

Hist 12B Notes

Lecture Notes

9/27 - Week 0

- Individuals and their actions matter because of the big picture structures that are already in place.
- Judges make decisions based on moral and ethical considerations, the context of the case. Judges stand up for what is right and they are not behold to any electorate.
 - What is the criteria for determining who can make those decisions?
- Sometimes, neo-liberal motivations place money and corporate success over human rights.
 - Human needs secondary to corporate ones.
- Definition of neoliberalism
 - Cannot really be easily defined.
 - Characterized by the current political and economic mood, an era marked by inequality.
 - Produces a kind of corporate power.
- People can identify as neoliberals.
 - They wanted to have international economic order, wanted elimination of tariff, open borders, extreme free market principles, free trade.
 - World peace is a necessary for the free movement of capital.
 - Not calling for equality
- Currently, there is a trend toward anti-globalization, but globalization is critical to neo-liberalism I think.
 - There is more nationalism
 - People think nationalism is the opposite of neoliberalism, but it's a little more complicated. It's not really dead yet.
- There may be a disconnect behind the intention behind neoliberal policies and the current neoliberal order that is here.
- Imperialism focuses on the export of commodities and capital because there is too much being created domestically, so it need to go out. But instead, it could have been because
 - More development of international markets
 - International integration of multinational corporations.
 - The US State itself supported export of capital and creation of multinational companies.
- Neoliberals sometimes say state gov. Is not needed and to just let free markets do their thing, but they actually rely on the state, that state just does different things.
- Puerto Rico situation
 - 74 billion dollars in debt owed
 - Disaster based on colonialism and neoliberalism.

- To try to restructure the debt, they had to shut down schools.
- PROMESA was the organization that tried to advise Puerto Rico to restructure and get out of the debt.
 - Financial Control Board was created.
 - Wanted to try to figure out a way to restructure the debt.
 - All members had ties to businesses
 - They had control over local government.
- Biggest problem was the privatization of public assets. Puerto Rico had a company called PREPA which is a power company. It is a publicly owned utility and there was a move toward its privatization.
 - They themselves had a 9 billion dollar debt.
 - They needed to import the oil, and thus had really high electricity rates.
 - Aging infra, power outages, cut wages
 - Revenue from the company went to paying back the debt.
 - Largest publicly owned utility in the US and generates billions in revenue.
- How did Puerto Rico go into this debt?
 - Inhabitants of Puerto Rico are US citizens so they can vote for local gov but not for national?
 - They cannot negotiate trade treaties with other countries, cannot set tariffs, and is US's first free trade zone.
 - PR is subject to US Federal Law.
- PR was used as a place to send materials, get back the assembled product, without any fees or tariffs because PR is in the US.
 - Then, because PR had minimum wages and strong labor movement, then the capital went to other places like Mexico, DR.
- US firms like J and J used PR to give the patents and trademarks and therefore they were shielded all revenue from federal taxes.
 - Avoided paying billions of dollars in taxes because of the loophole.
 - Therefore the PR was the leader in US investment.
- Something happened and then decline in investment and then decline in unemployment and that's what made the economy crash and caused debt levels to grow rapidly.
- General obligation debt must be paid first before other items in the budget.
 - PROMESA ensures that this happens before fixing infrastructure, schools, roads, etc.
- 1/3 of PR revenue goes to the debt.
- Impact on local economy: Healthcare cutback, public sector workers fired, sales tax increase, tax refund delays, no income tax credit.
 - Colonial relationship between PR and US also creates issues where PR citizens don't get the same rights that US citizens do.
- Neoliberalism is a set of economic theories that says free markets, free trade, no regulations, and privatization of everything in social and economic life.
 - Founded on idealized version of market rule, liberal freedom, and competitive individualism.

- This is antithetical to social redistribution and solidarity, which is seen to undermine the free hand of the market.
- This world is unencumbered by anything. This is how it is talked about, but in the real world, there are lots of forms of state intervention in order to support market function and to discipline those who don't follow.
 - If workers revolt, and that goes against corporate interests, then the state needs to step in.
- Neoliberals are not anti-state, but they are anti-regulation. They don't like safety net, no protection for vulnerable. However these are the things that undermine liberty .
 - State is necessary because you need it to make public lands private, provide infra, and a strong military. These are all state functions that are important to the function of the economy.
- Features of neoliberalism
 - Maximize profits by drive down labor costs
 - Outsource
 - Break up labor unions
 - Protect corporate interest by making sure there is a flow of profit
 - Dismantle welfare state
 - Take away the protection for the most vulnerable.
 - Enable forms of free labor. Forms of slavery sometimes re-emerge.
 - Revolutionize monetary policies -> Promote unregulated, free market activity.
 - Financialization
 - Shrink domestic spending and transferring burden of social spending for poor people to the states and cities.
 - Expanding national security
 - Dismantling democratic institutions
 - Don't want popular power
 - Want to avoid collective bargaining, voting rights, etc
 - Democracy can be a thorn in the neoliberalism, because there could be the development of regulation

10/2 - Week 1 (Life and Death Video)

- People feel rich when they exchange US dollars for Jamaican dollars
 - The value of that Jamaican money has been devalued a lot.
- Jamaica was once ruled by a queen, under British control, but not anymore.
- The country has been Westernized quite a bit
- Jamaica was beginning to unravel because they had to cut spending on healthcare and education.
- No new hospitals had been built in a while.
- Jamaica was really reliant on imported food, and so because their money was devalued, then the debt problem just continued to grow and grow.

- They don't have a way to process sewage.
- The imported food at the grocery stores are actually cheaper than the local food.
- One of Jamaica's exports is bananas and they get exported to the UK.
- The free zones give people in Jamaica a chance to escape the local rules and income tax because the goods don't touch the ground or something.
- Jamaican workers lost out to Chinese workers who came in, who were apparently cheaper labor.

10/4 - Week 1

- Notes in notebook

10/9 - Week 2

- John Stuart Mill says that smaller government is better in the book *On Liberty*.
 - He also defended British imperialism by arguing that there is a distinction between civilized and barbarous people.
 - He says that despotism is necessary to improve their conditions.
 - He would advocate for slavery for the uncivilized people as a transition state. Those people need to be conquered and made slaves of in order for the industrial life to prosper.
 - He said that these people weren't ready for liberty. Slavery is like a school.
 - This is one of the viewpoints of one of the most important thinkers on liberty.
- Classical liberals believed in free trade and free labor (labor from freeman, not slavery)
 - Wages and prices will be determined by the invisible hand of the market.
- After emancipation of the slaves, there was a need for labor. In Britain, they got the labor from other continents. Indians and Chinese immigrated and this labor was pretty much a form of unfree labor.
 - Contract labor is one of those forms where you have a wage but you're tied into that contract while you're in it.
- Unfree labor, even in a free labor system, still prevails after emancipation.
- The thing that helps American capitalism is that America has technology, working class is paid well, there is a labor shortage, there is a lot of land
 - Slavery was fundamental to America's industrial growth and allows it to emerge as a powerful capitalist force.
 - Railroads and steamboats transformed the economy and contributed a lot to growth.
- Cotton in particular was foundational to the growth of US capitalism.
- Southern plantations were agri-businesses. They were producing huge amounts of wealth and were more efficient than Northern farms.
 - But after slavery goes away, those millionaire planters lost a lot of their wealth because their money was invested in other people.
- There was a huge amount of inequality in the 1890s.

- In part because there was an economic boom for weapons manufacturers, rebuilding war torn areas, etc for some people.
- There were also a lot of technological advances in steel production and shipping which helped the flow of capital.
- Then, westward expansion created industrial mining and there was a wealth of natural resources. The railroad was moving people and goods and raw materials.
- This trend made for large scale industrial farms that were able to ship products, have lots of capital, etc to succeed. The world market allows the larger farms to thrive, and dispossession of small farmers.
- Government used to give land to railroad companies.
 - They played a role in capital accumulation and led to agribusiness becoming the economic force.
 - Gov played a role in shifting the playing field toward those big players.
- Other factors that were around during the Gilded Age - Inequality
 - State - Fed gov created conditions for capital accumulation. They maintain currency, they maintain national debt, they impose tariffs to protect American firms from global competition, The most important role was that they transferred the public lands and natural resources to private firms (the railroad land is a perfect example). There is commercial exploitation of this public land. It also involved removing people that were on the land already.
 - Courts - Supreme Court reversed decisions that allowed state legislatures to regulate business (aka told state to stay out of the way of corporations). They said these original regulations were violating capital's rights, specifically that corporations are people and they have the right to reap profits and make money. They also promoted pro-business justices to the court.
 - Cheap labor from child labor and immigrants
 - Monopoly
- Growth of problems in the working class, the inequality is what renewed debates over the nature of democracy, power, and the role of gov in trying to fix it.
 - Liberty and freedom and democracy cannot be there if we have all this inequality and exploitation.
- Problem of inequality
 - The industrialists argued that the wealth inequality was inevitable and that it is evidence of progress.
 - There were also evolutionary theories like Social Darwinism says that poor people lacked character and work ethic and good characteristics and as long as they are not hindered they can fight this.
- Some people said that the role of government was not to be responsible for helping the poor.

10/11 - Week 2

- Summary of neoliberals so far

- Protect free flow of capital over power of states
 - Capital rights were put over the rights of the states.
- Don't believe in national sovereignty over movement of capital.
- Democracy was threat to rights of capital
- Domain of the economy, property should be governed by free trade, not by governments.
- Wanted to encase markets from regulations
- Capitalists do not equal neoliberals
 - Some capitalists are neoliberals, some aren't.
- Social Darwinists had certain views on who was civilized and who wasn't, and thus they believed only a certain population should vote.
 - Class, cultural attributes, ethnicity makes people unfit to vote.
 - They said that immigrants were seditious, trying to overthrow the government.
- Expansion of democracy is the 1860s, 1870s because that's when black folks could vote. Same for women in 1890s.
 - Even though they got the right, there was still disfranchisement in the form of poll taxes and literacy requirements and property requirements and no vote if you were receiving public aid, etc.
- Social democracy is the movement for an expansive welfare state that protects workers and curbs the excess of capitalism through regulation. This was a response to elites trying to disenfranchise the lower class people.
 - Neoliberals hated this ideology.
- Progressivism was a bit different, was middle class movement, was response to the crisis of class conflict, inequality, and urbanization.
 - Believes that government is a protector of individual freedom and expression of the will of the people.
 - Want an efficient bureaucracy and gov more responsive to citizens.
 - Initiatives, for example, help with this because it allows citizens to introduce legislative proposals.
 - Referendum allows voters to pass judgement on proposed legislation.
 - Recall for special elections.
 - Direct primaries that allow people to vote in primaries rather than leaving nominations up to party leaders.
- Fordism was the introduction of the assembly time, creation of cheaper commodities, one person's job is only one step in the process, deskills labor, and more profits, workers have some power in that capital has so much dependence on labor.
- In the 1910s, government created administrations to control essential industries like Railroads, Food, and Fuel. These would set regulations but would also help.
 - Neoliberals don't like this because of the gov. involvement, but some capitalists liked this.
- Progressivism is not social democracy, and was on the other hand, helpful to businesses because the goal was efficiency and wanted to manage conflict with workers and capital.
- Neoliberals are utopian to the division of state and capitalism.

- Causes of Great Depression
 - Lack of economic diversification
 - Overproduction of goods when people can't afford to buy.
 - Corporations invested profits in more factories, equipment, etc
 - Credit structure in that small banks were defaulting, big banks investing recklessly
 - European economies are weak, and a lot of those nations defaulted, which ended up being more important than the stock crash domestically,

10/16 - Week 3

- The first neoliberals didn't believe in the myth of the self-regulating market. They called for strong institutions at the global level to protect private capital rights. They wanted huge global powers (above nations) to override any sort of national legislation that might disrupt the rights of the flow of capital. They want some worldly global body to oversee that that free trade will always be there.
- Militant globalists were those that proposed rules and safeguards to prevent nations from transgressing their commitments to the world economic order.
- There were 4 ruptures
 - First World War
 - Great Depression
 - Embrace of planning and the social democratic character of postwar settlement
 - Revolt of the Global South
- First World War:
 - There was the collapse of 3 empires, Ottoman and two others. New nations emerged. French and British take over the Ottoman territory.
 - As a result of the war, neoliberals feared:
 - The spread of democracy, which would give the masses of people a voice (through the vote) over the economic policy. They feared people wanting a welfare state, which would be viewed as undermining the global economy and as government getting too involved. Neoliberals didn't want people to have that power to affect the economy.
 - They also feared that self-determination was misunderstood to mean self-sufficiency and staying separate from others economically. Neoliberals wanted to make sure that all nations are interdependent and that economies should be put ahead of national sovereignty. Treat nations as interdependent instead of sovereign.
 - They also feared socialist revolutions that threatened property rights and the end of capitalism. Socialists are against capitalism, while neoliberals are all in on global capitalism.
 - Two economic institutions are created that could be the super-national structures that maintain the free flow of capital.

- International Chamber of Commerce (ICC) - Promote policies that limit national power over free trade. Proposed lower wages, cutting corporate taxes, and state repression of labor unions.
 - Neoliberals thought that democracy's role was to maintain peace and stability and they were cool with that role. However, they also believed that if it cannot achieve those two goals, then it should be dismantled.
 - There were cases of where nations had democracies, but the people in power used national emergencies and suspension of democracy to undo it.
- The Great Depression
 - Neoliberals hate the New Deal and other forms of planning that emerged as a result of the Great Depression.
 - The objectives of the New Deal were to stabilize financial institutions (Emergency Banking Act - Gov can inspect financial health of banks and Glass-Steagall Banking Act - Separated commercial and investment banks)
 - Neoliberals hate Emergency Banking Act because they want private capital to stay private and keep the gov out of the books.
 - The New Deal also wanted to provide relief and create jobs through public work programs, direct relief, and the civilian conservation corps (CCC).
 - It also wanted to assist homeowners and farmers by creating the FHA (Federal Housing Administration) and raising farm prices through subsidies.
 - It also regulated economy and strengthened organized labor.
 - The New Deal was partly to make sure to help people and there was welfare, but the main goal was to keep capitalism going.
 - Long term impact of the New Deal was that workers rights are strengthened, increased regulatory functions of government, and created the modern welfare state.
- There are some people who believed that we should protect and preserve the market, but Walter Lippmann also supported measures associated with a welfare states: eugenics, public education, and urban recreation facilities. These taxes would be paid for by taxes on the wealthy. Many neoliberals didn't believe in the welfare part, but with other components.
- Neoliberal War on Planning
 - Neoliberals felt that government doesn't have the knowledge to make decisions on the economy. Don't make policy to predict economy, just allow for the economy to work.
 - The economic collapse shown with the Great Depression convinced neoliberals to be more committed to a form of world government to protect the global economy.
 - Neoliberals also opposed barriers to trade, health and safety standards, and production quotas.
 - The challenge for neoliberals was figuring out how to fit the reality of nationalism with the ongoing requirement of a supranational economic order.
- Hayek's book

- State's role is to guarantee negative freedom
- Inequality is a given. Trying to redistribute can cause problems.
- Creating equality is morally debilitating and thus we shouldn't do it.
- Postwar Settlement
 - Keynesianism gave government tools to managed crises of capital: Pumping money into the economy, government intervention through deficit spending, and boosting consumption or private investment through tax cuts.
 - The main concern of economic planners during this period was full employment (idea that to get the economy working is to get money/wages into people's hands).
 - Bretton Woods System
 - IMF was created to monitor currency exchange rates and prevent currency trade wars.
 - Created the World Bank which provided financial assistance for postwar reconstruction and economic development of Global South.
 - U.S Dollar became main international currency for global trade. Treasury was in charge on keeping the price of gold fixed and had to adjust supply of dollar to maintain confidence in that conversion.

10/18 - Week 3

- Defeat International Trade Organization
- Est. in Havana Charter (1948) to set basic rules for international trade, but Global South countries wanted to deviate from free trade orthodoxy (e.g. pursue full employment)
 - Purpose: set up by the U.S.
 - Encourage international competition
 - Basic version of what became WTO
 - Participation of the ITO came from the 1 person, 1 vote structure?
 - Unlike IMF, ITO was organized by a free enterprise advocate
- Michael Heilperin derided ITO framework granting smaller nations to determine their own trade policy; argued for stronger limits on national governments and a stronger ITO empowered to override national sovereignty.
 - Override decisions of small nations
 - Congress did not support the ITO
- "International Convention for the Mutual Protection of Private Property Rights in Foreign Countries" (1957) the so-called "Capitalist Magna Carta" - drafted by Hermann Josef Abs, head of Deutsche Bank. Required signatory nations to refrain from "direct or indirect illegal interference" with "foreign capital"
 - Neoliberalists develop legal framework that est. capital mobility as human rights
 - Fear: investors can't commit (Tariff wall)
 - Nationalizing industry, and natural resources: oil, mineral wealth, etc.
 - 1952: est. right of people's to control their own natural/national resources
 - 1957: "IC for the MP of PR in FC": capitalist Magna Carta

- Hermann Josef Abs: Nazi that was a founder of ICC?
 - Anyone who signs on this document = any expropriation was deemed illegal

Neoliberals and decolonization

- Promoted decolonization without the “destructive” economic nationalism
 - Devastation cost and speed of people after the war
 - Downfall of these euro empires
 - Colonies already had lots of foreigners that pushed for labor intensive society
 - End of formal colonialism, those individuals don’t want their access to cheap labor denied
- National sovereignty must be limited: economic domain can never be subject to democratic rule; Ropke suggest forms of authoritarian government may be necessary- to counteract the degeneration of economic policy produced by mass democracy
 - Democratic structures cannot be employed when it came to economic policy
 - We need to consider how authoritarian forms of rule affect this as well
 - *sustain capital mobility

A Bandung World

- Postwar moment: Chinese REvolution, Cuban Revolution, Decolonization, Eurocommunism, struggle for peace and a welfare states
 - Not just recolonizations but revolutions taking place
 - Chinese Revolution: Largest/2nd largest? communist/socialist movement
 - Challenged basic principles of free trade
- Working people looked to transform the very state (developed under fascism and colonial domination) into tool for redistribution, justice, worker power, but against militarism
 - Working class orgs in the decolonized nations and global north, through democratic means, began to conceive transforming the very state developed under fascism,
 - Transformed them into tools for justice
- Instead, persistence of extractive industries, suppression of trade unions and democracy in the name of global market integration and free trade.
 - All these things, produced the conditions of debt
 - Trying to use the state to redistribute wealth to equalize things among people
 - UN Model never said that the wealth that these imperialist nations made from other countries would be restored to those colonies
 - India ain't getting their money back from the Brits

Cold War and Globalization

- After WWII, the US emerges as the preeminent global power; seeks investments, raw materials, new markets, cheap, disciplined labor force
- U.S. and corporate interest face 3 obstacles
 - 1. Communism
 - After cold war, there is ideological and MATERIAL war

- 2. Non-Aligned Movement
 - Set out rebuild their economies on social democratic or socialist lines
 - Resisted transnational corporations and US domination
 - Various efforts to liberalize their economies, etc
- 3. Militant and organized working class
 - As a consequence, what the US ends up doing is using its military to make adjustments around the world
 - Directly/ indirectly: assassinations, covert ops, etc

Us Interventions (Covert and Overt) 1953-1966

- Iran, 1953 - overthrow of Mohammad Mosaddegh
- Guatemala 1954
- Vietnam War and other wars Southeast Asia
- Congo- assassination of Patrice Lumumba 1961
- Etc etc etc

Guatemala 1954 - Overthrow of President Juan Jacobo Arbenz Guzman

- Elected in 1960
- Liberal reformist govt.
- Campaigned against racism
- Supported liberated freedom of the oppressed
- Decree 900- nationalized idle land for redistribution of peasantry, included land owned by United Fruit Company
 - Owned most banks, railroads, many acres of farmland
 - And made 80% of farmlands unused to keep prices high
- Arbenz govt. Offered UF compensation of \$1,185,000 in govt bonds, but company insisted on \$16 million
- June 1954, Arbenz govt. Overthrown, replaced by a military junta
 - Guatemala had a lot of radical orgs, even the militant group that led the revolution in Cuba
 - An example of 1 sovereign nation intervening in another because of infringement of property rights
 - Resulted in refugees

War, Welfare, Crisis and REbellions

Defining the Social Wage

- Gov. expenditure and tax measure to provide basic needs for all
 - Welfare payments, social security, tax benefits
 - Income replacements for those unable to work
 - Money income supplements to support children & elderly
 - Money, vouchers or subsidies for low income families/ individuals tied to basic needs
 - Provision of free subsidized healthcare and education
 - Not just geared to poor people, but all people
 - Govt investments toward creating a decent life for all
 - Like parks

- Clean streets
- Social wage in the US was built into the est ideology of individuals
 - Social investment by the people
 - Not just taxing rich people and redistributing
 - Contributory: governed by contract
 - Wage is not just individual or collective, but a family wage
- Anti- poverty programs
 - “[We have no future in a society in which 6 million black and white people are unemployed and millions more live in poverty. Nor is the goal of our civil rights revolution merely the passage of civil rights legislation. Yes, we want all public accommodations open to all citizens, but those accommodations will mean little to those who cannot afford to use them...”

Retreat from Economic Justice?

- Big 4 Civil Rights orgs threw their energies behind Civil Rights and Voting Rights bills
- Labor movement betrayed the coalition’s racial justice agenda
- A. Philip Randolph and other leaders excluded black women’s organizations from playing any significant role in the movement
 - Committed to linking labor to racial equity

10/30 - Week 5

- Poor People’s anti poverty plan include full employment, guaranteed annual income, raising kids should be compensated, and no U.S wars abroad.
- US anti poverty policies came out of imperatives that extended aid to 3rd world countries and solve the problem of poverty abroad, and then use that approach domestically.
 - Regions in the US where there was a lot of poverty were treated as foreign countries.
- US justified poverty by associated poverty with not embracing capitalist values and with foreignness.
- War on poverty failed because:
 - The government focused on job training rather than creating new, living wage jobs.
 - No tax increases to pay for programs
 - High cost of fighting war in Vietnam.
 - Focused on only people below the poverty line rather than reducing income inequality as a whole.
 - Said that poverty was because of culture and behavior rather than political and economic forces.
- First World Shock Waves: Monetarism and Neoliberal Breakthrough
 - Monetarism was a theory that focused on the macroeconomics effects of money supply.

- Friedman opposed Bretton Woods, wanted monetary policy that maintained price stability and wanted tight policy to keep inflation under control.
- In 1970s, there was not a battle between neoliberalism and keynesianism.
- The Vietnam War spent 9.5% of the GDP, and not spending that money on poverty.
- Nixon tried to curb inflation by wage and price freezes and raised interest rates and shrinks the money supply, which slows the economy and still increases inflation.
- Then in 1971, US abandoned the gold standard which caused a recession. This caused businesses to cut back and lay off workers which reduced tax revenues at a time where social assistance spending was increasing.
- With the gold standard abandoned, the stability of the dollar goes down and leads to investors to bet on assets.
- Prices rose faster than wages which negatively impacted the working class.
 - Wages are stagnant as cost of living increases.
- Unemployment doubled to 8.3% and rose to almost 10% in 1982.
 - Does not take into consideration the people who stopped looking for jobs.
- Workers then took part in strikes, and neoliberals saw labor as a problem and tried to weaken unions and encourage capital flight, which means that industries move and shutdown and scale back operations.
- Carter and Ford reduced taxes, cut spending, and backed austerity measures to pull country out of recession.
- Neoliberalism is not Democratic or Republican strategies. Beginning with Nixon, they all have adopted neoliberal policies.
- Under Carter, Congress cut a bunch of funding to social welfare programs. He also reduced taxes on the wealthy.
- Paul Volcker attacked inflation by severely contracting the money supply and raising interest rates from 10% to 20%. It put global economy into longer recession, but it **stopped inflation**, kept people from borrowing money, and this decreased the amount of consumer spending, and unemployment went to 11%, which they were okay with.
- Green Revolution was strategy for agricultural development to increase crop yields. Refers to industrialization of agriculture for export.
 - Replace crops with only a certain one with high yields.
 - Solution to produce more for market without addressing inequality and unequal distribution.
 - Consequences were that this destroyed sustainable and self sufficient local agriculture, in favor of industrial agriculture. There was also unemployment and displacement due to mechanization. The revolution also favored the wealthy farmers who could afford to industrialize. It also led to increased use of chemicals and had impact on the environment. Crop choices were made based on international market needs as opposed to national US food needs.
- New International Economic Order (NIEO) is a document that wanted to remake the world economy and make transnational integration of the developing nations proceed on a just basis.

- Global economic crisis was during this time, 1974.
 - Arab members of OPEC launch oil embargo. Boycott ends and the OPEC raise prices.
- Economic vision of NIEO
 - Something

11/1 - Week 5

- Climate change can't be separated from neoliberal policies.
- Adjustment to the definition of neoliberalism: Specifically privatization of public assets, austerity, as actual laws and policies.
- Mexico has a social democratic revolution
 - Planning was very important
 - 1917 Constitution created a labor code, guaranteed worker right to strike -> organized labor -> higher wages -> more consumption -> better market, said that owner of all lands/waters was the nation. Nation could take what it needs. Right to expropriate foreign ownership of these rights.
 - State gave cheap credit for small landowners and protected people from mortgages and foreclosures.
- Afterwards, there was an introduction of US free trade policies.
 - Border Industrialization Program was responsible for raw materials and components imported into Mexico duty free and processed and assembled by Mexican labor (non-union labor that doesn't have the same protections) and then exported to markets in developed countries.
 - Way for corporations to take advantage of cheap labor. There was also a lack of regulation which enticed companies.
 - The effects were that it did create jobs and increased trade, but the wages dropped significantly.
- Social movements forced greater public spending in education, infrastructure, and social welfare.
- Mexican foreign debt rose from 3.2 billion to 32 billion in 10 years at the end of the 1970s.
 - Thus, IMF imposed austerity, devalued the peso, and forced Mexico to increase exports.
 - The result was that the revenues dropped and the debt rose to 81 billion dollars in 1982. There were layoffs, wage cuts, and fuel prices doubling.
- There was an increased budget for the Border Patrol and expanded construction of fences and deployed more helicopters.
 - This is in response to changes in a global economy.
- Reagan followed up on this and increased funding and continuing spreading the word that Mexican immigrants are dangerous and are taking our jobs.
- In 1993, Clinton signs NAFTA. Goal of NAFTA was to eliminate barrier to trade between US, Mexico, and Canada. Allowed for greater foreign investment. It allowed US

manufacturers to relocate to Mexico and lowered wages and generated trade deficit with Mexico of 97 billion dollars. Mexico lost 1.3 million farm jobs. Mexico also had to use chemical fertilizers which impacted the environment and climate change.

- Environment affects
 - Lots of climate change in different parts of Mexico
 - Crop yields decline and fishing affected by the warming water.
 - Hotel construction, commercial plantations discharge waste, and decline of mangrove forests.
- There was a resistance against NAFTA with the Zapatista army. They say that neoliberalism is a crime because it concentrates wealth for the few and democratizes misery. There is a new and wrong distribution of wealth and misery.

11/6 - Week 6

- (Michael Foucault) Neoliberal Governmentality was revolved around a self regulating free market where the government did not pursue public good by enhancing civil society and civil justice.
 - Government workers no longer public servants that protect public good, but rather they are self interested protectors of the market.
- Neoliberal reason is based on the idea that market principles should govern all aspects of life and that everything should be privatized.
 - Isn't that consistent with the early theories of capitalism though. Adam Smith said that market shouldn't impact all aspects of social life (caring for other people, protecting society). These are things that shouldn't be impacted by market principles.
- NR is also based on state being geared toward interest of capital, not labor. In order to get through, we have to eliminate the idea of labor as a group and eliminate the solidarity. NR says to emphasize the individual and reduce people to human capital.
- NR also says that firms are individuals and that world has little capitals and big capitals and that we should eliminate all forms of public ownership.
- NR also says that state support (as described by old Keynesian order) isn't just the wrong kind of economy but also produces the wrong kind of culture. Free enterprise, on the other hand, makes us moral and responsible because individual takes a personal responsibility and doesn't become drain on society.
 - So sense of society as a collective, everyone is just individual entrepreneurs.
- NR says that all domains including politics should be markets. We're just an aggregate of economic actors that vote in our individual self interest rather than being a collective.
- Consequences of NR on democracy
 - NR devalues political autonomy and we make choices based on individual needs rather than social and collective needs.
 - Voting becomes a consumer good where NR turns political and social problems into individual problems with market solutions.

- Buy bottled water when your tap water is contaminated, rather than actually fix the problem.
 - Emit more carbon for corporations if you're able to pay the permits.
- Becoming the consumer citizens as evidenced by the above makes us more vulnerable to more governance and authority.
- NR wants to strip power from any say on how the economy should be run.
- Spheres of life that are traditionally non-economic (schools) become economic in nature.
- Education - Seeing children as human capital
 - Emphasis on productivity, STEM, and the job market
 - Under Global Agreement on Trade in Services, all aspects of education and services are subject of global trade.
 - Critical thinking replaced by performance and test measures.
 - Education is no longer a public good and is a private good and investment to children's future value.

11/8 - Week 6

- Japan garment industry reconstructed during U.S occupation in World War 2.
- Great foreign direct investment in pacific rim countries and so US wanted to enter that market. They also wanted to stop those countries from turning to Communism.
- MFA in 1974 put caps on imports of cheap apparel from Global South.
- Caribbean Basin Initiative in 1984 was something that prevented US from extending trade preferences to countries it deemed opposed to its interests.
 - This was a political strategy
 - Provided direct federal aid to other countries willing to support free trade zones. "We'll pay you if you engage with us in capitalism"
 - As a result, those economies had to be structurally readjusted to develop non-traditional exports.
- Liberalization intensified international competition reducing prices and labor costs.
- Both high end fashion and large retail chains turn to cheap labor with new markets in other countries opening up.
- Subcontracting and paying other companies to manage the manufacturing allows you to focus more on brand management and marketing.
- Wages were extremely low and things like CAFTA didn't do anything to enforce labor rights.
- The 4 biggest exporters of garments are China, India, Vietnam, and Bangladesh.
- There was massive displacement of rural populations (moving to cities), and they become available for global exploitation for export businesses.
- For China, the government realized market was a way of organizing economic life (very similar to the US). Land became privatized, state enterprises sold off, social services eliminated, and worker's right to strike was abolished.
- Special Economic Zones created for foreign multinational corporations.

- As China had more and more foreign direct investment, wages declined a lot.
- Are sweatshops (and by effect the new global labor regime) emancipatory for women? Women in these export processing zones were a large portion of the workforce. They were subjected to a lot of abuse and repressions.
- People say that while sweatshops are still terrible, it is significantly better for people in abject poverty.
 - There is an assumption that there is a choice for people to go into sweatshop labor. But the truth is that there are circumstances that force them to go into this work.
- Some also say that people should buy more from sweatshops since it provides work for people in poor countries.

11/13 - Week 7

- Financialization is the tendency to make profit through financial channels like interest, dividends, etc rather than actual productive activities.
 - Finance didn't become uncoupled from production, but rather the balance between the activities shifts toward finance.
 - The reasons for this shift include weakened unions, more exploitation, and increased foreign investment. This boosted the rate of profit and economic growth, but deepened inequality.
- There were times of collapse in the Asian crisis in 1997 and the dotcom crash, but they climbed out of these and economy continued to grow because they extended credit and increased consumption.
 - Wages remained stagnant during this time. Typical worker wages increase by 10.9% while that of executives increased by 997%.
 - CEOs make over 300 times what workers earn today.
- Sometimes executives will make finance decisions that oppose production.
 - Hedging bets for company to lose
- Reaganomics refers to supply side economics which has tax cuts and deregulation that would stimulate business and reduce the size of the government.
 - If you can cut taxes and deregulate, it would stimulate business and reduce gov revenues which reduces the size of the gov.
 - The tax cuts allowed industry and capital to move to the sunbelt states.
 - Corporate tax rates and the top personal rates were reduced.
- The overall Reaganomics created new federalism
 - Enterprise zones in urban areas, social programs go from federal to state, block grants gave states more discretion, and cuts in education, healthcare, and social services because less taxes.
 - One big cut was closing down the Neighborhood Self Help and Planning Assistance program which was originally to help inner cities.
 - This is basically the withdrawal of the federal government and the social wage.

- Tax cuts as well as increases in military spending, there was a lot of deficit spending and the national debt increased.
 - US goes from the largest creditor nation to the largest debtor nation. But it's also the most powerful economy in the world.
 - Gov opted to spend more on military rather than other stuff like education and housing.
- The Third Way is the new definition of social democracy. The commitment to social solidarity and there was some social safety net but also was beneficial to market oriented entrepreneurship.
 - Clinton wanted more globalization. If you can have commercially dependent countries, then you can avoid war.
 - Under him, the budget deficits declined, interest rates fell which stimulates the economy and gets more international investment.
 - Consumption rose for computers, automobiles, real estate, etc.
 - Clinton's tax cuts were aimed at offering tax reliefs to everyone (rather than Reagan who just decreased it for the wealthy) which allowed middle class and businesses to invest more. This was a middle ground between financial well being and service to society.
- The Roaring 90s
 - Treasury and Federal Reserve are more active in changing rules to help global markets to flourish.
 - There were a lot of economic crises that integrated Global South in the financialized global economy.
- Securitization was the act of taking a debt and packaging it as a security that can be purchased by other people.
 - That debt is valuable because another party is paying money to it. You get a stream of regular payments and they are seen as safe as long as the debtor did not default.
 - The person you sells the debt (mostly the bank) is released from the debt now and encourages them to make more loans and then sell them as securities. This makes it a lot easier to get a loan from consumer's POV, and then they increase consumption.
 - One of the side effects is the greater flow to emerging markets like Latin America and Asia, which deteriorated the position of labor and also made those markets intertwined with the status of the US, which hurt those economies in 2007.
 - Another side effect was that household consumer debt is larger than federal, state government debts combined.

11/20 - Week 8 (Stephanie)

Marketizing/Privatizing War

- Post 9/11, decade of war cost US nearly \$4 trillion dollars
- Paul Bremer, head of the Coalition Provisional Authority (CPA) in Iraq

- War on Terror resulted in the largest transfer of wealth from public to private hands in U.S. history
 - War is the greatest distributor of wealth, not taxation

Second Gulf War and Bush Doctrine

- 1998: Project for a NEw american Century call for overthrow of Saddam Hussein in defense of Israel. Signatories: Elliot Abrams, Donald Rumsfeld, Paul Wolfowitz, Richard Perle, William Kristol, Richard Armitage and John Bolton.
 - Clinton wasn't interested in Hussein
 - Homeland Security was est before 9/11,
 - 9/11 became the pretext for overthrowing Hussein
- Bush Doctrine: U.S. will use military and economic power to encourage "free and open societies", even if it means
 - Regime change
 - Acting unilaterally
 - Preemptive war: wage a war to stop a war
- Under the Bush doctrine, the US begins to withdraw from global cooperation

Regime Change and Consequences: Neoliberal REconstruction

- Iraq was not just a regime change
- Was an imposition of implementing neoliberal policies
- Paul Bremer - Head of the Coalition Provisional Authority in Iraq, ordered:
 - Privatizing public enterprises
 - Full ownership rights of foreign firms
 - Complete repatriation of foreign profits
 - Opening of Iraq's banks to foreign control
 - Elimination of nearly all trade barriers
 - Strikes forbidden; unionization restricted
 - Regressive flat tax imposed (highest rate not to exceed 15%) Hurt the poor

Winners...

- Five U.S. companies invited to bid for contracts to reconstruct Iraq: Halliburton the Bechtel Group, Fluor Corp, Parsons Corp, and the Louis Berger Group
- Halliburton awarded contract to put out oil-field fires. Cheney, former CEO, received up to one million dollars a year of deferred compensation
- Kellogg, Brown and root (KBR), a subsidiary of Halliburton, received \$33 million to build the detention camps at Guantanamo Bay
- General Atomics Aeronautical Systems (Neal and Linden Blue) received gov contract for \$110 million for drones in 2001, up to \$1.8 billion in 2012.
- State Department awarded Blackwater over \$1.3 billion for security operations around the globe (founded by Eric Prince)
- CACI International (Consolidated Analysis Center Incorporated) oversaw Abu Graib prison. Exec chairman, J. Phillip London, made billions. After scandal, revenue increased from \$2.4 billion in 2008 to \$3.7 billion in 2012

Losers....

- Civil War erupted between Shiites, Sunnis, Baathists, Kurds, and US forces face significant resistance
- Guantanamo detainees and others tortured at Abu Graib prison
 - The 1949 Geneva Conventions against torture
 - Over 5,000 US military personnel and contractors killed between 2003-2018
 - Estimates of Iraqi casualties (range from 268,000 to over half a million) Total War on Terror: 1.2 million
- War cost US taxpayers- federal costs since 2001 \$5.9 trillion
- But 2053, interest alone on the war debt will reach \$7.9 trillion

New Orleans-Neoliberal Deluge

- Hurricane Katrina
- Don't see them as political but as victims or as lazy-> blame for their own tragedy/poverty

- Mississippi Flood of 1927 - "Yazoo Plan"
- Forced Labor - reconstruction, rebuilding levees and clean up - w/o pay
- Poster Circulating in Mississippi: "Refugee labor is free to all white men"

People's Hurricane Relief Fund and Oversight Coalition and Community Labor United

- The right of displaced people to return
- Decent wages and union protections
 - Didn't want to work for slave/union wages
 - A lot of labor was done by undocumented workers
- Immigrant rights
- Massive federal and state investments in protecting wetlands and shoring up levees,
- *A democratic process that gives the people the power to decide how to spend relief funds*

Context of Catastrophe - Racial capitalism pre-Katrina

- African Americans made up 67% of NOLA pre-Katrina; Black population today est. 58% very high rates of poverty
 - Led to the displacement of many individuals
- Black and Indigenous residents subjected to environmental hazards: "cancer alley" - 125 oil and chemical plants between New Orleans and Baton Rouge
- New Orleans and the state of Louisiana - rapid prison expansion (72% of the state's prison population is Black)
 - Belief that black population couldn't contribute to the reconstruction of society
- Mayor Ray Nagin's Bring New Orleans Black Commission (BNOB), emphasized redeveloping wealthier, and generally whiter areas on higher ground, and making the city more amenable to corporate investments.

Corporate Handouts

- Kellogg, Brown and Root services receives half billion dollar contract - subsidiary of Halliburton
- Bechtel, Shaw Group, Ashbritt, and Fluor
- Carnival Cruise lines, Landstar Express America, and CH2M Hill....

Too Little, Too Late?

- House Passed a Bill to provide \$19.1 billion for cleanup and rebuilding of the gulf coast in the wake of Hurricanes Katrina and Rita. H.R. 4939
- Republicans killed amendment providing \$430 million to fortify levees in new orleans to withstand a category 3 Hurricane
- Rejected an Amendment that would have barred FEMA from evicting residents from temporary housing

Privatizing public Education

- Nearly 8,500 teachers and staff were fired; federal funds allocated for public schools was miniscule
- Tried to break the United Teachers of New Orleans (UNTO)
- Used Teach for America, mostly white, recent college grads, to replace union teachers. In 2007, TFA supplied 112 teachers; 2008 - 250; 2009 - 500
- Bush administration pumped 4.8 million to fund private and charter schools

The World is Flint

Emergency Managers: Assault on Democracy

- Mivhihsn Publiv - SVyi 4(2011), granted powers to unelected managers to fire elected officials, abrogate labor contracts

Decline

- Outsourcing GM production to US South and Global South - incentivized by free trade policies, cheaper labor fewer regulations.
- Flint offers tax cuts and other incentives to keep GM but outsourcing continues. Challenged by competition from Japan and Germany, Black labor militancy, and economic crisis of 1970s
- Between 1979 - 2010, Flint loses 87.5 percent of its manufacturing jobs
- GM turns to finance: insurance, banking services, mortgages, home equity loans

Domino Effect: Deepening Flint's Crisis

- Predatory lending and collapse of housing market devastated economy
- Lost tax revenue deepened city's debt. Flint leaders turned to neoliberal policies of privatizing public assets in order to attract investment capital, selling goods, lands, raising voter rights and privatizing water
- Downtown redevelopment schemes backed by public funds and more tax breaks

11/27 - Week 9

- In the 2008 financial disaster, some banks and firms were bailed out but it was still a disaster for homeowners and citizens.
- US workers are not making a whole lot of money, many are below 50k, and most fast food and retail manufacturing workers depend on some form of public assistance.
- People used to believe that machines and automation was going to make the workday shorter. Productivity has gone up, but the wages have not increased and we get longer hours.

- Lean production strategies include outsourcing, union busting, and flexible labor (employers can redeploy workers or fire workers when they want in response to shifting economic conditions). This creates precarity for workers. As a result, we get insecurity, temporary jobs, and reduced and unpredictable hours.
- The precariat does not have an occupational identity and they have to survive on involuntary part time work and they have to work under short-term contracts. They depend on money wages, without benefit, and this creates unsustainable income.
 - The result is existential insecurity, not just economic uncertainty.
 - Often times, precariats are also working jobs that are below their educational attainment.
- There is a relation of these precarious workers to immigrants.
- U.S deterrence doctrine dates back to the 1980s to prevent asylum seekers from other countries. So this anti-immigration stance that we know today isn't really that new.
- There is a criminalization of immigrants that goes back the last 30 years.
 - There was an Anti-Drug Abuse Act of 1988 that expanded the list of deportable offenses and had severe punishments against migrants specifically.
 - If you are convicted of certain laws, then you could be sent to the immigration office and likely deportation.
- Rise in immigration detention facilities have caused the increase in number of private prisons.
- Because neoliberalism focuses so much on cutting social services, there are actually fees for transferring offenders and court costs and fees. There is a lot of debt that gets incurred for the prisoner.
- Private companies are hired to charge people who are on probation
- In Ferguson, Missouri, the city needed to ramp up ticket writing in order to keep pace with the revenue stream. There were more arrest warrants than people in the population.
- For lenders who gave student loans, you can't really foreclose on an education, like you can with a house. And so instead of recovering the defaulted loans, then you take Social Security payments and the recovery rate for defaulted loans is close to 100 percent.
- Strike Debt was an organization that would buy debt at pennies on the dollar, and then cancelled the debt.

12/4 - Week 10

- Similarity of the commons to social wage, but not the same thing.
- People who object to neoliberalism will advocate for the restoration of the commons: land, water, digital commons.
 - Privatization of water is antithetical
- Women have depended on communal natural resources more than men, since they are involved in reproductive labor more.
 - Thus, they are the most penalized by privatization of these resources.
 - Women do 80% of all subsistence farming.

- This type of farming promotes cooperation and non-competition and the women are central to the forms of mutual aid, such as credit associations when people need money. Different from what the banks do, because there's different rules/regulations, different public shamings, etc.
- They are at the forefront of resisting deforestation, commercial agriculture, and pesticides.
- Women have worked to collectivize reproductive labor.
 - The forms of social reproduction start to deteriorate. Free trade policies and evictions and destroyed forms of subsistence forced women to rely on loans and wage labor. They had to do this since they also have reproductive labor. The result was that women were forced into domestic work, childcare, etc which is basically waged reproductive labor. Women are released from one form to domestic labor. There is also a consequence of increase in violence against women.
- Idk, lots of pictures and kinda unrelated stories lol
 - Tunisia 2010, Egypt 2011, Wisconsin 2011, Chile 2011 examples of things preceding Occupy Wall Street.
 - Grassroots organizations - Working Families Party, ACORN, Malcolm X Grassroots Movement, Green Party, etc
- Declaration of the Occupation of NY argued that corporate power had undermined public life, justice, etc. The argument talked about undermining unions, healthcare, lack of regulation, money in politics, student debt, foreclosures, etc.
 - The underlying theme was the restoration of the commons.

12/5 - Week 10

- Try to include dates in the paper
- Prompt 1
 - Disciplining labor means weakening unions, wages low, remove legal protections, send capital abroad.
 - Take the money that you make and you would invest it in labor and infrastructure, but instead you send it upward and become credit lenders and start investing in other companies. This way, you're keeping down labor and making profits.
 - There is a restructuring of companies so that money goes to shareholders and owners instead of labor.
- Prompt 2
 - The 4 decades we are talking about: 70s to 2008 crisis
 - Sources
 - Labor - Orleck, articles about changing nature of jobs
 - Global Trade - don't talk about Puerto Rico. Lots in Panitch and Gindin. Any of the free trade agreements (particularly NAFTA)
 - Governance - Talk about govs accepting neoliberal policies. Chp 11 of Panitch and Gindin, article in Nov 13/15

- Env: Green revolution, urban garden, poisoning water supply readings.
 - Economy in general: Manufacturing jobs decreased, service sector (retail, fast food) increased <- you're not producing anything, wages stayed stagnant, unions become less strong, rise of financialization
- Prompt 3
 - Key distinctions between the two crisis is that the one in the 70s was so big that global political and capital managers wanted to institute a new economic policy (neoliberalism).
 - US response to the 70s crisis allowed US capitalists rebound and maintain position as global economic leader.
- Conclusion is the chance to sneak your opinion in that you can say what those 5-7 pages mean. Give big picture at the end. Don't be a bland restatement.
 - But don't use "I" or "opinion".
- (Kelly, Lecture) is how you cite if you're using something that he said.

Making of Global Capitalism Notes

Introduction

- The idea of states is crucial to the making of global capitalism. States have a lot of power and make actions that affect the operation of capitalism.
- Capitalism has globalizing tendencies.
- How global capitalism came about is one of the themes of the book.
- Globalization can be seen as the geographic extension of competitive markets.
- Capitalism makes a legal and organization differentiation between state and economy.