

**2. Explain the main characteristics of the Neoliberal economic system. Identify three specific national or international institutions or Neoliberal policies and explain how they contribute to creating a neoliberal system. Explain why neoliberal policies contribute to globalization.**

In a neoliberal economic system, free trade is important along with the protection of individual’s rights. Essentially it is an extension of liberalism in that it focuses on the individual/private owned properties and its protection from the government. Dennis states how neoliberalism is a type of arrangement that encourages competition and thus a continuously expanding market. He continues about how a neoliberal state would favor “strong individual private property rights,” that “there is a fundamental good of free trade and markets,” and that “private enterprise and entrepreneurship are keys to innovation and wealth creation, creating clear private property by enclosure of public goods so they can be put to the most productive uses” (Dennis, Lecture). The main characteristics of a neoliberal economic system are free trade and markets, individual private property rights, and the existence private enterprise and entrepreneurship which would encourage innovation and more wealth.

There are various national/international institutions and policies that reflect the neoliberalist ideology. An example of this would be the creation of the World Bank and the International Monetary Fund (IMF). According to Dennis, the World Bank “provided loans initially to Europeans countries right after the war to assist with development (and) during the Cold War it provided loans to countries as a political tool to combat Communism,” and the IMF “creates stable national currency exchange rates that contribute to predictability needed for global businesses to flourish” (Dennis, Lecture). These international institutions were foundations of a neoliberal system in that they were motivated by the free market and the reliance developing countries had on the US dollar to pay off their debts. Through these institutions, neoliberal policies could creep their way in through loans and policies. Steger states that “starting in the 1970s, and especially after the fall of the Soviet Union, the economic agenda of the IMF and the World Bank largely supported neoliberal interests to integrate and deregulate markets around the world” (Steger, 2020, p. 59). Naturally, the lending of loans weren’t handouts, rather they required some type of compliance and set of rules to follow – this is where neoliberal ideas and systems could be planted. Steger introduces structural adjustment programs (SAPs), which were “unleashed on developing countries in the 1990s” and is described as a “set of neoliberal policies often referred to as the ‘Washington consensus’ (WC)” (Steger, 2020, p. 59). Through the World Bank and IMF, the policies instated by the WC would force developing countries to implement neoliberal policies. Although labeled as a way for countries in debt to economically grow enough to pay back their loans, it was mostly a political tool to prevent the spread of Communism, a completely different economic ideology.

Neoliberal policies contribute to globalization in that developing countries often depend on more powerful countries in terms of being part of a global economy that is already flourishing. Steger defines globalization by saying it “is about intensifying planetary interconnectivity” (Steger, 2020, p. 17). Neoliberal policies not only value the global free market and individual private property rights, but additionally trade, foreign exchange rates, and direct foreign investment. Through trade and any foreign economic functions, more countries are exposed to others around the world. Furthermore, since neoliberal policies create private properties and companies, these private companies can interact internationally without worrying about regulation from the government. Through these interactions come all types of exposure and sharing to the cultures of different places around the world.

References

1) Dennis, Evan (2023). Lectures. CCNY.

1. Steger, M. B. (2020). *Globalization: A very short introduction* (5th ed.). Oxford University Press.