I. Neoliberal Theory (Neoliberalism) or Washington Consensus

A. Summary/Thesis: world is in the process (globalization or globalism) of becoming a completely integrated system, politically (democracy), economically (capitalist), socially, and culturally (consumerism), a single “global village” shaped after U.S.

B. Assumptions

1. social evolution

a. utopia: capitalist world system

b. model: U.S.

2. historical/social forces

a. progress

i. widespread adoption and success of capitalism

improved standards of living

political freedom

ii. technology: development and its dissemination

communication

information

production

entertainment

b. free market and its universal truths

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

ii. all human beings want to be free (to pursuer self interest)

iii. free market is best system because market creates conditions for i. and ii.

iv. laws of the market place

3. TINA

a. all nations must adapt to capitalist world system

b. all individuals must adapt

c. resistance (anti-globalization movements, theories, nations) is irrational and/or a failure to understand (ignorance) history.

C. Policies and Institutions of “Global Village”

1. need to 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

e. financial liberalization

f. intellectual property rights

g. open markets

2. privatization

3. eliminate social services

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)

6. Resistance is futile but inevitable so strong police and military

D. Evidence of Success

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

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

E. Resistance