GET YOUR MIND RIGHT! MEANING OF THE TERM “LIBERAL” AND “LIBERALISM”

I. Neoliberalism

1. Dominant ideology and dominant set of policies and practices shaping global and

American society.

B. Neoliberalism has become “hegemonic”

1. Discourse of political and economic elites

2. global corporate media disseminates it.

3. universities, think tanks, foundations

4. “common sense”

C. Ideology

1. world is undergoing process of transformation: globalization

a. towards an integrated global system: politically, economically, socially and culturally

b. global village

c. process: natural, inevitable, unidirectional

d. end point: utopian capitalist world system

i. globalized free market economy

ii. democracy for all

iii. global consumer culture

e. model: U.S.

2. process =progress

a. spread of capitalism= progress

i. irresistible

ii. beneficial outcomes for all

iii. evidence

b .spread of technology=progress

i. communication

ii. information

iii. production

iv. entertainment

3. “theoretical component” : free market theory

a. assumptions

i. all human beings are greedy by nature (self-interested)

ii. free market

natural outcome of people interacting

autonomous (realm of commodity exchange for profit)

governed by laws of nature

iii. market is realm of freedom and allows humans to pursue self interests

iv. but the “invisible hand” guarantees all will benefit “Wealth of Nations”

b. laws of the market place

i. supply and demand

ii. reinvestment of profit

iii. workers will benefit

iv. laissez faire

c. Milton Friedman

i. radical laissez faire economist “Chicago School’

ii. only function of government: to create and maintain environment for the market system to function

iii. people are so used to government help they need “shock therapy”

iv. shock to country and people and then therapy

shock originally was violence

shock as liberation from colonialism

since 1980s shock is economic, political, natural disaster

disaster “wonderful opportunity”

v. therapy means neoliberal policies and practices

vi. Chile and South Africa

4. TINA

a. all nations must adapt to capitalist world system

b. all individuals must adapt

c. resistance (anti-globalization movements, theories, nations) is irrational

d. every country and every people and every individual will eventually benefit

B. Neoliberalism is also a set of policies, practices and institutions

1. eliminate all rules and regulations and organizations standing in the way of the accumulation of profit and incentive.

a. eliminate government regulation of economic activity

i. wages and hours

ii. workplace safety

iii. environment

iv. financial speculation

b. eliminate labor organizations (government departments, labor, education)

e. financial liberalization

f. intellectual property rights

g. open markets

2. privatization

a. goods, services, ideas, technologies should be commoditized to be

exchanged in the market place

b. state needs to divest itself of any of the above.

c. examples

d. state needs to guarantee the sanctity of the market system

3. eliminate social services

1. government social services, and government supported social

programs should be eliminated

1. they distort the market place

c. examples

4. free trade agreements

a. examples: NAFTA, GATT, FTAA, CAFTA

b. eliminate trade barriers (tariffs, subsidies, price controls, non-tariff, investment regulations)

c. establish global regulatory system

i. World Trade Organization

ii. NAFTA Ch 11 Tribunal

5. developmental loans to poor countries

a. resources and infrastructure to develop and become competitive

b. IMF (International Monetary Fund) and World Bank

c. Structural Adjustment Plans (SAPs)

i. privatization

ii. deregulation

iii. cutbacks in social services

iv. export-driven economy (cash crops)

6.. “austerity” measures for rich countries

a. neoliberalism applied to first world

b. cuts in government spending

i. health care

ii. education

iii. entitlements

c. cut taxes on rich

d. cut taxes on corporations

e. cut wages and benefits for workers

7. strong police and military

a. protect individual freedom aka market system

b. overcome irrational and reactionary resistance

8. corporate-owned advertising supported mass media

C. Proof

1. economic measurements: GNP, PCI, increasing middle class, consumption patterns, technology transfer and progress.

2. miracles: Brazil, Indonesia, Chile, South Korea, Taiwan, China, India

3. resistance not legitimate but predictable until free market is fully institutionalized globally in other words “in the long run it will benefit all”