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00:00:09,349 --> 00:00:14,549

If there are any questions, we'll take... we have about 12 minutes for

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00:00:14,549 --> 00:00:16,969

questions.

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00:00:20,420 --> 00:00:29,400

Absolutely, do you mind being really loud? Is that okay? I'm not sure how to turn that on. Oh.

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00:00:29,400 --> 00:00:30,900

Okay. Hello? [inaudible discussion]

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00:00:33,100 --> 00:00:39,400

Alright, just in class we've been reading about neoliberalism, and specifically, to talk about the environment

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00:00:39,400 --> 00:00:47,400

and the idea of privatization, and taking it... you know, public land and giving it to

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00:00:47,400 --> 00:00:51,900

specific companies, I guess, as an obvious idea of privatization.

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00:00:51,900 --> 00:00:58,400

What about giving it to a small community of people? It seems like in some of the things that we've read,

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00:00:58,400 --> 00:01:05,200

ok, that some of that some of these type of like fisheries and community foresting

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00:01:05,200 --> 00:01:12,200

and some of those things do kind of work to preserve nature against development hope so.

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00:01:12,200 --> 00:01:18,290

Maybe talk about that and shore up some of the misunderstandings with that.

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00:01:18,290 --> 00:01:23,760

We'll take maybe one one other question
and then have ask. Yes, did you have a

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00:01:23,760 --> 00:01:31,140

question? Yeah, Yeah. Go ahead, no go ahead. We'll take a couple questions. [Inaudible] Can you

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00:01:31,140 --> 00:01:37,729

use the mic, just so it can be heard? It's on. It's on? [inaudible discussion]

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00:01:37,729 --> 00:01:43,700

Hold it anyway, yeah. [inaudible discussion] [laughter]

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00:01:47,700 --> 00:01:55,100

I have a question about how you would define neoliberalism today. It seems like you were saying that...
um...

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00:01:55,100 --> 00:02:00,600

it depends on the area and the specifics are modified depending on where you're at, ... um...

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00:02:00,600 --> 00:02:08,100

so, for today, is there a temporary definition or does it really depend on the place you are in the world?

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00:02:08,100 --> 00:02:13,600

You want to go first? Okay. That's an excellent question, actually

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00:02:13,600 --> 00:02:17,569

because it defies an answer. Uh...

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00:02:17,569 --> 00:02:28,500

I actually think Mirowski in that recent
book that he coedited on Mont Pelerin.

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00:02:28,500 --> 00:02:37,000

Did I, was that one of those? Oh, you wouldn't know that. Where is she? Ah, on the reading list.

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00:02:37,000 --> 00:02:43,700

Ah. He argues in the concluding the chapter that the neoliberal...

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00:02:43,700 --> 00:02:48,260

neoliberalism is a thought project, okay,

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00:02:48,260 --> 00:02:54,680

and that would, by - by that, what he means is there is no single neoliberal program.

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00:02:54,680 --> 00:03:01,880

It's - it changes. It's almost like a chameleon and, in fact, in Harry's

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00:03:01,880 --> 00:03:07,540

presentation, I can't pronounce his name, so he's Harry [laughter].

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00:03:08,769 --> 00:03:13,629

In Harry's presentation, I mean, he actually spoke to that, you know. If you

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00:03:13,629 --> 00:03:18,670

have government subsidies, that seems to be anti-neoliberal. Well, given the

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00:03:18,670 --> 00:03:26,290

specific circumstances, right, in European agriculture. No. It's a perfectly

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00:03:26,290 --> 00:03:34,150

legitimate neoliberal program. The social market is, seems to be anti-neoliberal. It

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00:03:34,150 --> 00:03:38,139

was a neoliberal project, indicative planning, and things of that sort. It

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00:03:38,139 --> 00:03:46,060

changes, right, so there... there is no single neoliberal program that's a

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00:03:46,060 --> 00:03:51,280

constant. So, in that sense, you can think of it as a thought

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00:03:51,280 --> 00:03:59,620

collective or a thought project, right, where people of this persuasion are constantly moving and

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00:03:59,620 --> 00:04:07,300

moving ahead of us, by the way, and that's the real danger. Yeah. Good question.

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00:04:09,300 --> 00:04:19,300

Regarding, the rogue communities...

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00:04:19,340 --> 00:04:22,800

Do communities work? Yes. Can communities work

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00:04:22,820 --> 00:04:27,300

toward conserving nature, yes. I think the answer and, you know, like here I'd like to point

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00:04:27,300 --> 00:04:34,300

to the work of Elinor Ostrom. Elinor Ostrom is the best example of scientist that basically address this question.

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00:04:34,300 --> 00:04:43,300

Can we avoid the tragedy of commerce? And the answer is yes. So we can create mechanisms

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00:04:43,300 --> 00:04:52,800

where the communities are effectively good managers of their environment.

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00:04:52,800 --> 00:04:58,300

Now, is that part of neoliberalism or no? So the neoliberal [inaudible] opposition

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00:04:58,300 --> 00:05:04,300

is taking away of the commerce and turning it into private property, right?

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00:05:04,300 --> 00:05:12,300

And again it has to do a lot with what Professor Henry talked about that the role of the individual

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00:05:12,300 --> 00:05:16,800

So if you think about neoliberalism as a system, a political ideological

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00:05:16,800 --> 00:05:20,150

system where the individual is being put on the forefront. Essentially,

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00:05:20,150 --> 00:05:28,190

there's no... there's no space for community. Do we have successful examples of resource

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00:05:28,190 --> 00:05:33,260

management by communities, yes. I think the answer is very clear, and you can see

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00:05:33,260 --> 00:05:40,100

a lot of that both in the developing and the developed world. Is that going to

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00:05:40,100 --> 00:05:48,650

become the way to go in the future? I believe, yes. Because, I mean, it's not that-

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00:05:48,650 --> 00:05:52,400

I mean to put my cards on the table, I'm not a statist. I mean like... Especially, when you have stories

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00:05:52,400 --> 00:05:57,300

of a state like the one we described in Greece. A state that subsidizes capital,

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00:05:57,300 --> 00:06:02,800

without any reason. I don't think that this is an effective way to go in the future.

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00:06:02,800 --> 00:06:11,300

But are the communities going to be putting behind the driving wheel of a neoliberal project? No, they are not.

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00:06:11,300 --> 00:06:17,300

Other questions? Yes, can you pass the mic to him? [quiet discussion]

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00:06:23,300 --> 00:06:29,500

In the last presentation, you talked about labor share of national income on downward trend through the last

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00:06:29,500 --> 00:06:36,300

few decades. My project for Dr. Naidu's class is to try to determine if that trend reversed

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00:06:36,300 --> 00:06:41,200

and became an upward trend because of the Great Recession

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00:06:41,200 --> 00:06:47,700

and I think from your graph I'm making a losing argument. [laughter]

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00:06:47,700 --> 00:06:55,800

My perspective was that equity markets as a whole, the indexes declined about 35% during that time

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00:06:55,800 --> 00:07:00,800

and housing prices probably fell even more [inaudible], unemployment didn't drop nearly as much

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00:07:00,800 --> 00:07:06,800

and, you know, wages stayed fairly consistent. Is there any particular way to make that... that argument that

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00:07:06,800 --> 00:07:14,600

that that trend reversed? Or, [inaudible]. [laughter] I pulled this data last week.

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00:07:14,600 --> 00:07:19,300

[laughter] So I... would you like to? Yeah.

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00:07:19,370 --> 00:07:26,910

Yeah, actually, if you confine yourself to six months, yes, because what... what

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00:07:26,910 --> 00:07:34,110

happens with the change in the nature of income, where more and more of it that

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00:07:34,110 --> 00:07:40,970

goes to the top 1% is based upon basically speculative activity, paper

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00:07:40,970 --> 00:07:46,830

rather than you know wages and salaries, or whatever the case would be. That is a much more

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00:07:46,830 --> 00:07:54,090

unstable form of income than wages and salaries, so with the so-called Great

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00:07:54,090 --> 00:08:00,300

Recession, you saw, well, this is what your data show, right, that while wages

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00:08:00,300 --> 00:08:04,530

and salaries fell a bit, they were actually much more stable than the

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00:08:04,530 --> 00:08:09,600

income share of the top income earner, or the incomes of the top income earners.

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00:08:09,600 --> 00:08:14,280

And that's because their incomes are based upon some kind of capital gain, and

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00:08:14,280 --> 00:08:22,530

with declines and stock prices, etc., you know, [raspberry sound] and so for that six months period

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00:08:22,530 --> 00:08:31,800

or a year whatever, then you get that kind of result. The other thing you might want to do is later on talk to

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00:08:31,800 --> 00:08:41,850

Taki Manolakos, who just has a paper out on that issue. So, any other questions? [pause] Yes.

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00:08:41,850 --> 00:08:44,840

Does [pause] [inaudible]

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00:08:48,600 --> 00:08:56,559

One of the things, I think when you've talked about the idea of sort of neoliberalism as

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00:08:56,559 --> 00:09:02,050

different than what we've been thinking of it's neoliberal... what we've been

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00:09:02,050 --> 00:09:07,720

thinking of as neoliberalism is the deniers, really, and not- so, the way you

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00:09:07,720 --> 00:09:17,199

break up the neoliberalism, the sort of responses to... to the objective lack of

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00:09:17,199 --> 00:09:20,889

reality embedded in classical realism, the two sort of approaches is one to

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00:09:20,889 --> 00:09:26,050

deny it and the other to sort of find some modifications. And... and what we've been

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00:09:26,050 --> 00:09:33,540

thinking of as... as neoliberalism is just the deniers. And not the fix-it people,

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00:09:33,540 --> 00:09:39,399

but it's interesting, even in the United States, the Earned Income Tax Credit, for

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00:09:39,399 --> 00:09:47,050

example, was a neoliberal solution. Obama care was a originally neoliberal

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00:09:47,050 --> 00:09:57,420

solution. Yeah, came out of Massachusetts. And it seems to me that perhaps the way to sort of think about

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00:09:57,420 --> 00:10:03,249

understanding neoliberalism, is the need to sort of contrast it, that's sort of

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00:10:03,249 --> 00:10:08,290

the German model of the social market and contrast that to the Social

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00:10:08,290 --> 00:10:14,050

Democratic project of the Scandinavian countries that ultimately failed in the

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00:10:14,050 --> 00:10:19,540

sense, it failed not in the sense of being economically viable, but failed in

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00:10:19,540 --> 00:10:25,029

the political sense of ever being able to achieve their goals. You know, because

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00:10:25,029 --> 00:10:30,990

they had a bunch of... there... there was much more collectivism in the sense in the

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00:10:30,990 --> 00:10:39,309

German model of capitalism, you have, you know, your sort of social rights come

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00:10:39,309 --> 00:10:43,269
from your role as a worker, your
engagement with the market, your

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00:10:43,269 --> 00:10:48,660
connection with the market. In the social
democratic model,

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00:10:48,660 --> 00:10:54,690
it comes from your right and citizens,
that's a radically more collectivist way

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00:10:54,690 --> 00:11:02,490
of looking at it, but the Social
Democratic model and in the social

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00:11:02,490 --> 00:11:09,899
democratic countries never... never got
powerful enough to really force

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00:11:09,899 --> 00:11:16,470
concessions from capital. What they were
able to do, was to, you know, get attack be

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00:11:16,470 --> 00:11:21,689
able to a sort of a mass resources that
they could use for government spending

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00:11:21,689 --> 00:11:25,110
for healthcare and so on, but the there's
also a fundamentally different model.

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00:11:25,110 --> 00:11:29,279
What you have in Germany is you don't
have a lot of government spending on

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00:11:29,279 --> 00:11:36,810
that you have, you know, if you work, you...
you have to get health care, but in the

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00:11:36,810 --> 00:11:41,759

social democratic model, it's provided by the state. So you... you have a very- that I

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00:11:41,759 --> 00:11:52,560

think illustrates the limits of neoliberalism better than the way we normally think of it.

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00:11:52,560 --> 00:12:00,600

I think you're right, in that, if you count the number of neoliberals in 1937, you can

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00:12:00,600 --> 00:12:08,449

count them on three hands, right, so it looked like it was hopeless.

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00:12:08,449 --> 00:12:15,500

If I had had more time, [laughter] I would have gone into the way that they actually

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00:12:15,500 --> 00:12:26,509

organized the neoliberal programs, plural, and the Institute's that they set up, and the

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00:12:26,779 --> 00:12:35,100

publication programs, and think... They are to be applauded in a sense because

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00:12:35,100 --> 00:12:41,329

they accomplished something that in the 1930s appeared impossible to accomplish.

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00:12:41,329 --> 00:12:49,230

And so the proactive aspects of the neoliberal program, I think, is what

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00:12:49,230 --> 00:12:58,300

actually should be focused on, precisely. Can I give you one personal anecdote, if you don't mind,

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00:12:58,300 --> 00:13:06,300

That would be my question. Good! Thank you for asking that question.

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00:13:06,540 --> 00:13:10,240

Make sure, I want to have, to make sure I get the name of the institute correct.

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00:13:10,240 --> 00:13:15,060

It's the Institute of Intercollegiate [pause]

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00:13:15,440 --> 00:13:22,440

something-or-other and they publish the Int-

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00:13:22,440 --> 00:13:30,190

Intercollegiate Review, which is a quasi-journal, right, comes out- I don't know how

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00:13:30,190 --> 00:13:36,520

many times it comes out. Anyway, when I was an undergraduate, and this goes way

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00:13:36,520 --> 00:13:48,310

back in 1961, 62, 63, 64, 65, every college student in the United States could get

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00:13:48,310 --> 00:13:56,860

that publication free. You still can. You now have to join the organization, but

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00:13:56,860 --> 00:14:04,960

that's free right and then you get the this publication. That is the first time

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00:14:04,960 --> 00:14:14,560

I heard the names Hyack, Ayn Rand, a bunch of other people, right. Milton Friedman used to

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00:14:14,560 --> 00:14:22,410

write for it. George Stigler wrote for it.
This was one of the standard neoliberal

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00:14:22,410 --> 00:14:28,810
publications and it appeared to be of a
purely academic nature. I mean, what does

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00:14:28,810 --> 00:14:33,210
an undergraduate know, for goodness
sake. Particularly back in the 60s,

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00:14:33,210 --> 00:14:40,880
you know, the word neoliberal really was
the household word. We couldn't identify these individuals

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00:14:40,880 --> 00:14:46,240
and they were well-written pieces and
they were written for a general

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00:14:46,240 --> 00:14:55,010
undergraduate University audience, of not
just economists, but anybody. That is one

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00:14:55,010 --> 00:15:03,905
aspect this proactive program that the neoliberals instituted, right. That was

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00:15:03,905 --> 00:15:10,100
probably very effective. I'm pretty sure that by the end of my

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00:15:10,130 --> 00:15:19,460
academic career as an undergraduate I
was convinced, right.

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00:15:19,460 --> 00:15:24,980
I remember reading Ayn Rand, as a
consequence of this magazine, and I said

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00:15:24,980 --> 00:15:31,640

"Well, this this woman makes a lot of sense," right. When I was a more mature and

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00:15:31,640 --> 00:15:36,980

had a better understanding of reality, I said "well, wait a minute, okay. What are

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00:15:36,980 --> 00:15:40,130

the assumptions that underlie the argument? Can the assumptions be

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00:15:40,130 --> 00:15:45,950

satisfied?" And then you find that it's taut- tautological and also

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00:15:45,950 --> 00:15:53,360

incoherent. Well, but- but it's not, obviously so. You know, it's not obviously so.

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00:15:53,360 --> 00:16:01,340

So, that's simply one example and that's a personal nature, right. You have

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00:16:01,340 --> 00:16:05,570

all of these publications, you have all of these organizations, and these organizations

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00:16:05,570 --> 00:16:13,300

are interlocked. You have the Atlas Research Foundation, which is an umbrella organization of any number

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00:16:13,300 --> 00:16:17,300

of so called think tanks, and they have their in house publications. They're in touch with

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00:16:17,360 --> 00:16:20,600

journalists. They are in touch with politicians. They work very hard.

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00:16:20,600 --> 00:16:25,920

We, over here, think of neoliberalism as coming to the floor with Reagan

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00:16:25,920 --> 00:16:31,290

and Thatcher, right. Ah, they were working well before that. I mean, what Reagan

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00:16:31,290 --> 00:16:41,519

and Thatcher are the consequences of the effective Post World War II neoliberal program. Oh, one very quick last

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00:16:41,519 --> 00:16:50,000

question and I have a comment for Harry and then we'll have to end this session.

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00:16:50,000 --> 00:16:52,000

Just a quick observation.

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00:16:52,000 --> 00:16:54,000

Tying the two together.

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00:16:54,000 --> 00:17:01,700

Talking about Neoliberalism and it seems ... it seems to be kind of a cheat.

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00:17:01,700 --> 00:17:06,800

Like whatever works for different countries, you do it and we'll still follow the same thing.

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00:17:06,800 --> 00:17:13,000

Talking about Greece, you know, heavy state influence, right now, with subsidizing.

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00:17:13,000 --> 00:17:17,400

And you have other countries that don't want to touch it at all, don't want state interference.

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00:17:17,400 --> 00:17:23,400

It's still called the same thing. You said, "you pour on rules," and they're kind of "eh, change it as you go

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00:17:23,400 --> 00:17:26,200

and we'll call it the same thing." Isn't that kind of a cheat?

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00:17:26,200 --> 00:17:33,559

Well, we didn't set those rules. The neoliberals set those rules, right? I mean, Earhart...

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00:17:33,559 --> 00:17:40,100

Rauke and Earheart are - were, they're dead now, were

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00:17:40,100 --> 00:17:45,480

confirmed neoliberals. And they... Rauke was one of the

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00:17:45,480 --> 00:17:53,400

people who basically organized the Ordo liberal program of Germany And Earhart was the guy

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00:17:53,400 --> 00:18:06,059

who put it into effect, as minister of- economics minister, right. So, and that- that's a heavy state role for the - well, it's

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00:18:06,059 --> 00:18:13,530

a heavy role for the state in sort of structuring the economy, but we didn't-

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00:18:13,530 --> 00:18:21,059

you know, that's not our program, that's their program. In other places, you see the deregulation, the

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00:18:21,059 --> 00:18:29,809

attack on the state, but everything is designed to produce, you know,

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00:18:29,809 --> 00:18:33,270

superficially, it appears that they're extolling the virtues

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00:18:33,270 --> 00:18:41,000

of liberty. Well, they are. The question is, for whom?

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00:18:41,000 --> 00:18:48,800

And that's where Harry's stuff comes in, right. Because, whenever you look at any particular program,

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00:18:48,800 --> 00:18:55,300

it's always structured in a way to advantage capital.

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00:18:55,300 --> 00:18:58,800

And the programs differ.

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00:18:58,800 --> 00:19:05,300

I think this is... I think we have to look at the state [inaudible], I think we have to look at the concessions.

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00:19:05,300 --> 00:19:12,100

Like this is the defined characteristics of the last 30 years. Now, in certain cases, it might be preferential

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00:19:12,100 --> 00:19:19,800

to like do this with free trade, right, because it clearly benefits the...

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00:19:19,800 --> 00:19:26,800

the... again like, I think the agricultural policy of the EU is the best example because at the same time that

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00:19:26,800 --> 00:19:33,800

they go out in the international quora and tell other countries not to subsidize, they do the exact opposite.

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00:19:33,800 --> 00:19:39,800

They do the same thing, right. And is that part of neoliberalism?

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00:19:39,800 --> 00:19:42,800

Yes, it is. I think sort of,

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00:19:42,840 --> 00:19:46,560

you know, another way, Harry, that you had brought up is this, you know, what

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00:19:46,560 --> 00:19:51,240

Barbara was talking, about the naysayers and the fixers and, you know, what you're

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00:19:51,240 --> 00:19:55,740
talking about, you know, what is
is neoliberalism actually doing and

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00:19:55,740 --> 00:19:59,870
who does it benefit? I think one, sort of,
illustration of that from your

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00:19:59,870 --> 00:20:05,340
presentation was, not just sort of
EU agricultural policy, but Greece, for

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00:20:05,340 --> 00:20:09,600
instance, at the same time that it will
provide subsidies for organic farming

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00:20:09,600 --> 00:20:15,180
right to be green, at the same time will
withdraw from its role of protecting the

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00:20:15,180 --> 00:20:20,190
environment when we talk about mining,
right. So you have this both, you know, the

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00:20:20,190 --> 00:20:25,020
state pulling back when it's important
for capital to make profits, but also the

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00:20:25,020 --> 00:20:29,970
state intervening when you know it means
that capital will make profits, right. So

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00:20:29,970 --> 00:20:33,620
it's this, you know, even within a
particular country, you see this kind of,

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00:20:33,620 --> 00:20:37,980

you know, this kind of, it's not even a contradiction, because it's, you know, the

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00:20:37,980 --> 00:20:44,060

objective is very clear. And it can like you said give lots of various names. But

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00:20:44,060 --> 00:20:49,529

we're out of time, so thank you for two presenters. I think we

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00:20:49,529 --> 00:20:54,860

have some refreshments at the back and we start our next session in about 10 minutes or so. [applause]