NEO-LIBERALISM AND ITS IMPACT ON POVERTY

A Thesis

Presented to the

Faculty of

San Diego State University

In Partial Fulfillment

of the Requirements for the Degree

Master of Arts

in

Liberal Arts and Sciences

by

Natasha Elizabeth Nace

Spring 2013
SAN DIEGO STATE UNIVERSITY

The Undersigned Faculty Committee Approves the

Thesis of Natasha Elizabeth Nace:

Neo-Liberalism and Its Impact on Poverty

Jung M Choi, Chair
Department of Sociology

William Nericcio
Department of English and Comparative Literature

Tomm Semm, Jr.,
Department of Sociology

MARCH 15, 2013
Approval Date
DEDICATION

In memory of my dad who instilled in me the value of education and to my mom for her endless love, support, and encouragement. I am forever grateful.

To my son Isaac, I love you. My only advice to you: Don’t ever, ever, stay silent. Be Brave. Be kind. Love, and show compassion to those around you. Know that education is the most powerful weapon you can use to change the world.

To my sister who I don’t tell enough how much I love.

And finally to those throughout history and around the world who have fought, and that today continue to fight against capitalist oppression. To its countless victims who sought justice and whose bravery show the true human spirit of resilience.
Every time we witness an injustice and do not act, we train our character to be passive in its presence and thereby eventually lose all ability to defend ourselves and those we love.

-Julian Assange
ABSTRACT OF THE THESIS

Neo-Liberalism and Its Impact on Poverty
by
Natasha Elizabeth Nace
Master of Arts in Liberal Arts and Sciences
San Diego State University, 2013

This thesis will explore poverty and its connection to neo-liberalism. Inequality is growing at exponential rates. Our current model is unethical and immoral; for this we must fight for global justice, engage in critical thought, and envision an alternative world so that we may live a dignified life free of oppression and capitalistic rule.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>CHAPTER</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABSTRACT</td>
<td>vi</td>
</tr>
<tr>
<td>ACKNOWLEDGEMENTS</td>
<td>vi</td>
</tr>
<tr>
<td>PREFACE</td>
<td>x</td>
</tr>
<tr>
<td>1 INTRODUCTION</td>
<td>1#</td>
</tr>
<tr>
<td>2 NEO-LIBERALISM AND ITS DISCONTENTS</td>
<td>7#</td>
</tr>
<tr>
<td>Human Behavior in a Neo-Liberal Society</td>
<td>8#</td>
</tr>
<tr>
<td>Globalization Boom</td>
<td>11#</td>
</tr>
<tr>
<td>Keynesian Economics</td>
<td>12#</td>
</tr>
<tr>
<td>Milton Friedmans Deceptive Economic Theories</td>
<td>13#</td>
</tr>
<tr>
<td>The Chicago School</td>
<td>14#</td>
</tr>
<tr>
<td>Critical Perspective</td>
<td>16#</td>
</tr>
<tr>
<td>3 INEQUALITY BY COUNTRY</td>
<td>17#</td>
</tr>
<tr>
<td>Americas Rise in Inequality</td>
<td>17#</td>
</tr>
<tr>
<td>In New Generation of Poverty in America</td>
<td>18#</td>
</tr>
<tr>
<td>Leading to the Great Recession of 2008</td>
<td>21#</td>
</tr>
<tr>
<td>A Brief History of Americas Economic Structure</td>
<td>22#</td>
</tr>
<tr>
<td>Conclusion US</td>
<td>25#</td>
</tr>
<tr>
<td>Ecuadors Struggles to Escape: A History of Neo-Liberal Exploitation</td>
<td>26#</td>
</tr>
<tr>
<td>Loans</td>
<td>27#</td>
</tr>
<tr>
<td>Texaco</td>
<td>28#</td>
</tr>
<tr>
<td>Conclusion: Inequality by Country</td>
<td>34#</td>
</tr>
<tr>
<td>4 UNETHICAL NATURE OF NEO-LIBERALISM</td>
<td>35#</td>
</tr>
<tr>
<td>Conclusion: Ethics</td>
<td>41#</td>
</tr>
<tr>
<td>The Abuse of Corporations and its Consequences</td>
<td>42#</td>
</tr>
<tr>
<td>Monsanto</td>
<td>43#</td>
</tr>
<tr>
<td>Nike</td>
<td>46#</td>
</tr>
</tbody>
</table>
Conclusion: Corporations .................................................................49#
The Cost of Capitalism .................................................................50#
Food Crisis ..................................................................................50#
Environmental ............................................................................52#
Conclusion: Environment ..............................................................56#
Social and Cultural Consequences ..................................................58#
Health Decline ............................................................................59#
Conclusion: Unethical Nature of Neo-Liberalism .........................62#

5 RESTORING AN ETHICAL SOCIETY ..............................................64#
Imagining a Different Type of World .............................................64#
How Should Society Be Organized ..............................................65#
Current Movements/Protests ......................................................66#
Protests Conclusion ...................................................................76#
Charters Working towards Alternatives of Neo-Liberalism .........77#
Alba: Alternativa Bolivariana Para Las Americas ......................78#

6 END ..............................................................................................82#
REFERENCES ..................................................................................84#
ACKNOWLEDGEMENTS

I want to express my deepest appreciation for my professor, Dr. Jung Min Choi. Without his guidance and persistent help this thesis would not have been possible. His wisdom, courage, and passion for education is an inspiration. I am extremely grateful and indebted to him for his expert knowledge, support, and encouragement extended to me throughout this journey. I share the credit of my work with him.
PREFACE

The world is a dangerous place, not because of those who do evil, but because of those who look on and do nothing.

-Albert Einstein

Again, I want to thank my teacher Jung Choi who has been my friend, guide, and philosopher, and for who I cannot find the words to express my gratitude. In all the years of my schooling his teachings opened my eyes and lit a fire in me that will forever live. I had always deemed myself to be a conscious, mindful person- I read a lot of books, studied philosophy, traveled, did my share of volunteer work, and so on, but for whatever reason this time something resonated within me. Recently more than ever, I feel like a prisoner. I feel like I don’t belong. I can’t stay and I can’t leave, I am trapped. I’m just like everyone else, I go to work, send my kids to school, follow fashion, act normal, pay taxes, watch TV, save for old age, and obey the law: I-am-in-the-rat-race. Advertising has us chasing cars and clothes, working jobs we hate so we can buy shit we don’t need. After all the endless investigation and exploration, I feel a bit hopeless. I just don’t see it in people eyes. I don’t see the rage, the fury, the sadness I sometimes feel. I think that we, as living breathing human beings, aren’t even consciously aware of our existence. We float around like listless ghosts from one dull place to another, fading into the background just hoping for something more. I yearn to break free from this inescapable cycle of monotony, but I just don’t know how. What we allow, is what will continue, so today I’ve decided I won’t accept the status quo.

This journey has been a huge learning experience. At times I felt discouraged. I felt like the endless hours of research and writing was meaningless. What I realized was that if I’m lucky, maybe only a handful of people will read this. Ok realistically, only my mom and professor Choi. What I also soon found out was that I couldn’t find many people the least bit interested in my project, nor could I find anyone to encourage my ideas and beliefs through this process. Over and over the response was: “What kind of job are you going to get with a Liberal Arts Degree?” I came to the conclusion that in 100 years from now it will not matter what my bank account was, how many diplomas I had, or the house I lived in. However, when I leave this place, at least I can say that I asked questions, that I demanded
answers- that I searched for the truth. They say people, will forget what you said, people will even forget what you did, but people will never forget how you made them feel. I hope it will make you feel something, that you will have a reaction. That you too will want to ask questions, demand answers, and search for the truth. My hope is that it will inspire someone, anyone. If even one person is moved in the slightest way then I can say that I have done some type of good. My other mission is to instill these values in my son. My son’s generation can either continue to live in a comatose state or can choose to be our savior. I hope and pray that they will not stand for the norm. That they will lead the way, uprise, and fight for global justice against the powers that continue to oppress us.
CHAPTER 1

INTRODUCTION

There is no passion to be found in settling for a life that is less than the one you are capable of living.

–Nelson Mandela

Today we are witnessing The Great Recession. We are experiencing unemployment and layoffs at record levels, a broken education system, massive environmental degradation, and a war going into its 10th year. With an increase of inequality and poverty all over the world, it is clear that we cannot escape the consequences of neo-liberal policies. In a world of so much wealth, how is it that so many are experiencing such hardship and suffering? What is the root cause? The majority of Americans are living in what some call the “rat-race,” working 9-5, exhausted, and drained. We sit on the couch in a vegetative state consumed and absorbed by cheap television shows. Children are fixated and plugged into the web and TV. We are plagued by media propaganda; many of us now live in a “virtual” world not the least bit aware of what goes on around the globe, even more so what is happening in our own country. The media glorifies the wealthy lifestyle and so we become fixated on material possessions, living beyond our means in search of happiness. We give into buying flat screens, electronics, luxurious SUV’s, and the newest fashion trends. We are now facing the consequences of not only the greedy corporate conglomerates that piloted this recession1 but also the price of living in a material-capitalist world.2 Poverty and inequality is growing at a shocking rate and it is the poor who are exploited and impacted the most. In the words of Warren Christopher, “Environmental degradation, overpopulation, refugees, narcotics, terrorism, world crime movements, and organized crime are worldwide problems that don’t stop at a nation’s borders.” Economics and politics are linked and extend across all countries.

In South Africa, Latin America, East Asia, and beyond, people are living without the basics, food, water, healthcare, and education.

What’s troubling is that poverty is not predetermined; it was created. In the words of Alejandro Serrano, “…for society has been structurally transformed by a market that attempts to redefine the individual, society, and state.” This has been achieved by powerful players who methodically have employed economic policies that today vigorously continue to increase the gap between the rich and the poor. We have lived this way for far too long and it is time we critically examine the current situation so that we may start living consciously and put an end to this. Given the above, I’m not arguing that we can eliminate poverty and inequality over night; I’m simply challenging people to imagine a different type of world where we don’t treat people as commodities- a place where economics and neo-liberal policies don’t determine our fate and the way we organize ourselves as society.

A mere 10 minutes from San Diego, I am stunned to see that when I cross the border, two dramatically different worlds exist. The scene in Mexico is disheartening; the situation is bleak. On the US side there are suburban neighborhoods with green manicured lawns, clean air, paved roads, big schools, and hospitals. On the other, it’s a grim picture: shacks, tin roofs, smog, children begging, police corruption, dirt roads, lack of clean water, and little infrastructure. It’s puzzling. Corruption and crime are up and unemployment rates are high. Only a few elite drive around in luxurious cars and live in extravagant homes in upscale neighborhoods. As a result the desperate turn to theft, violence, drug trafficking, and kidnapping. According to the US department of Homeland Security, in 2009 there were 6½ million undocumented people in the US that were from Mexico. That is a staggering 62% of the total number of illegal immigrants in the United States. Everyday thousands jeopardize and risk their lives along with their family’s lives to cross the border illegally, and not just the US/Mexican border but borders all over the world. What they desire is simple: work so they can provide for their families, a safe environment, healthcare, and education for their children- a dignified life. Mexico is just one example of a poverty-stricken country, one that I witnessed first hand and an experience that has deeply shaped my point of view.

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The US is not excluded with respect to poverty. While many believe the US is better off than most countries, this is not the case. There are hundreds of cities across the US where people are hungry, out of work, and barely surviving. Only recently in witnessing current events, have I now been able to recognize the many problems in my own country—“The land of free.” Little by little, the middle class is slowly disappearing before our eyes. The bulk of American companies have outsourced to countries that offer and supply cheap labor. Mega-corporations like Wal-Mart have closed many small local businesses. The collapse of the housing market a few years ago (2008) brought the economy to a halt. Recently a well-known economist, Joseph Stiglitz, estimated that the cost of the war in Iraq will reach up to 3 trillion dollars;\textsuperscript{4} at the same time our education budgets are being cut in half. More shocking is the unemployment rate; it has reached record levels, 9.1% nationally to be exact and 12% here in California.\textsuperscript{5} Urban Meltdown’s Clive Doucet paints a clear picture for us and points a finger to one of the many reasons the US is experiencing such a catastrophic downfall: “Capital Hill does not have the same priorities as I do, their priorities are military increase, war on terror, war on drugs, building more prisons, and creating more complicated rules for government...protecting themselves.”\textsuperscript{6}

Here in the US and in 3rd world countries all over the world, there are huge disparities between the rich and the poor. The distribution of wealth is so off balance, that it is difficult to grasp.

A study by the World Institute for Development Economics Research at United Nations University reports that the richest 2% of adults alone owned half of the global assets in the year 2000, and that the richest 10% of adults accounted for 85% of the world total. The bottom half of the world adult population owned 1% of global wealth.\textsuperscript{7}

Numerous articles, books, and films have painted a picture of the suffering and discrimination all over the world. Authors like Naomi Klein and humanitarians like Paul Farmer have inspired me to investigate further and question our economic policies and

government. Only within the last couple of years have I started to understand the complex weave of politics, corruption, mega-corporations, and the consequences of a market driven world. Upon deeper examination I’ve come to the conclusion that neo-liberal economic policies are behind our current economic crisis creating obscene inequalities between the higher class and the lower class.⁸ These claims are not new. Throughout history dozens have written about neo-liberalism and its harms. The overwhelming amount of information I’ve been engulfed by has left me troubled and disturbed. More so, it has left me with dozens of unanswered questions. Why are so many people living under such extreme conditions? What are the universal laws of humanity, society, and the nature? There is empirical evidence that poverty is directly connected to oppression and if one is oppressed then there must be an oppressor. Who then are the oppressors? How have they been given the power to manipulate the system to their advantage and exploit the poor? This experience has compelled me to ask the question: How has neo-liberalism impacted poverty around the world?

Economics and where we are born geographically should not determine whether we have access to clean water, food, healthcare, and education. The world economy produces enough to feed and house every single human being today, yet there is hunger and suffering all over the world. In society we are divided into two groups: one that is barely able to sustain life in a dignified way and the other who exploits and oppresses, spends too much, is wasteful, and is rapidly exhausting our earth. Although the poverty crisis we face today is complex and multifaceted; it is important we recognize that Neo-Liberal policies are at the very root of the problem. Globalization and Capitalism are intertwined and both play a heavy role. Some argue that Globalization has increased technology thus advancing productivity, development, and progress. The truth is that, on the contrary- it has accelerated the spread of poverty, disease, and collapse of traditional cultures. Supporters of capitalism and globalization dispute that countries with “open-free markets” have shown a decrease in poverty but this is not the case. Some contest that GDP’s have risen in countries that have adopted capitalism, (see India, South Korea, Japan.) but inequality between the rich and poor has actually increased dramatically. The countries mentioned above are now facing new challenges. For instance, even with China’s astounding economic growth, the gap between

the incomes of the wealthy and the 800 million impoverished peasants has doubled in the last 20 years. In 1970, Argentina’s richest 10% earned 12 times as much as the poorest but by 2002 the rich were making 43 times as much.

As a society we are engineered to adapt to the neo-liberal way of life because it looks as if there is no other option and it is maintained through social practices. There is a myth that everyone believes globalization is indispensable and that it is a “natural economic trend;” but ultimately there are two scenarios for the future of humanity: one is an ethical society in which every human being can live a dignified life with access and opportunity to basic human rights such as water, food, education, adequate healthcare, and so on. The second is a neo-liberal-capitalist society—where the poor are exploited, rich are getting richer, and where free-market and privatization take over.

Too many times we are passive and fear change but an alternative world is possible. What would this world look like? People automatically reject utopian ideas to be radical and illogical but it’s critical that we look for an unconventional method and try to imagine a new world; no harm can be done in being idealistic. A different world is within reach and is attainable but unless we deviate from the orthodox ways, progress is not possible. It will take extreme measures, a collective energy, and revolutionary thinking to envision a new paradigm where there is no room for neo-liberal politics. It’s time that we critically examine our neo-liberal principles and that we re-evaluate the current state of the world so that we may transform our current market system in hopes for a more equal and balanced world. This will be a theoretical and empirical analysis of the role neo-liberalism plays and its impact on inequality and poverty.

To further develop my ideas the following chapters will be included: Chapter 2 Neo-Liberalism and its Discontents; Chapter 3 Case Studies: The US and Ecuador; Chapter 4 Unethical Nature of Globalization; and Chapter 5 Conclusion: Imagining a different world. My hope is that this thesis will be a small contribution towards opening up a discussion for

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the development of a new, alternative world we can envision. Dialogue plays an important role. It offers enlightenment and addresses questions and problems that can improve lives; as Max Horkheimer states, “Critical philosophy can help salvage relative truths from the wreckage of false ultimate’s.”

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12 John W. Murphy, *The Role of Philosophy in the Globalized World* (Miami: University of Miami, 2008), 74.
CHAPTER 2

NEO-LIBERALISM AND ITS DISCONTENTS

The very design of neoliberal principles is a direct attack on democracy.
—Noam Chomsky

We must understand and identify the fundamental bases of neo-liberal theories, where they originated from, the damage they cause, and whom to hold responsible. Once we understand it, we can then start to deconstruct it. “Liberalism” is referred to as political and economic ideas. “Neo” implies a more modern form of liberalism. The fundamental element of a neo-liberal model is a free market economic system. Privatization is the key factor; it seeks to transfer all power from the government to private sectors and corporations. More explicitly: The government shall not intervene in any economic policy; “free enterprise” and “free competition” lives in this framework. In other words, a free market grants permission for capitalist to make huge profits at the cost of others.

Five key characteristics the Neo-Liberal model:

- Gives the government greater openness to global trade and foreign investment.
- Cuts social services reducing the government’s role even further. Including education, healthcare, water supply, roads, and so on.
- Reduces any government regulation that could create profit; i.e. protecting the environment.
- Privatizes all state owned enterprises - selling all state owned goods and services to private financiers i.e. electricity, hospitals, water, schools, and so forth.
- The notion “for public good” or “society;” is eliminated, leaving the poor to fend for themselves, it impairs our social environment and wellbeing.

Proponents argue that privatization leads to lower prices, more options, greater quality, and a faster delivery of services. Those in favor of privatization believe they can do a better job putting forth economic policies and services than the government. In addition, they argue that governments have very little incentive to make sure organizations are run at their best. Current institutions owned by private companies are prisons, pharmaceutical companies, and farming industries. Often when a country is left devastated by war or a
natural disaster, it is the private companies that are awarded the contracts to rebuild the infrastructure of country such as roads, electricity, water lines, and so on. In return, companies like Halliburton make billions of dollars in profit. Halliburton, the world’s second-largest oilfield services company, is one of the most notorious corporations known for their corruption and exploitation. Last year Halliburton’s earning brought in more than $7.2 billion. Currently, huge corporations for example are seeking to privatize schools, hospitals, and water. Running these institutions with a for-profit agenda would cause a great deal of social damage. When the sole objective of a company is to maximize profits, the well being of the community and its people is disregarded. The public has no control or decision-making say in the private sector. Only a small margin of people benefit from the private sector. Free market may give the illusion of low costs, more choices, and better quality, but in fact it often leads to corruption, unemployment from downsizing, and loss of public services.

HUMAN BEHAVIOR IN A NEO-LIBERAL SOCIETY

The world has enough for everyone’s need but not enough for everyone’s greed.

—Mahatma Gandhi

Adam Smith produced some of the most influential works of the 18th century on modern economics and capitalism and also popularized the French term Laissez-Faire. Opposing any kind of government intervention in economic policies, he believed that the economic growth from the free market would benefit all. Smith is well recognized for two very striking books that many have called conflicting. His book Wealth of a Nations, focused on the principles of laws, justice, economic matters and how they related to human

15 For more on Neoliberalism refer to Chomsky, Profit Over People.
16 Defined as: “A policy of governmental non-interference in economic affairs; A policy of non-interference by authority in any competitive process; Practicing or representing governmental noninterference, or minimal interference, especially in economic affairs; pertaining to free-market capitalist” by David W. Pearce, The MIT Dictionary of Modern Economics (Cambridge: The MIT Press, 1992).
egotism. He came to the conclusion that man is biologically born competitive and greedy and man must fend for himself in order to survive. His second book, *Theory of Moral Sentiment*\(^{18}\) seemed to suggest the contrary. He reasoned that by nature we are born with both morals and compassion. We *do* care about the well-being and happiness of others. Additionally he explained how man can overcome egotistical impulses and that there is more to life than just politics and economics. While many considered the two pieces of literatures to be very conflicting, Smith believed the two philosophies were consistent with each other. Amid numerous opinions, studies, and experiments, there have been many disputes about the two theories. All have been in an effort to determine whether by nature we are born greedy or if innately we encompass altruistic qualities such as compassion, kindness, and love for one another. The phenomenon of human behavior is critical given its connection to neo-liberal and capitalistic ideals.

Philosopher Thomas Hobbes declared that human life was “solitary, poor, nasty, brutish, and short.”\(^{19}\) He considered man born as sinful and immoral and supported the idea that it was actually *civilization* and ones culture that could save man from his evils.\(^{20}\) Challenging these ideas was another Philosopher, Jean-Jacques Rousseau. On the contrary, he believed that man is not born evil but that man is biologically born “good.” He declared, “Man is born free, and everywhere he is in chains.”\(^{21}\) Therefore he concluded that we should return to our natural being and live a more noble life rather an ill modern life. It can be considered a theoretical debate except for many experiments suggest that our principles and morals are actually shaped by our culture and social structure. In one experiment two boys were given two lollipops, one boy was from a North American indigenous culture from the Lakota Community and the other a young white boy. Given the two lollipops, the two both put the first lollipop in their mouth. The white child put the second in his pocket. The Native American boy gave his lollipop to the nearest boy who didn’t have one.\(^{22}\) The study


demonstrates how one culture is shaped to value sharing and generosity while other is more self-seeking.

A researcher by the name of Frans de Waal has performed numerous observations on our closest primates chimpanzees in order to gain more knowledge about our innate social behavior with one another. In his observations he witnessed the animals fairly exchanging and trading food, in addition to other favors such as grooming.\(^{23}\) The study also showed chimps that had lived together the longest, behaved more communally than the newer chimps.\(^{24}\) His premise was that this type of behavior illustrates appreciation and thoughtfulness toward another. In humans it’s a mechanism we refer to as appreciation. Additional research believes evolution exhibits how altruistic social relationships can actually help one survive.\(^{25}\) A study with coyotes showed that the members of the pack who choose not to be part of the pack and who leave the pack face 55% chance mortality rate, while the others face only a 20% mortality rate.\(^{26}\) While Darwin believed in “survival of the fittest”\(^{27}\) in his book, *The Descent of Man*, he also understood that mankind embraces sympathy, cooperation, and love, stating: “a tribe including many members who were always ready to give aid to each other and sacrifice themselves for the common good, would be victorious over most other tribes; and this would be natural selection.”\(^{28}\) What this means is that many of these experiments demonstrate that even if we are born with a selfish gene, we choose, learn, and feel the need to cooperate, show compassion, share, and build strong communities.

Mathematician John Nash also conducted a number of experiments in an effort to maintain his idea about human behavior; he imagined humans as selfish and almost robotic.\(^{29}\)


\(^{26}\) Patel, *The Value of Nothing*.

\(^{27}\) Charles Darwin, *The Origin of Species* (New York: Signet Classics, 2003), 211.


He invented a series of games. In what was called the, “Fuck You Buddy,” experiment, the only way a player could win the game is by betraying their partner. All they had to do was play by the rules- behave selfishly to outsmart their challengers. Surprisingly, at the end of the game the subject always chose to cooperate with the other player, displaying again that most of the time humans value, trust, fairness, and selflessness, for his sake as well as his friends.

Thus far, we see today that some individuals (speaking specifically about corrupt governments, politicians, corporations, and so on) are self-serving and have no concern for those who suffer directly from their actions. Conceivably, if we are in fact born greedy then, these people have no choice but to engage in these greedy activities naturally, but as others have shown through various experiments shown above, this is not the case. Therefore persons in powerful, high-ranking positions have the ability to cooperate, make ethical decisions, and put the well being of society first, but they simply choose not to do this. The evidence above proves that more often than not, animals and people desire to be altruistic. From this we can conclude that in no way can neo-liberal behavior be legitimized or accepted.

**GLOBALIZATION BOOM**

The origin of the term *Globalization* is often debated but many say that it originated as far back as ancient civilization in the third millennium B.C. The word stemmed from trade links between various countries, which resulted in developments such as the Silk Road. The phrase began to resurface in the 1940’s, with the development of the Industrial Revolution. The acceleration and integration of technology, financial, and communications expanded quickly. The trade and industry shift transformed every aspect of life, including

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family structure, social beliefs, and social culture. The Western capitalist approach pushed toward less regulation and more power for private corporations. It was survival of the fittest to dominate the free market. Those who benefited from the free market economy were by and large the rich, creating disparities between classes. There is a never-ending argument surrounding globalization and whether or not it really delivers economic prosperity and democratic autonomy equally. People question the consequences of globalization such as environmental devastation and wage disparity and more importantly whether globalization helps everyone or just a few. I maintain that Globalization along with Capitalism gives those in high positions the power to use the tools of economics and manipulate the market. Over and over again, corrupt politics maximize and exploit specific market opportunities for short-term profits, often with vested interests and personal agendas.

**KEYNESIAN ECONOMICS**

Following the 19th century, economist John Maynard Keynes inspired and redefined business economics. His theories are referred to as Keynesian Economics. His beliefs consisted of a mixed economy with a private sector in addition to significant participation from the government. He argued that nation operating solely as a private market can produce damaging financial outcomes, therefore he reasoned that to prevent and cope with budding recessions and depressions, the government should come to the rescue and take major financial action like reducing taxes in order to avoid economic meltdowns. It’s the interests of the community that should always be primary and carefully managed. Thus, the main idea of Keynesian Economics is that if we don’t take into account the social welfare of people the balance of wealth will be thrown off via capitalistic rule. Keynes’ revolutionary beliefs spread globally across capitalist markets and served as a model during the Great Depression. Despite this, during the 60s economists like Milton Friedman began to doubt

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Keynesian ideas. Friedman has been described as “the leader of the first recognized counterrevolution against Keynesianism.” He questioned the government’s ability to efficiently manage the market.

**MILTON FRIEDMANS DECEPTIVE ECONOMIC THEORIES**

Milton Friedman is recognized as one of the most dominant supporters of neo-liberalism. A huge fan of laissez-faire economics, Freidman fully adopted a free-market economic system. He, along with others believed, “An unregulated market is the best way to increase economic growth.” He was the leading pioneer of a new *style* of neo-liberal tactics that would soon be the start of what author Naomi Klein calls “economic warfare.” Friedman adamantly stood by the core values of neo-liberal principles. He maintained the argument that the poor and the rich should equally pay the same amount of taxes; corporations should have the freedom to the price and sell their products anywhere in the world, the government should not be part of economic decisions, and lastly there should be no standard minimum wage. In essence, everything ought to be determined by the flow of market. He claimed that all would benefit but the truth is that the wealth did not trickle down the ladder and was not distributed equally. Soon Friedman began to launch his radical ideas. He systematically fashioned economic methods in the event that the market were to be disrupted and or in the event of a national crisis. There was a new strategic protocol and Friedman was the brainchild of it all. Author Naomi Klein calls his tactics, “*shock doctrines.*” Friedman has had profound influence on numerous government powerhouses. He was the leading figure in implementing the new plan to handle economic conditions where a small amount of people would greatly benefit.

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38 Eatwell, *The Rise and Fall of Keynesian Economics.*


41 Klein, *The Shock Doctrine.*
**THE CHICAGO SCHOOL**

They have mastered the technique of infiltrating the instruments of democracy—the ‘independent’ judiciary, the ‘free’ press, the parliament—and molding them to their purpose. The project of corporate globalization has cracked the code. Free elections, a free press, and an independent judiciary mean little when the free market has reduced them to commodities’ on sale to the highest bidder.

—Arundhati Roy

With a 35-year history, Freidman’s economic techniques and beliefs quickly took off at The Chicago School of Economics and soon there were many followers. As claimed by Naomi Klein, the Chicago School had but only one agenda: An economic fight to destabilize many impoverished countries with unconventional loans. The reward: soaring profits. The Chicago Boys appointed economic advisors to go into countries on verge of collapse and or when a country was most vulnerable. These “economic experts” would then fabricate exaggerated economic forecasts. They would persuade the countries government that billions of dollars needed to be invested for successful economic growth. The World Bank and IMF supply many of these loans. These lucrative projects usually include major infrastructure development: investments in electrical power, grids, highways, telecommunication, and water construction. The projects are exclusively contracted to US corporations such as Halliburton, Bechtel, and Blackwater who in exchange, gain huge profits. The catch is that these loans come with sky high interest rates; loans that in truth could never be paid back thus leaving the country bankrupt and forever indebted to the US. The countries targeted are strategically important to the US. Once a country is indebted to the US it ensures that these countries will remain obliged to their creditors, providing needed favors such as military bases, UN votes, and or access to the countries natural resources, such as gas, oil, coal, and diamonds. The leaders of these countries are also able to boost their political power because they are accredited for bringing industrial parks, power plants, and airports to their people. Ultimately, the poorest citizens do not benefit from their own countries natural resources and are many times deprived of health services, education and other social services. Eventually the country is left far worse, while the elite and the corporations involved become extremely wealthy at the expense of the poor. For decades countries can experience repeated shock.

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waves and will sometimes struggle to stabilize their economy as well as overcome the insurmountable debts.

In one recent example, when Hurricane Katrina hit New Orleans six years ago, hundreds of schools were destroyed in the wreckage and the education system collapsed. Thousands of students were displaced. Suddenly there was a rush to privatize all the schools; Milton Freidman publically stated that while New Orleans had suffered a horrible tragedy, it was also a great opportunity to transform the public school system.43 Millions of dollars would go into private schools and charter schools, schools that almost certainly would run for a profit. The money would be subsidized by the state with all the money going to private companies. When institutions like this are run at a profit, it overhauls what is best for the community. In another illustration, disaster struck when a tsunami hit Sri Lanka in 2004. Unexpectedly the country was thrown into turmoil. Without any delay international lenders and foreign investors were rushing to propose new flashy resorts and develop new tourist revenue. The local fisherman who once made a living off the coastline, were quickly wiped out. Without any regard for the locals, mega- corporations made huge profits off development contracts, isolating and impoverishing the country even more.44 At the expense of the poor, these shock doctrines have proved to be very lucrative. The effects of these “shocks” can take 30-50+ years to wear off.

Almost over night the Chicago boys helped engineer fraudulent economic plans linked to private contractors and companies all over the globe such as, Argentina, Bolivia, Russia, and the Middle East. Friedman’s economic strategies and many of Economists from The Chicago School are in many ways responsible for those countries whose resources and financial structures have collapsed. After Friedman’s death in 2006 many questions started to rise concerning Friedman’s policies and many of the economists from The Chicago School. Today they all still deny any wrong doings. This merciless approach has impacted and increased poverty globally, again creating huge disparities between the rich and poor. Only a handful of wealthy families and influential leaders have become very rich thanks to these loans. More disconcerting is that American Media Companies portray these projects as good

43 Klein, *The Shock Doctrine*.
44 Ibid.
deeds being provided by the US, leading us to believe that these actions are generous acts of international support.

**Critical Perspective**

Nevertheless, people like Philosopher Serrano Caldera critically examined the impact of globalization at a conceptual level. Serrano Caldera shows how Globalization can be very damaging to people.\(^{45}\) When one society dominates over another, usually one side assumes a deeper sovereignty and this sort of arrogance is dangerous when it lands into religious, social, racial, cultural, and institutional spaces. It weakens public unity and the structure of the society. Serrano protests: “People do not have to adapt to this trend but can require that social change reflects human need.”\(^ {46}\) He makes a case that we should develop an unprejudiced society that recognizes a wide range of differences-cultural, economic, and social. Serrano often uses the term “Unity in Diversity,” he believes that the community should manage themselves and determine their own future. *We*, the minority should plan our own economy and have a voice in our own economic policies. *We*, the working class should determine working conditions, labor laws, and how the profits are utilized. Neo-Liberalism endorses capitalism and capitalism **CANNOT** co-exist with this type of democracy. Today we are witnessing the mayhem and repercussions of neo-liberal policies.

\(^{45}\) Caldera, “The Limits and Alternatives,” 46.

\(^{46}\) Ibid.
CHAPTER 3

INEQUALITY BY COUNTRY

An imbalance between rich and poor is the oldest and most fatal ailment of all republics.

–Plutarch

This analysis will focus on a nationwide pandemic happening in both the United States and Ecuador. It’s important we include the US in this section to recognize that poverty and inequality exist not only in impoverished countries, but in affluent countries as well. Both countries have their own unique economic history. Capitalism and its economic policies have bankrupted their financial systems and have left communities across its nations devastated. This chapter provides a small report of just some of the accounts and events that have traumatized communities across the two countries and left them hostage in the hands of the market.

AMERICAS RISE IN INEQUALITY

While it may appear that the United States is a very wealthy country it is not exempt from the economic policies of neo-liberalism that have created a continuing class struggle between the rich and the poor. In 2010 the poverty rate in the United States hit a 30 year-high, with 46.2 million (about 15.3%) of the US population falling below poverty level.47 What’s more is that the wealth of the richest 1% percent of Americans reaches $16.8 trillion dollars, that’s $2 trillion more than the combined wealth of the lower 90% of country.48

The statistics go on and on but still don’t even begin to give an accurate picture or explanation of the control neo-liberal politics has had on the US. From wealthy bankers to


poverty-stricken neighborhoods like in Denver, in a country known for *The American Dream*, the discrepancy between social classes is quite obvious from. The US is put under a sign of freedom but it’s just an illusion; there’s no freedom if people’s lives are ruled and dominated by corporations and stockholders and more so if the market is what determines our quality of living. One can’t help but raise questions about the economic model and structure our country follows. This section will bring to light the system that has not only left our economy fragile, and at risk of a total collapse, but has also enabled some of the most elite to make soaring profits at the expense of others, leaving many parts of the nation destabilized.

**IN NEW GENERATION OF POVERTY IN AMERICA**

There can be no keener revelation of a society’s soul than the way in which it treats its children.

–Nelson Mandela

One of the consequences of the 2008 recession that is often missed is the growing number of children sliding into poverty. There is a new outbreak of children living in the poorest conditions, making this the largest American generation being raised in poverty since the Great Depression. With 25% of children living in poverty, there’s a new phrase and it’s being called: the ‘motel’ generation. 7½ million jobs were lost in what is now being called the *Great Recession*. This leaves the unemployment rate at 9.1%, the largest rate in history. 3.8 million foreclosures last year left families to either live in their cars or if lucky, in a motel. More and more buses now pick up students at motels. The US census shows that before the recession there were 14 million people living in poverty and in just two years it has risen to 16 million, the highest and fastest increase since the government started

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50 Ibid.

51 Ibid.

52 United States Census Bureau.

recording the numbers 51 years ago. Consequently, kids are performing poorly in school as a result of their parent’s financial troubles and living conditions; they are focused on helping mom and dad and often drop out of school to look for work. With a lack of education, the probability of being successful in the future is slim, further adding to an endless cycle of poverty.

Adding to this, Robert Frank, an economist at Cornell University, found that in cities with the largest income disparities people experienced higher rates of divorce and bankruptcy. Such families fall into higher risk of credit card debt, as they try to keep up with the rest of society; further adding to the struggle of the common every day person. A Carnegie study performed by Richard de Lone found that a child’s future is not determined by an IQ but by their social status. A child of a successful lawyer has 27 times higher chance of getting a successful job and earning an income in the top tenth of all income; a child of janitor for example, with the same IQ, has only a one in eight chance of earning a decent income. In many cases even with education, a society that is structured by economics leaves the impoverished in a vicious cycle with no end in sight. If these issues continue to be ignored, the United States will have the most unbalanced nation, more than any other industrialized country.

Undeniably, many people across the US are experiencing financial hardship, though there are several cities that stand out who are experiencing poverty in the most severe circumstances. One example is Camden, New Jersey. In 2010 the latest census data reported that 41.3% of Camden residents lived in poverty. One corporation that has impacted Camden’s economic down turn and has left the city ravaged, is Campbell Soup Company. The business that first opened its operations in the 1930’s earned a staggering $7.6 billion in

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57 Ibid.
59 United States Census Bureau.
2009 and over the last few decades, the company has thrived in profits and has been able to dominate the soup market. Although the company shut down production back in 1990, Camden is still feeling the repercussions of the multi-national corporation. The loss of manufacturing jobs, the mismanagement of the company, and its drive for low-cost production, has left the city with the highest unemployment rates and homelessness in the state. Like many corporate propaganda campaigns, driven by greed for high profits, Campbell’s soup has been successful in creating a “hearty and apple pie” image, an image that has been able cover up the real motives behind the economic crisis the company has created in Camden, New Jersey. Advertisements like, “Mm, Mm, Good,” cover up the true face of the Campbell Soup and have come at the expense of its workers and the city of Camden. To boast lucrative earnings for its CEO’s and stockholders, one of the damaging tactics that many companies must implement is the poor treatment of its employees, for instance, careless mismanagement and unfair wages. Based on the company’s model of the “Bedaux System,” the company was able to successfully drive down production costs in the early years of the company’s manufacturing of soup. In following this model, the company tried at all expenses to control and limit the union’s involvement, the very unions who protect and look after its workers.

A brief history of the Campbell soup corporation reveals the inner workings of the company that have left city in the poorest economic conditions among the nation. At the opening of the company’s factory, the company did in fact hire thousands of Camden workers, but soon after the Great Depression the company was able to take advantage of people who were in desperate need of work; unemployment soared and allowed Campbell Soup to hire top skilled workers and pay them low wages while increasing production.

61 United States Census Bureau.
63 Ibid.
64 Definition: The Scientific management with the promise of increased labor activity without great investments in plant and machinery, Steven Kreis, The Diffusion of Scientific Management, The Bedaux Company in America and Britain (Columbus: Ohio State Press, 1992).
hours. To their advantage, at a time when it was acceptable to pay women even lower wages than men, the company hired mainly women. Years followed with a continued struggle between Union workers and the company. What made the most impact is when Campbell closed down its New Jersey factory seeking cheaper labor and a workforce not unionized yet. This is a picture of capitalism at its best and reflects some of the same battles many workers across the US face today.

Added violence and the poverty crisis the city continues to fight are attributed to the years of corporate abuse. The FBI reported that Camden has five times the national average of violent crimes. The history of having sent three former mayors to jail for illegal activities, corruption, and fraud of local leaders is another factor to the cities’ unstable situation. One of the mayors, Milton Milan, was indicted on money laundering, insurance fraud, and bribery. Attorney for New Jersey, Robert J. Cleary, stated that the mayor was, “motivated by Milan’s unquenchable thirst for money and material possessions.” Even in 2002 when the city was given $175 million for improvements, much of it went to institutions like Rutgers University and Cooper Hospital who were tax-exempt.

Similar to the many corporations discussed in this thesis, Campbell Soup has demonstrated how capitalism uses aggressive techniques and how it has left Camden under harsh conditions. Using the example above, we can see how neo-liberal models occupy many aspects of our lives and generate a “snow ball” effect of problems.

**LEADING TO THE GREAT RECESSION OF 2008**

It’s not the multimillionaires, the traders on Wall Street, or the CEOs that are experiencing the shocks and agony from the 2008 Recession; it’s predominantly minorities,

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66 Ibid.
67 Sidorick, *Condensed Capitalism*.
70 Ibid.
71 Ibid.
African-Americans, low skilled workers, Mexican-Americans, adolescents, and children. The marginalization of the underclass is growing and having harmful effects. Low income and middle class families are experiencing financial hardship due to the loss of manufacturing jobs, globalization, growing unemployment rates, and high taxes. By design, when the economy takes a turn for the worse there is no safety net for the poor.

**A BRIEF HISTORY OF AMERICA’S ECONOMIC STRUCTURE**

Before the recession and even now many have failed to see the link between Wall Street and the US government. The following features the chronological events described by Charles Ferguson’s, 2010 film, *Inside Job*.

In the 1930’s there was a surge in the growth of markets; this offered the perfect opportunity for numerous individuals in high places to manipulate the market purely for profits. The fraudulent acts were later exposed and revealed the abuse of the economy’s financial structure that in the end led to the Great Depression. New laws including the Glass-Steagall Act and the Securities and Exchange Act were put in place with rigid restrictions on financial risks; this would prevent misconduct by government officials. Total transparency and disclosure of financial information was now mandatory and because of this, the financial sector became tightly regulated and traders and bankers were now earning equal salaries.

During the 1980s, the Reagan Era, deregulation practices started up again. Attempts by National legislators and Securities and Exchange Commission tried to boost and strengthen insider trading. Reagan’s initiative was to increase profits of the S&L’s sector- at the expense of taxpayer’s money. It was then the Garn-St. Germain Act that removed controls on the Savings and Loan Companies. These loose regulations led to

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77 Ferguson, *Inside Job*. 
massive fraud costing the US over $1.4 trillion dollars—about one quarter of the US national debt.\footnote{Henry N. Pontell and Kitty Calavita, The Savings and Loan Industry, Crime and Justice (Chicago: University of Chicago Press, 1993).} One of the key players in the S&L’s scandal was Neil Bush, son of President George Bush; he approved a $100 million of bad loans to business associates of S&L’s, which defaulted.\footnote{Jonathan Beaty Denver, “Running with a Bad Crowd, How Neil Bush Let Himself Get Caught Up in the $1 Billion Silverado Debacle,” Time Magazine, December 31, 1990.} There was no tax enforcement and in the end the market crashed, leading to the Saving & Loans crisis of the 1980’s. Consequently taxpayers funded the $124 billion bailout.\footnote{Ibid.} In 1989 former Lincoln S&L CEO Charles Keating, was convicted of fraud for embezzling over $250 million dollars from investors.\footnote{Ferguson, Inside Job.} Keating had convinced Lincoln investors to buy high-risk bonds and in the end his callous actions cost taxpayers over $3.4 billion dollars.\footnote{Ibid.}

From 1987-1990 more Wall Street executives such as Michael Milken and Ivan Boesky, were also convicted of insider trading and fraudulent financial contracts.\footnote{James J. Cramer, “Bad Boys, Bad Boys,” New York Magazine, October 13, 2003.} When Clinton came into office in the 90’s he repealed the \textit{Glass-Steagall Act}, the bill that had enforced tight restrictions on financial practices.\footnote{Ferguson, Inside Job.}

In 1994 a new law was put in place for the Federal Reserve to control and regulate the mortgage business. Ironically, Alan Greenspan was the chairman of the Federal Reserve Bank and adamantly refused to enact any type of regulations. Later with the help of Congress members and some of Clinton’s key administrators, the \textit{Commodity Futures Modernization Act} was passed. The policy banned all regulations of financial by-products. Greenspan’s policy made the market extremely volatile during this time.

In 2000 the dot-com bubble collapsed. Investment banks had intentionally and maliciously recommended dot-com stocks knowing that the stocks were worthless. In 2002 Eliot Spitzer, the 54th governor of New York and later New York Attorney General, sued...
investment banks; the banks were forced to pay over $1.4 billion dollars in fines. In the years following new complex financial innovations that had never been seen before, started to thrive; credit default swaps, securitization of mortgages and CDO’s (Collateralized Debt Obligations) materialized.

From **2002 to 2007** investment banking industry created a huge mortgage and housing market; mortgage lending quadrupled and loans are given to anyone and everyone. Many lenders pushed borrowers to purchase loans they did not understand; for example “negative arm loans” which after two years the mortgage payment would triple. Minorities and the poor were mainly targeted; they jumped at the opportunity to own their part of the American dream. Edward Gramlich, a employee of the Federal Reserve Bank, asked in 2007 “Why are the most risky loan products sold to the least sophisticated borrowers?” he continued, “The question answers itself — the least sophisticated borrowers are probably duped into taking these products.” The banks purchased the high-risk loans knowing that the homes will default. During these years the Securities and Exchange Commission lifted even more restrictions allowing for the banks to keep borrowing deceptively.

In **2008** the US economy finally crashes and home prices drop by 50% with a record number of foreclosures. Alarmingly unemployment rises from 5% to 10%. In an attempt to fix the crisis, billions of dollars in bailout money are given to companies like AIG and Goldman Sachs. Foolishly, at the end of 2008 $700 billion dollars was put forth to bailout the US financial industry.

In **2010** President Obama was elected, giving the American people hope to turn around the economy. In spite of the brutal damage the US suffered, he appointed many of the same administrators and Wall-Street executives who served on Bush’s economic council.

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86 Ferguson, *Inside Job*.
89 Ferguson, *Inside Job*.
90 Ibid.
Companies like AIG, Goldman & Sachs, Citicorp, and JP Morgan, committed fraud making billions of dollars in profit and yet none of these high-level executives and CEO’s have been held accountable; not one has even been indicted or seen jail time.\(^92\) Greedy, high-level officials with power put in place policies of deregulation on free markets. Why is this so significant? It’s imperative we study and examine the last two decades to explain how we got to where we are today and how deregulation and neo-liberal policies have had a direct impact on inequality here in the US. In 2010 The US census bureau reported $46.3 million people are living in poverty, that’s one in seven Americans living below the poverty line of $10,830, for children it’s one in five.\(^93\) The report also stated that the number of people without health insurance rose to 50.7 million people. The numbers below are the poverty statistics from 2010 for San Diego and California.

Recent US Census Bureau numbers for San Diego and California on 2010 poverty, income and health insurance:\(^94\)

- 14.8 percent: San Diego County poverty rate
- 13 percent: California poverty rate
- 10.5 percent: San Diego Unemployment rate
- 12.1 percent: California Unemployment rate
- 446,060: Number of county residents living in poverty
- 5,783,040: Number of Californians living in poverty
- 11.6 percent: Child poverty rate in San Diego County
- 17.6 percent: Population in San Diego County without healthcare coverage

**CONCLUSION US**

The numbers above are staggering. In what John McManus calls “Financial terrorism,”\(^95\) the banks have taken over our economic market and have driven it into the ground. The wealthy continue to get dramatic tax cuts while social services and social benefits decline. Our elected representatives implement the very policies that may result in

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\(^93\) United States Census Bureau.

\(^94\) Ibid.

the collapse of the United States economy. The real needs of our country and its citizens are
being neglected and if we allow the banks, multinationals and lobbyists to run and control
our government and economic structure, our society is put in jeopardy. There is a false
impression about social mobility and opportunity that is accessible to everyone but we can
see that Americans at the bottom of the latter rarely benefit and seldom prosper from the
alleged growth of the market stemmed from Capitalism.

**Ecuadoreans Struggles to Escape: A History of Neo-Liberal Exploitation**

Injustice anywhere is a threat to justice everywhere.

—Martin Luther King

Ecuador’s troubles of inequality and poverty stem from decades of exploitation
created by neo-liberal policies. Ecuador’s government has not been able to escape
America’s invasion, pursuit of trade, debt, and economic policies. Even Michel Camdesseus,
former director of the International Monetary Fund, (the very institution that ignited many of
these neo-liberal attacks on the country) admitted in an interview: “Ecuador is characterized
by an incestuous relation between bankers, political-financial pressure groups and corrupt
government officials.” Ecuadorians have been denied the benefits of their own country’s
rich natural resources, a familiar pattern of 3rd world poverty stricken countries. The troubles
Ecuador has faced are directly from economic schemes, and the failure to address and
recognize the deceptive practices, has created a self-perpetuating problem. This story has
already been told; its been highlighted in numerous books and articles but it’s still useful to
continue to address the issues this country has endured particularly since this is a current,
ongoing problem around the globe. The discussion will follow the economic financial
structure that has left Ecuador in debt from US loans, Texaco, the corporation that has
devastated country’s environment and indigenous culture, and also a glimpse of Ecuador’s
presidential history that provides some insight into the countries history of instability and
poverty. Like many countries facing the same challenges, Ecuador’s indigenous population

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96 Gerard Coffey, *IMF Loans to Ecuador Bailout Bankers, Not the People* (The Netherlands: Friends of
the Earth International, 1999).

97 Roger Burbach, *Ecuador’s Nascent Leftist Government Victorious in Confrontation with Right*
(Berkeley: ALAI América Latina en Movimiento, 2007), 32.
merits the right to reclaim and reallocate the countries resources in addition to its deserving earnings, so that they may have an equal and dignified life.

**LOANS**

Over the last few decades one of the main contributing factors to Ecuador’s debt crisis and struggle between classes, is the outrageous loans carefully planned and supplied by organizations like the IMF. In short, when a country faces a volatile economic and political period; it’s put in an extremely vulnerable position. Powerful intuitions jump at the opportunity. As mentioned in the earlier chapter, it’s economists like Milton Freidman that provide the exaggerated economic forecasts and persuade the country to shift towards a modernized industrial country. These estimates consist of statistics and projections that can be manipulated to produce any type of desired figure and with compelling plans, the country is convinced it needs the loans to restore order, fix infrastructure, communications, transportation, and so on. Conveniently the proposed projects are only licensed to private contractors who make huge profits from the borrowed funds. One of the conditions of the IMF loans is that Ecuador opens its doors to free trade and increased exports. The money in reality never really leaves the US; it routinely goes straight from the banking offices to the private contracting companies. The true objective is to maximize payouts. A country like Ecuador in this case, must then pay back the loans at a high interest rate. The country, unable to pay back the loans, lay indebt and bankrupt, which gives the US and private corporations the go ahead to take advantage of the country’s natural resources and also occupy the land for US military bases. This also exhibits a long-term movement working towards US domination. Today Ecuador finds itself a victim of deceptive loans; its $15 billion debt has become impossible to manage. As a consequence, with a debt that high, it’s eliminated social services such as healthcare and education. Ecuadorians are living on less than $2 a day

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98 Perkins, *Confessions of an Economic Hit Man*.
99 Ibid.
100 Ibid.
101 Coffey, *IMF Loans to Ecuador*.
even though they have exports of 250%, because of this it’s been noted as one of the top ranking Highly Indebted Poor Countries (HIPC’s).102

**TEXACO**

Corporation: An ingenious device for obtaining profit without individual responsibility.

–Ambrose Bierce

The history of Texaco is a textbook example of a corporation that has created irreversible damage from the company’s oil production.103 For millennia indigenous communities have lived in the tropical Amazon rainforest. Their animals were used for food and as well as trade; they enjoyed nature and lived a comfortable life in what they called their own paradise. They prided themselves on their rich, native, indigenous culture that they embraced in everyday life. Texaco (same company as Chevron) first struck oil in 1967 when it invaded the Ecuador Amazon rain forest and set up production for the drilling of oil.104 For 28 years the company dumped billions of gallons of poisonous toxic oil and chemicals into marshes, streams, and rivers; 30,000 indigenous rural communities: the Socoyas, Cofans, Sionas, Quichuas, tribes were raped of their land.105 15,000 wells were built on Cofan land and have almost eradicated the tribe completely.106 To cut production costs, rather than properly and responsibly clean up the toxic oil waste, the company dumped the oil into shallow pits, which were then covered with a thin layer of topsoil.107 When pits became full they simply drained them into nearby streams and rivers. Excess crude oil was burned creating what the villagers’ called, “black rain.”108 Even though the company earned millions, it used outdated technology, systems that are illegal in almost all-major oil

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105 Ibid.
107 Ibid.
108 Ibid.
producing states; this provided the company savings of over $5 billion.\textsuperscript{109} The villages drank, bathed, and cooked from what was once pure, natural water from the Amazon but black clouds, contaminated water, environmental damage, and the humiliation of the local workers robbed the villages of their resources and culture. When the majority of the rainforest Indians refused to work for the oil company, workers from other regions were brought in and were able to exploit them, paying them low wages and under harsh working conditions.\textsuperscript{110} The multi-national, toxic energy corporation claim they fixed and restored the areas but study after study have shown the land is beyond repair.\textsuperscript{111} Jose Aguilar, a local settler, told the AP: “It is irreparable damage. Everything has been damaged. People have died. Everything has been lost.”\textsuperscript{112}

In addition, since the company’s invasion there has been an extraordinary increase in cancer, skin rashes, and unknown diseases.\textsuperscript{113} Not only have thousands been displaced, land that will never be recovered, but its deceiving just how much profit the company makes that is not seen by most of its citizens. For every $100 of oil that is extracted from the Ecuadorean rain forests, oil companies receive $75; the remaining $25 goes to paying off the countries debt and military and other government expenses.\textsuperscript{114} About $2.50 is left for health, education, and programs for the poor.\textsuperscript{115} This means that every $100 worth of oil stolen from the Amazon, less than $3 goes back to the Ecuadorian people.\textsuperscript{116} Texaco has the cheapest technology to maximize profits and has kept stockholders happy as well as made many of them incredibly rich at a huge cost of the Ecuadorian’s and their environment, one more example where profit earnings are put before the welfare of a community.\textsuperscript{117, 118}

\textsuperscript{109} Maass, \textit{Crude World}.

\textsuperscript{110} Ibid.

\textsuperscript{111} Ibid.


\textsuperscript{113} Maass, \textit{Crude World}.

\textsuperscript{114} Perkins, \textit{Confessions of an Economic Hit Man}.

\textsuperscript{115} Ibid.

\textsuperscript{116} Ibid.

Looking at Ecuador’s political history illustrates the major role it has played in Ecuador’s economic challenges. In 1978 presidential candidate, Jaime Rodlos, gave Ecuador a glimmer of hope with a promise to fight against the Texaco oil giant.\textsuperscript{119} He was described as a nationalist and fought for the rights of the poor; he also believed it was the politician’s responsibility to protect and use the country’s natural resources wisely. In his short time in office he was able to reduce the workweek to 40 hours and he doubled the minimum wage.\textsuperscript{120} He was most accomplished for his fight for human rights; he proposed signing a ‘Charter of Conduct’ that states the principles of human rights.\textsuperscript{121} Even though American conservatives rejected the charter, he moved forward with his other agendas. He bravely went after the oil companies and drafted the Hydrocarbons Policy; it stated that any use of the country’s greatest natural resource, petroleum, should first benefit the largest percentage of the population.\textsuperscript{122} In 1979, after being elected as the first democratic president, he made his goals very clear in his inaugural address:

\begin{center}
We must take effective measures to defend the energy resources of the nation. The state (must) maintain the diversification of its exports and not lose its economic independence…Our decisions will be inspired solely by national interest and in the unrestricted defense of our sovereign rights.\textsuperscript{123}
\end{center}

As soon as he officially took office he continued to focus on Texaco, and unquestionably the oil giant did not want to be part of any kind of policy that would threaten future drilling projects. A speech by Roldos key advisor, Jose Carvajal, again reaffirmed the new administrations opposition toward Texaco:

\begin{quote}
If the partner [Texaco] does not want to take risks, to make investments for exploration, or to exploit the areas of an oil concession, the other partner has the right to make those investments and then to take over as the owner… We believe our relations with foreign companies have to be just; we have to be tough in the struggle; we have to be prepared for all kinds of pressures, but we
\end{quote}

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\textsuperscript{118} For more on the back-story of Texaco see: Gerlach, \textit{Indians, Oil, and Politics}.
\textsuperscript{119} Gillis, “Ecuador Vs. Chevron-Texaco.”
\textsuperscript{121} Ibid.
\textsuperscript{122} Perkins, \textit{Confessions of an Economic Hit Man}.
\textsuperscript{123} Ibid.
\end{footnotesize}
should not display fear or an inferiority complex in negotiating with those foreigners.\textsuperscript{124}

This did not sit well with Texaco. It was an all-out strike against the Mega Oil Corporation and for the first time Ecuador had a president who understood and was committed to actually changing the way business was done with corporations. Unlike his predecessors, he did not take any bribes nor was he fazed by any threats. In 1981 the Hydrocarbons law was officially submitted to congress.\textsuperscript{125} Roldos warned that if the plans weren’t put into effect, any foreign interests including the oil companies would be forced to leave immediately. Suspiciously and in perfect timing, shortly after in 1981 he died in a plane crash.\textsuperscript{126} Taking into consideration Texaco’s conquest to steal Ecuador’s oil along with the company’s unlawful activity and corruption, it wouldn’t be that far-fetched to conclude that the mysterious plane crash was somehow connected to Texaco, the company who most benefited from this accident. If the above is true, then it shows that corporations stop at nothing to secure their profits at the expense of an impoverished country. Thereafter, Osvaldo Hurtado took over as president.\textsuperscript{127} He was quite opposite of Roldos, with other ideas in mind, just a year later Roldos Hydrocarbons Policy was put to an end and oil companies were granted access and increased oil drilling.\textsuperscript{128}

In the late 80s, Ecuador’s foreign debt was equal to 60 percent of its GDP.\textsuperscript{129} The country began to implement a neo-liberal agenda; it was the perfect opportunity for the IMF to infiltrate and begin to take over the economy. Severe policies were put in place that unfavorably impacted the wealthy classes. Neo-Liberal governing, along with corruption set off a volatile and instable period; this is when the country took a turn for the worst. Ecuador’s people suffered widespread hardship due again to neo-liberal governing. Between

\begin{thebibliography}{9}
\item \textsuperscript{124} Ibid.
\item \textsuperscript{125} Joseph Mutti, “Ecuador: Chevron-Texaco’s Toxic Legacy,” last modified May 10, 2006, \url{http://www.greenleft.org.au/node/33912}.
\item \textsuperscript{126} Perkins, \textit{Confessions of an Economic Hit Man}.
\item \textsuperscript{127} Gerlach, \textit{Indians, Oil, and Politics}.
\item \textsuperscript{128} Ibid.
\item \textsuperscript{129} Marcelo Giugale, \textit{Ecuador an Economic and Social Agenda in the Millennium} (Washington, DC: World Bank Publications, 2003).
\end{thebibliography}
1997 and 2007 Ecuador carried out seven different presidents. The country took another blow when in 2000 the US dollar became the country’s official currency. The country became bankrupt. The US loaned Ecuador billions of dollars so it could hire engineering and construction contractors to build projects that predominantly only helped Ecuador’s wealthy citizens. During this time the poverty level grew from 50 percent to 70 percent, unemployment 15 percent to 70 percent, the country’s debt grew from $240 million to $16 billion, percentage of resources for the poor went from 20 percent to 6 percent. Today Ecuador pays 50 percent of its nationwide budget to pay off the debt of the loans. This type of poverty has created a divide between classes. The wealthy are categorized as “Blanco” and referred to as “gente de bien,” (“good people”; “people of good or proper background”) this is done to make the distinction between the rich and poor clear. Today, over half the nation is poor living under minimum standards.

Following Hurtado’s presidency, in the 90s a class action lawsuit was filed against Texaco; the lawsuit has carried on for over a decade. Texaco continues to come up with numerous excuses and defenses, along with this, big multi-national corporations like Texaco, have the money and resources to keep the trial going with the intention of bankrupting the plaintiff. First they argued that the Ecuadorian government gave them permission to drill. Second, they claimed the law firms representing the Ecuadorian villages were really involved for their own profit seeking motives. Additionally, they deny any tests claiming that show an increase in cancer. Lastly, they state that if there is really is any damage to the land, it is Petro Ecuador, the national oil company who Texaco handed over in 1992, who is responsible for the bad practices. In the end, an assessment was done in 2008 by an

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130 Gerlach, Indians, Oil, and Politics.
131 Ibid.
132 Ibid.
133 Ibid.
134 Ibid.
137 Berlinger, Crude.
independent inspector; after testing land samples he concluded that in fact the oil spills had polluted the land and that the damage was most likely irreparable.\textsuperscript{138} That year Texaco was ordered to pay $27 billion dollars in damages but despite this Texaco has appealed the verdict repeatedly denying any wrongdoing.\textsuperscript{139} This year again, now by the Lago Agrio Ecuador court, found Texaco guilty and ordered the company to pay $8 billion but most likely this fight for justice will drag on for years.\textsuperscript{140} Moreover, it not just Ecuador Texaco has taken advantage of, such incidents have taken place in but not limited to, Richmond California, Angola in Africa, Nigeria Delta, El Segundo California, Bangladesh, and Iran.

In 2007 President Rafael Correa took office, he does not take any political party and except for Roldos, it looks as if this might be the country’s first elected official who is working to change the country around for good and eliminate a long history of neo-liberal governments that have shattered the country. During his first few months in office he stated that he will never again sign a free trade agreement with the US and that in 2009 he would terminate the largest US military base on South American Pacific Coast.\textsuperscript{141} The new president has committed himself to reclaiming state power. All are hoping that Correa will be able to seize control and win over all parties involved. A proposal, “Somos Poder Constituyente,” signed by many representatives of the collective movements, stated:

\begin{quote}
The Constituent Assembly is born out of the power of the people, and not out of negotiations with the oligarchy and the Congress. …The new point of departure is that sovereignty resides with the people, it is the only guarantee of an Assembly that is truly democratic, including the best men and women of our country.\textsuperscript{142}
\end{quote}

With many progressive political, social movements, and grass roots campaigning, radical anti-neoliberal reform is surfacing with Correa as the new president. He endorses a new era of socialism and has declared that Ecuador has to end “the perverse system that has destroyed

\textsuperscript{138} Ibid.
\textsuperscript{140} \textit{Los Angeles Times}, “Chevron Ordered to Pay $8 billion by Ecuador Court,” February 14, 2011.
our democracy, our economy and our society.”143 These are just short experts of Ecuador’s political history. The tasks that lay ahead of employing a neutral democracy, as well as structuring social and economic regulations that will benefit Ecuador’s people, will prove to be a difficult road. Its challenges are far too big to tackle here.144

**CONCLUSION: INEQUALITY BY COUNTRY**

The US and Ecuador’s “democracies” are flawed. In both countries, neo-Liberal agendas have created shifts of political powers that have created huge inequalities between the rich and the poor. The social repercussions are daunting. The divide between the different classes will be a constant test and it will be a long time before we see any improvement in the distribution of wealth. Both countries are struggling to overcome the damage done to its communities and continue to look for alternatives. Admitting and identifying the real causes that have led to inequality and the economic collapse in both the US and Ecuador will hopefully aid us in finding an end to neo-liberal practices.

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143 Ibid.

CHAPTER 4

UNETHICAL NATURE OF NEO-LIBERALISM

Capitalism is the astounding belief that the wickedest of men will do the wickedest of things for the greatest good of everyone.

–John Maynard Keynes

Neo-Liberalism extends far beyond economics. When our freedom is restricted and controlled by corporate power and government organizations, it shapes our everyday life. We must take into consideration our moral obligation; these values will ultimately affect our quality of life and the pleasure and pain we experience. This chapter examines the universal code of ethics. It will also put a spotlight on the corporations guilty of dishonest practices, and lastly look at the social and environmental consequences we face due to our behavior.

Looking back at Chapter 2, we remember that Adam Smith believed that we are all born with a sense of right and wrong. He trusted that we would be governed by our good judgment and had faith the economic system would be structured with honesty, fairness, loyalty, and altogether work for the overall well being of society. He never foresaw that our financial structure would be a competitive, merciless system where everyman is out solely for personal gain- a system based on a “winner” mentality. It embraces corruption and greed and is damaging our culture and civilization. To restore sovereignty it’s critical that our trade, commerce, and business practices be carried in an ethical manner. The public should be able to trust and have confidence in our financial system so that we may live a dignified and equal life.

The core principles of neo-liberalism test the laws in place that are meant to protect our freedom. The longstanding Declaration of Human Rights secures our constitutional rights, yet these laws are repeatedly neglected and violated. Moreover, individuals are not being held accountable for unlawful practices; there can no freedom or justice in this type of destructive environment. Inequality will only continue to increase if only a select group of people benefit from the free market; the poor will remain oppressed and left with no prospect or hope of escaping poverty. These forms of abuse are crimes against humanity.
**The Universal Declaration of Human Rights** clearly states that every human being is entitled to a dignified life where all have access to the most basic human needs. The following laws identified below highlight some of the key articles frequently disregarded by capitalistic practices. They remind us of our deserved human rights:

Article 7.
(1) All are equal before law and entitled to equal protection before law without any discrimination on grounds of race, religion, caste, class, sex and sexual orientation. It is the right of everyone to be so treated and the duty of everyone to so treat others.

Article 23.
(1) Everyone has the right to same pay for same work and a duty to offer same pay for same work.
(2) Everyone has the right for just remuneration for one’s work and the duty to justly recompense for work done.

Article 25.
(1) Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.

Article 27.
(1) Everyone has the right freely to participate in the cultural life of the community, to enjoy the arts and to share in scientific advancement and its benefits.

Article 28.
(1) Everyone has the right to socio-economic and political order at a global, national, regional and local level which enables the realization of social, political, economic, racial and gender justice and the duty to give precedence to universal, national, regional and local interests in that order.

Article 29.
(1) One is duty-bound, when asserting one’s rights, to take the rights of other human beings; of past, present and future generations, the rights of humanity, and the rights of nature and the earth into account.\(^{145}\)

Our system is broken. If we want our rights enforced and defended then we must make a call to the transformation of mankind’s consciousness. While in recent times we have relentlessly tried over and over again to come together, discuss, and reinstate human rights, we have yet to overcome the injustices many people face. Countless promises have been put forth with bills and policies claiming to bolster global ethics but in reality they never materialize. The declarations surveyed below illustrate how so many have been regularly discounted.

The objective of the US Senate Committee, established in 1964, is to oversee and investigate any claims of misconduct in congress, but even with this “official bureaucratic” committee, there is still mismanagement and abuse of our elected officials.\textsuperscript{146} From decades ago to as recent as this month (March 2012), lawmakers continue to come up with new declarations claiming, “This time we’re serious; This time it will work.” In 1993 over 8,000 people from across the globe met to discuss global policies and ethics.\textsuperscript{147} The end result was the signing of the \textit{The Declaration Toward a Global Ethic}.\textsuperscript{148} It acknowledged the crisis and the wrongdoings humanity is experiencing:

The world is in agony. The agony is so pervasive and urgent that we are compelled to name its manifestations so that the depth of this pain may be made clear...Hundreds of millions of human beings on our planet increasingly suffer from unemployment, poverty, hunger, and the destruction of their families. Hope for a lasting peace among nations slips away from us. There are tensions between the sexes and generations. Children die, kill, and are killed. More and more countries are shaken by corruption in politics and business. It is increasingly difficult to live together peacefully in our cities because of social, racial, and ethnic conflicts, the abuse of drugs, organized crime, and even anarchy. Even neighbors often live in fear of one another. Our planet continues to be ruthlessly plundered. A collapse of the ecosystem threatens us.\textsuperscript{149}

The four-shared guidelines that were set forth on global ethics were:

1. Commitment to a culture of non-violence and respect for life
2. Commitment to a culture of solidarity and a just economic order

\textsuperscript{146} Leroy Seat, \textit{Declaration toward Global Ethic} (Japan: Seinan Gakuin University, 2011).
\textsuperscript{147} Ibid.
\textsuperscript{148} Ibid.
3. Commitment to a culture of tolerance and a life of truthfulness

4. Commitment to a culture of equal rights and partnership between men and women

The declaration concluded and called on humanity to carry out their ethical duties and take an oath for change:

…We appeal to all the inhabitants of this planet. Earth cannot be changed for the better unless the consciousness of individuals is changed. We pledge to work for such transformation in individual and collective consciousness, for the awakening of our spiritual powers through reflection, meditation, prayer, positive thinking, for a conversion of the heart. Together we can move mountains! Without a willingness to take risks and a readiness to sacrifice there can be no fundamental change in our situation! Therefore we commit ourselves to a common global ethic, to better mutual understanding, as well as to socially beneficial, peace-fostering, and Earth-friendly ways of life.

These policies and objectives look clear-cut and genuine but since 1993 there appears to be no change in the way we exercise ethics and no response to the continuous neglect of the declarations put forth. Another proposal, *The Declaration of Human Responsibility* created in 1997 and established by The Interaction Council, was created to strengthen the 1948 Declaration of Human Rights and make clear our responsibility to comply with the articles. Stressed below are some of the most significant Declarations relative to our discussion. It reads:

We, the peoples of the world thus **renew and reinforce commitments** already proclaimed in the Universal Declaration of Human Rights: namely, the full acceptance of the dignity of all people; their inalienable freedom and equality, and their solidarity with one another. Awareness and acceptance of these responsibilities should be taught and promoted throughout the world.

**Article 4** All people, endowed with reason and conscience, **must accept a responsibility** to each and all, to families and communities, to races, nations, and religions in a spirit of solidarity…

**Article 7** All property and wealth must be used responsibly in accordance with justice and for the advancement of the human race. **Economic and political power must not be handled as an instrument of domination, but in the service of economic justice and of the social order.**

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150 Seat, *Declaration toward Global Ethic.*

151 Shafer, “Explanatory Remarks.”


153 Ibid.
If human rights are not realized in many places where they could be implemented, this is in most cases due to a lack of political and ethical will. There is no disputing the fact that “the rule of law and the promotion of human rights depend on the readiness of men and women to act justly.”

Although the 1948 Declaration of Independence was aimed at overcoming barriers such as social class, racial discrimination, women’s rights and so on, new challenges have emerged such as gay civil liberties, children’s rights, and privatization of social services. Declarations akin to The 1997 Declaration of Human Responsibility look too generic to tackle such critical issues and once more there still has been no major transformation in the way we organize our society. Government response has been slow. So in view of the obstacles and mayhem we face today, more than ever it’s important for individuals to demand that corporations and governments act in an ethical manner.

The most recent pledge has been set forth by the United Nations. The Millennium Development Goals were drafted at the United Nations World Summit in 2005; the social and economic development goals aim to cut extreme poverty in half by 2015. More meetings, conferences, summits and so on...once again to reaffirm the commitments of the involved parties and to also check the “alleged progress” being made. Although 191 UN member states signed the MDG’s, the initiative was pushed largely by the US, Japan, and Europe, triad. When you have the World Bank, the International Monetary Fun, and the Organization for Economic Development as co-sponsors of the MDG’s, you must question whether these new proposals simply disguise deep-rooted neoliberal initiatives. The eight goals in place are the same civil liberties and global appeals we’ve been demanding for decades. Quickly they are as followed:

- Goal 1: Eradicate extreme poverty and hunger
- Goal 2: Achieve universal primary education
- Goal 3: Promote gender equality and empower women

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157 Ibid.
Goal 4: Reduce child mortality rates
Goal 5: Improve maternal health
Goal 6: Combat HIV/AIDS, malaria, and other diseases
Goal 7: Ensure environmental sustainability
Goal 8: Develop a global partnership for development

A common theme with the objectives above is that usually the very same policies that generate these problems are not acknowledged, nor do they come into question in critical investigative debates and furthermore are not condemned for the damage they produce. The truth is that it is a conflict of interest for a select group of individuals with personal agendas.

Samir Amin writes an influential critique on the problems surrounding the authenticity of MDG’s. He explains how there are obvious discrepancies attached to each goal. For instance, currently our education and the health sectors have been privatized; how can we achieve universal education and free healthcare under these privatized conditions? Next, we will never be able to empower women and fight for equal wages if we continue to have fundamentalist groups who refuse to acknowledge and support the rights of women and family. In regards to our environment, capitalistic corporations, groups, and governments regularly reject any type of policies, regulations, and so on that might cost them more money or that may disrupt their business operations. The US claims to want to improve environmental sustainability while blatantly rejecting the Kyoto Protocol that was aimed to reduce Green House Emissions and improve climate change is a classic example. Goal 8 seeks to “develop a global partnership for development.” It states that it wants to establish an “open, multilateral commercial and financial system.” However, the intention of this novel so-called “open partnership” is identical to the one that exists now where impoverished countries must surrender and abide by Western powers. Another measure seeks to grant debt relief to poverty-stricken countries but there have been no other details or proposals made to carry out this goal; it would seem that resolving debt relief issues could be easily rectified with audits determining the validity of the loans, creating and enforcing clear legal laws, and

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158 Ibid.
159 Ibid.
160 Ibid.
lastly having a set of principles for the debt relief statute. Upon examining the proposals of the MDG’s, it’s clear that they are just more empty promises that cannot be taken seriously. Like the previous charters, the goals are extremely vague with no basis.

**CONCLUSION: ETHICS**

But while they prate of economic laws, men and women are starving. We must lay hold of the fact that economic laws are not made by nature. They are made by human beings. If civilization is to survive, we must cultivate the science of human relationships - the ability of all peoples, of all kinds, to live together, in the same world at peace.

–Franklin D. Roosevelt

Frequently proclamations such as those mentioned above are created to support a foundation for ethics and to also revisit the Declaration of Human Rights. Bearing in mind our history, we must ask ourselves, what’s the point of creating new drafts and declarations if powerful institutions and individuals have no intent of abiding by them and more so, continue to successfully prevail, acting in their own self-interest? Furthermore, what is the point if we do not carry out and follow through with our current regulations and laws that ban such practices? “Quid leges sine moribus,?” -is the Roman axiom, what are laws without morals?¹⁶¹ Author Hans Küng, from the Markkula Center for Applied Ethics, describes our attitude towards human rights:

They ignore them (“What concern is that of mine?”), or neglect them (“I have to represent only the interests of my firm”), or fail to perceive them (“That’s what churches and charities are for”), or simply pretend falsely to fulfill them (“We, the government, the board of directors, are doing all we can”).¹⁶²

Just this year, another doctrine, *H.R.2572 - Clean Up Government Act of 2011* was signed to “amend title 18 United States Code, to deter public corruption and for other purposes.”¹⁶³ There’s a great deal of skepticism and little confidence in this most recent pledge. Acting in good faith is a matter of choice; ethics is not an abstract idea, it precedes


¹⁶² Ibid.

ontology. If we have any hope for real change, those in power must abide by moral ideas, be responsible for carrying out those ethics, and also be held accountable.\textsuperscript{164}

**THE ABUSE OF CORPORATIONS AND ITS CONSEQUENCES**

The history of the twentieth century was dominated by the struggle against totalitarian systems of state power. The twenty-first will no doubt be marked by a struggle to curtail excessive corporate power.

–Eric Schlosser, *Fast Food Nation: The Dark Side of the All-American Meal*

A closer look into the global corporate world reveals the abuse and corruption that come with a free market economy. The quest for high profits negates fair business practices and equal opportunity as companies regularly go against all principles and will go to any extent to ensure their fortune.

Primarily there is an assumption that trade promotes growth thus offering financial opportunity and reducing poverty but in reality Globalization indisputably increases wealth for the power elites while negatively affecting everyone else, especially local farmers, tribal societies, and indigenous communities.\textsuperscript{165} Time and time again we find that corporations lack transparency and regulations; it is in essence a free-for-all setting. Multi-million dollar corporations tend to only benefit the upper class; it’s CEO’s, and its stockholders.\textsuperscript{166} In order for a corporation to make millions of dollars it must make products in mass quantities at the lowest cost. To accomplish this, many times it means sending all of its business and manufacturing oversees in search of cheap labor. This frequently results in massive unemployment here in the US.\textsuperscript{167} It also means kicking out its competitors, like small businesses and local farmers. The rights of workers and small business owners are often violated because the laws are made to favor capitalists.

\textsuperscript{164} For additional reading on ethics and globalization: Jung Min Choi, John W. Murphy, and Manuel J. Caro, *Globalization with a Human Face* (Santa Barbara: Praeger Publishers, 2004).

\textsuperscript{165} Eric M. Uslaner, *Trust, Diversity, Segregation, and Globalization* (College Park: University of Maryland, 2010).

\textsuperscript{166} Purnima Bose, *Cultural Critique and Global Corporation* (Bloomington: Indiana Press University, 2010).

\textsuperscript{167} Naomi Klein, *No Logo* (Ontario: Random House, 2009).
Monsanto

Massive agricultural company Monsanto is a perfect illustration of a dangerous industrial corporation. Local farmers work to sell neighborhood produce and make an earnest living but when prices of produce fall due to mass agricultural competitors, it is local farmers who suffer and are forgotten. They can no longer compete with huge, commercial corporations like Monsanto. Monsanto would argue that they make more food for lower prices but looking at history their approach seems mainly designed to knock out small rural farmers so that they can preserve all agricultural rights and in doing so, reap huge profits. Virtually every food product is directly connected to Monsanto; 70% of all American food products like corn, soybeans, and cotton, are grown from genetically engineered seeds.\(^{168}\) Monsanto now owns and controls 90% of all Genetically Modified Organisms, which allows the company to take home revenues of $11 billion every year.\(^{169}\)

Additionally, Monsanto’s profits also come from child labor practices. The UN International Labor Organization estimates that there are 218 million child laborers worldwide, 7 in 10 of them in agriculture.\(^{170}\) Cash advances are paid to their parents and children are then bind to their employers.\(^{171}\) Even though it’s illegal for children under the age of 14 to work in factories, many children ages 6 to 14 work 12 to 14 hours a day earning less than $50 cents a day.\(^{172}\) Shantha Sinha, head of the National Commission for Protection of Child Rights, describes the battle with the multinational international seed companies:

> They are locked in a unequal partnership under contractual relationship with a powerful industry.. It has proven time and again beyond doubt that the powerful global players who claim to uphold themselves to their codes of conduct and


\(^{169}\) Ibid.


\(^{172}\) Behera Suhasini, “Multinational Corporations Reap Profits from Child Labor in India’s Cottonseed Farms,” *One World Publication*, last modified October 6, 2004, [http://www.commondreams.org/headlines04/1006-03.htm](http://www.commondreams.org/headlines04/1006-03.htm).
corporate social responsibility have flouted all norms of human rights and values.173

Children workers are also often exposed to poisonous chemicals at the manufacturing plants:

At least once a week .. farmers spray the fields with pesticides like Nuvacron, banned by the US Environmental Protection Agency, and endosulfan, methomyl and Metasystox, considered by the EPA to be highly toxic. [An NGO representative] ticks off the effects of overexposure: diarrhea, nausea, and difficulty in breathing, convulsions, headaches and depression.174

Monsanto continues to violate child labor laws and still make huge earnings.

It’s not just the small businesses and market that are at risk here, an added danger is growth hormone chemicals used to speed up and enlarge chickens, cows, vegetables, and so on.175 Today, there is hardly such a thing as “natural” or “organic” food, everything we put in our bodies is mass-produced and processed. These chemicals and pesticides are in just about every piece food we consume. Compared to 50 years ago, chickens now are raised and slaughtered in half the time and grow twice as big; the use of these dangerous hormones is creating a serious health threat.176

A study by the International Journal of Biological Sciences revealed that Monsanto’s Mon 863, Mon 810, and Roundup herbicide-absorbing NK 603 in corn caused kidney and liver damage in laboratory rats. Scientists also discovered damage to the heart, spleen, adrenal glands and even the blood of rats that consumed the mutant corn, a “state of hepatorenal toxicity” the study concluded.177

In 2009, The American Academy of Environmental Medicine (AAEM) released their findings of genetically modified foods, stating the serious health dangers associated with GM Foods.178 After referencing to several conclusive animal studies, AAEM concluded: “There

173 Ibid.
is more than a casual association between GM foods and adverse health effects…GM foods pose a serious health risk in the areas of toxicology, allergy and immune function, reproductive health, and metabolic, physiologic and genetic health.”179

Monsanto has patented almost every seed; if you own a farm in which Monsanto seeds are used or even in the case that those seeds might migrate onto your land, Monsanto can and will take legal action.180 In 2004 a local farmer was sued for 1.3 million dollars and sentenced to eight months in jail for the possession of cottonseeds that were owned by Monsanto.181 It’s inconceivable and also alarming that a company has the power to copyright a seed.

There’s also been a lot of attention drawn to the overuse of Monsanto’s Roundup herbicide; this toxic chemical is no longer working for local farm growers and has led to weed resistance.182 Conveniently, Monsanto’s “Round Up Ready Crops,” which cover up the vast majority of our nations farmland, are the only crops that tolerate the herbicide.183 The Agricultural Department has estimated that 80 percent of the 73 million acres of soybeans in the US are Monsanto’s “Roundup Ready Soybeans.”184 Adding to this, water levels are now five times the normal level of safety standards as a result of the toxin not breaking down in the soil.185

This is an excerpt from an article in the Vancouver Sun Weekly by Dave Margoshes:

Using the controversial alchemy of genetic engineering, which has alarmed environmentalists and consumers, Monsanto has developed a seed completely immune to Roundup. That means a farmer can spray the herbicide over a planted field, kill all the weeds growing there, but not hurt the crop -- as long as it comes from Monsanto’s seed.186

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179 Ibid.
181 Ibid.
182 Smith, “American Academy of Environmental Medicine.”
183 Ibid.
184 Cesca, “Monsanto.”
185 Ibid.
Sadly, the local farming industry has almost been wiped out, leaving local farmers with out work and without any income. This is just one instance of corporate abuse and monopolization. Recently, (2010) the Obama Justice Department launched an investigation against the next round of Monsanto’s GM soybeans; it will research the safety and health risks of Monsanto’s GMOs. The Supreme Court agreed to hear the Monsanto v. Geerston Seed Farms case but if Monsanto wins, the farmers will be forced to switch over to the new seeds in 2014. People must continue to demand further investigations to establish new policies and regulations for corporations like Monsanto.

There are numerous reasons why the war against Monsanto continues to fail. One explanation being that the elite and ruling class hold the most power; power that can only be acquired with wealth. Under these circumstances it’s hard to pretend that we have a true democratic government. In 2011 the FDA shockingly announced that Michael Taylor, an executive of Monsanto, has now been appointed “Senior Advisor to the Commission.” This is outrageous! It’s frightening how much control and influence he will have in making crucial decisions regarding Monsanto’s activities, as well as health and food policies, that will impact us all.

NIKE

Maria Sharapova, the world’s best-paid female athlete, has signed a deal with Nike that is worth somewhere around $70 million dollars. Sharapova wears a shirt and pair of shoes that cost less than $5.00 to manufacture but shockingly earns a $70 million dollar contract. Nike sells to 19,000 retail accounts in the US and in 140 countries; today Nike is thought to be the largest sporting goods company in the world. However, on its rise to the top

187 Ibid.
188 Ibid.
192 Ibid.
it has violated many working regulations and has profited highly off it’s cheap labor from outsourcing. \(^{193}\) These are the only jobs available to workers and most are risky and dangerous. Low wages leave workers with no other choice but to get a second job. The poorer the country, the more vulnerable it is to exploitation and thus the reason why so many garment sweatshops are in 3\(^{rd}\) world countries. The workers are generally from Asia, usually Chinese, Vietnamese, and Indonesians. \(^{194}\) Nike would argue that they have done a great service given that they have created hundreds of thousands of jobs in underdeveloped countries, however many investigations have shown that Nike’s workers are working at below poverty level wages and working under terrible conditions. Forbes magazine has reported that Nike profits $16 billion a year; these profits are staggering in comparison to what the workers are paid. \(^{195}\) Clothing designer Christian Lacroix expressed, “It’s terrible to say, very often the most exciting outfits are from the poorest people.” Nike’s own Vice President Hannah Jones acknowledged: “In a highly competitive global economy, we do not support wages that are arbitrarily set based on living wage formulas.” \(^{196}\) Here are a few statistics to put things in perspective:

- Nike merchandize is manufactured in 50 countries in over 900 factories employing over 660 000 workers, most of which are women. \(^{197}\)
- A Chinese worker makes $1.75 a day; we buy a pair of shoes for about $100 that at the most maybe cost $5.00 to make. \(^{198}\)
- 900 shoes are made in eight hours; workers also many times work 40 hours of overtime. \(^{199}\)
- Sweatshop workers earn as little as ½ to ¼ of what they need to provide for basic nutrition, shelter, energy, clothing, education and transportation. \(^{200}\)


\(^{196}\) Oxfam Australia, “So What’s the Problem with Nike?” May 5, 2012.

\(^{197}\) Julia-Anne Anderson, Nike Sweatshop History: Should Action be Taken? (Erie, PA: Mercyhurst College, 2006).


\(^{199}\) Ibid.

\(^{200}\)
• For less than 1% of Nike’s advertising budget, wages could be doubled for all workers making Nike university clothing.\textsuperscript{201}

Nike sets up production in free trade zones, which makes it nearly impossible to setup trade unions.\textsuperscript{202} Without those protections and with the fear of losing their job, workers often refrain from speaking up. Even when companies claim they’ve made changes, with so many factories in production it is almost impossible to monitor and enforce regulations.

In 2008 Nike spent $3 billion dollars in marketing, their tactics are clearly working because the company now has more than 40% of the US share in the athletic footwear category.\textsuperscript{203} As we can see, one factor in a multinational-corporation’s success is their creative approach in advertising and branding. As discussed by Jung Choi, globalization of the media is transforming our culture. It fabricates imaginary needs so that we desire any and all “material things” thrown in front of us.\textsuperscript{204} You can’t drive down the street without seeing flashing ads for companies like Apple, Wal-Mart, Coke, and so on. These ads are not just subject to the US, they are entrenched across the globe. Choi calls it, “Americanizing the World.”\textsuperscript{205} When visiting a small remote town in Costa Rica, I was shocked to see a Burger King bordered by lush jungles and aged volcanoes. Like many corporations, Nike’s campaigns are guilty of deceiving propaganda-marketing ads.

Naomi Klein’s \textit{No Logo}, explains how today’s companies are more interested in building brands as opposed to making products. Logos, along with product placement for expensive clothes, toys, and restaurants are often misleading. Not only are adults deceived, but today’s logos are recognized by children as young as five years old.\textsuperscript{206} Demands and “impulse controls” are developed and this often impairs a child’s critical thinking skills.\textsuperscript{207} Oscar Wilde said it perfectly; “Nowadays people know the price of everything and the value

\textsuperscript{201} Anderson, \textit{Nike Sweatshop History}.
\textsuperscript{202} “So What’s the Problem with Nike?”
\textsuperscript{204} Choi, Murphy, and Caro, \textit{Globalization with a Human Face}.
\textsuperscript{205} Ibid.
\textsuperscript{206} \textit{ABC News}, “Why Kids Know: McDonald’s, Toyota, Disney,” April 12, 2010.
This enables corporations to make unimaginable profits. Another problem with hidden ads in the media is that it moves us toward a materialistic world. Product advertising tries to convince us that our lives will be better and this type of thinking skews our view of reality. It causes people to live above their means and in the end if we keep buying, buying, buying, spending, spending, we will be more in debt, slipping further into poverty and will further widen the gap between the rich and the poor. It’s vital we understand that if we continue to be a self-indulgent society, our values will quickly start to disappear; the consequences are detrimental.

High profits that companies generate today would not be possible without the privatization and deregulation policies that in essence, help companies operate without any disruptions; their taxes have been lowered and they’re stealing from the public sector. Our unrelenting recession has set off many corporations that have the audacity, to ask for even more tax breaks claiming that the company will have more money to hire more workers and boost our economy. Companies are sitting on trillions of dollars and shamefully still asking for more bailouts.

**CONCLUSION: CORPORATIONS**

There is not enough time to go into the numerous problems inside the corporate world; Monsanto and Nike are just two examples of corporate exploitation. We cannot afford to live by corporate rule and we cannot let corporations dominate the market. Let us remember that corporations are only accountable to their stockholders; everything else is irrelevant in their view. As for the consequences, here in the US almost all manufacturing companies have been outsourced and basically wiped out, leaving no room for small business owners. As a result, customers have few choices to pick where they purchase their goods. What’s more is that eventually the US winds up providing millions of dollars in foreign aid to countries whose poverty is directly linked to US corporations. Corporations are taking over the planet and are jeopardizing our long-term wellbeing for short-term profits. An

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ethical code of conduct is expected but when a system is morally wrong to begin with, where the foundation of business methods follow neoliberal standards, our society will forever be doomed.\textsuperscript{211}

\textbf{THE COST OF CAPITALISM}

The logic of neoliberalism is by its nature wasteful and predatory. Today’s technologies would be able to cover the basic needs of the whole humankind. Instead, financial capital groups create artificial needs (by subliminal advertising) in countries with the buying power, thus exploiting human and natural resources everywhere. The Third World is the most vulnerable, more than 15,000 children die every day of hunger and curable diseases. The irreversible anthropogenic climate change is the most acute danger for the Earth, as well as a global social catastrophe.

--Charter Principles for another Europe: \textit{For a Sustainable Environment}

We face numerous consequences as a result of capitalist system. The world is collapsing around us but still we are oblivious and in denial of what the future may hold. We are on the verge of an environmental catastrophe; we are a nation that over-consumes and abuses natural resources. Ultimately this is affecting everything from our weather, health, and food. Not only are we eradicating the very soil we live and breathe off of but we are also experiencing harrowing social and cultural effects.

\textbf{FOOD CRISIS}

When I give food to the poor, they call me a saint. When I ask why the poor have no food, they call me a communist.

--Dom Hélder Câmara

United Nations Food and Agriculture Organization reports that enough food is produced in the world to provide over 2800 calories a day to everyone — more than the minimum needed.\textsuperscript{212} If numbers show that there is more than enough food to feed the entire globe, then why the need for massive agricultural corporations? Why the need for new technologies that use harmful chemicals to increase food production? It’s evident that the food crisis is more an economic and political problem rather a logistical problem. With this

\begin{itemize}
\item \textsuperscript{212} Ian Angus, “Agribusiness and the Food Sovereignty Alternative,” \textit{Capitalism}, May 11, 2008.
\end{itemize}
in mind, it seems that agricultural businesses’ first priority is not to feed people but to
generate profits. It’s astounding that Monsanto and just a few other agricultural companies
hold 85% of the world trade in grain. A journalist for Hungry for Profits writes: “The
enormous power exerted by the largest agribusiness/food corporations allows them
essentially to control the cost of their raw materials purchased from farmers while at the
same time keeping prices of food to the general public at high enough levels to ensure large
profits.” Another combining problem with multinational agricultural industries, is that by
holding all the market power they take away from small-scale farmers and local communities
who otherwise could bring back and develop their own sustainable living systems. When we
don’t encourage local farming or eat local produce, food must be brought from farther places
and with skyrocketing gas prices you can see how this has an adverse affect on food prices.
The US holds impoverished countries hostage for food exports while their own people are
malnourished and starving:

In India, for example, over one-fifth of the population is chronically hungry and
48% of children under five years old are malnourished. Nevertheless, India
exported the US $1.5 billion worth of milled rice and $322 million worth of wheat
in 2004.

This past January 2011, world food prices hit record levels. The World Bank recently
disclosed that food prices have driven an estimated 44 million people into poverty. Global food prices are rising to dangerous levels and threaten tens of millions of poor people
around the world,” said World Bank Group President Robert B. Zoellick. “The price hike is
already pushing millions of people into poverty, and putting stress on the most vulnerable,
who spend more than half of their income on food.

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213 Ibid.
214 Ibid.
215 Food and Agriculture Organization of the United Nations, “Key Statistics of Food and Agriculture
216 Sandrine Rastello, Food Surge is Exacerbating Poverty, World Bank Says (New York: Bloomberg
217 World Bank, Food Price Hike Drives 44 Million People into Poverty (Washington, DC: World Bank
Elite corporate players have played a huge role in the most recent food price surge. Wheat prices have doubled, sugar and oil prices have skyrocketed, and the cost of Maize is now up to 73%, according to Food Price Watch.218 Sadly, rising food costs have had the biggest impact on the poor; it has been reported that 925 million people do not have enough to eat.219 The most vulnerable group affected is children. 10.9 million children under the age of five die in developing countries each year; malnutrition and hunger-related diseases cause 60 percent of the deaths.220 Aside from the overwhelming amount of statistics illustrating the severity of the food crisis, what’s important is that we encourage community sovereignty, enforce agricultural regulations, and improve and revise food policies.

ENVIRONMENTAL

A nation that destroys its soils destroys itself. Forests are the lungs of our land, purifying the air and giving fresh strength to our people.

–Franklin D. Roosevelt

We are currently experiencing a global environmental crisis; our ecological system is depleting and despite what people say, global warming is happening now. As a result, we are witnessing unrelenting, intensifying weather changes- triggering catastrophic natural disasters across the globe.221 Our environmental issues are deeply intertwined with capitalism and a consequence of the trash and pollutants from our over consumption. Decades ago Marx was already well aware of this. Expressing his concerns in the 19th century, he referred to our environmental crisis as a “metabolic rift.”222 One scholar has summarized it as: “the natural cycling of nutrients broken by developments within capitalism.”223 Environmental degradation comes directly from human activities and has been referred to as “the clash

221 Klein, The Shock Doctrine.
between humans and nature.” Corporations are major entities in our lives and the pursuit for profits overrides everything else in their eyes: pollution, chemicals, and waste, which are all natural outcomes and externalities of business manufacturing practices. What’s startling is that we now ship 80% of our trash to 3rd world countries. Environmental regulations in factories lack and rarely are monitored; instituting such laws in essence would hinder a company from bringing in high profits and would disrupt the way corporations conduct their business. It’s the *way* and the *mode*, in which we organize ourselves and manage our businesses that ultimately affect our livelihood. Also note that it’s been proven that we *can* operate responsibly while also being successful in our endeavors. Japan is one model. At one time, in a span of 10 years, Japan increased its productivity by 46% but used 6% less energy to do so.

Let it be clear, global warming is not an illusion nor is it something to take lightly. There is no need for more facts or investigations on global warming. In one recent article, writer Paul Krugman confirms our biggest nightmare, “Given our failure to address global warming issues, we will eradicate our natural supplies and cause irreversible damage.” Severe weather triggered by Global Warming has brought droughts, floods, fires, tsunamis, and more. Natural disasters like the 2004 Indonesian Tsunami, the 2005 Hurricane Katrina, and the most recent 2010 Japan Earthquake, have all been linked to global warming and it looks like this is just the beginning. The 2004 Sri Lanka Tsunami has been recorded as the deadliest natural disaster in history; it took the lives of 250,000 people and left 2.5 million homeless. Infrastructure was destroyed; states were threatened by widespread disease from

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224 Ibid.
225 Patel, *The Value of Nothing*.
227 Ibid.
229 Ibid.
sanitation complications, and a shortage of food and water put numerous areas in a state of emergency.\textsuperscript{233} The tsunami killed local fisheries that provided employment to an estimated 250,000 people; it also bankrupted tourist revenue leaving many communities destitute.\textsuperscript{234} The tsunami also had a tremendous environmental impact on the regions ecosystems; coral reefs, vegetation, wetlands, and more.\textsuperscript{235} The chemicals and pollutants from sewage and industrial corporations have caused irreparable damage.\textsuperscript{236} The country’s exports such as bananas, mango, and rice were wiped out instantly and will take an unknown amount of time to recover.\textsuperscript{237} Today local villages are still struggling to put their lives back together. What we often forget is that the poor have the least amount of resources to help rebuild their communities and sometimes it can take decades to recover from this type of traumatic event. Governments are still trying to determine just how severe the damage is and just how exactly to address it. If we don’t deal with corporation’s irresponsible practices we will continue to see radical climate change, putting human lives in jeopardy.

Today China is almost being compared to as desert-like; it’s now ranked as the world’s biggest emitter of greenhouse gasses.\textsuperscript{238} Proponents argue that today China is wealthier from US manufacturing and exports; indeed China’s GDP might be up, but at what cost? The World Bank reports that pollution kills up to 70,000 people a year.\textsuperscript{239} Right now the US is what some call, “sweeping the problem under the rug” by sending its electronic waste abroad but even with the waste on the other side of the globe, ultimately will affect us all in the future.\textsuperscript{240} The large cash incentives to “handle” our waste give developing countries

\begin{footnotes}
\item[234] Ibid.
\item[235] Ibid.
\item[236] Ibid.
\item[237] Ibid.
\item[239] Ibid.
\end{footnotes}
little motivation to place regulations on recycling waste. China is just one small example of a
country facing extreme environmental damage as a result of business trade industries.

Capitalism, its politics, money, and corruption can all be attributed to today's soaring
gas prices.\textsuperscript{241} Even though there are other alternatives to fuel, we remain dependent on oil
supplies.\textsuperscript{242} We have powerful officials in congress making huge profits off the oil business,
with this in mind, it is easy to understand how and why these individuals carry such heavy
influence on environmental policies and regulations.\textsuperscript{243} In 2010 a BP oilrig set fire spilling
4.9 million barrels of oil in Gulf of Mexico killing 11 people.\textsuperscript{244} It’s being called the biggest
oil spill in history.\textsuperscript{245} This year a court trial is to commence on behalf of the defendants vs.
the BP executives. When Obama addressed the nation in response to the catastrophic spill, he
admitted that he had failed to restructure the Minerals Management Service (MMS), the
federal agency that permitted the oil company to basically be self-regulated.\textsuperscript{246} As one writer
put it: “By the time Obama spoke, it was increasingly evident that this was not merely an
ecological disaster, it was the most devastating assault on American soil since 9/11.”\textsuperscript{247} The
spill was contributed to poor decisions, malfunctioning safety operations, and negligence.\textsuperscript{248}
This story is no different than many of cases we’ve seen in the past. MMS executives were
given cash bonuses and accepted lavish gifts from big oil giants in exchange for bypassing
audits, approving dangerous offshore agreements, and turning a blind eye to shady
agreements.\textsuperscript{249} There were numerous warning signs; BP had a reputation for the worst safety
records among the oil industry but there still was no crackdown on the agency.\textsuperscript{250} Even
worse, Obama’s administration allowed for many of the same corrupt executive officials to

\textsuperscript{241} Ronald Oligney, Armando Izquierdo, and Micheal Economides, \textit{The Color of Oil: The History, the
\textsuperscript{242} Ibid.
\textsuperscript{243} Ibid.
\textsuperscript{245} Ibid.
\textsuperscript{246} Ibid.
\textsuperscript{247} Ibid.
\textsuperscript{248} Ibid.
\textsuperscript{249} Ibid.
\textsuperscript{250} Ibid.
remain in their positions. It’s estimated BP will pay somewhere around $40 billion dollars for both the defendants and the environmental damage.\textsuperscript{251} This is precisely what corporations do. They pay out large amounts of money to get off the hook, except this doesn’t solve anything; in fact, it may even make matters worse. I call it, “shut up money.” The type of damage the oil spill caused is irreversible; no price can be put on this tragedy. Also not mention that nothing guarantees that this won’t occur again. The company still continues to drill in the gulf with over 5,106 wells and counting.\textsuperscript{252} Like in the Texaco case, in the end with its vast amount of wealth and influence, BP can keep litigations lingering for years to come.

George Bush is notorious in his connection and high stakes in the oil trade.\textsuperscript{253} Just recently, individuals in high positions like Bush are fighting to build the Keystone XL Pipeline that would stretch 2,000 miles from Canada to Texas; it would transport 90,000 barrels of oil a day and make us even more reliant on oil.\textsuperscript{254} The pipeline would carry tars sands oil, one of the most hazardous toxins today.\textsuperscript{255} Tar sands oil levels have three times the carbon dioxide emissions.\textsuperscript{256} The pipeline would undeniably affect indigenous communities, leave toxic oil spills, and would drain our water supply from the 400 million gallons of water a day needed for the extraction of oil.\textsuperscript{257} Giant Oil companies would double their oil production and profits with the new pipeline.\textsuperscript{258} This merciless trade industry must be stopped. Fortunately for the time being, with the pressure from grassroots organizations, President Obama has rejected the permit for the oil pipeline.

\textbf{CONCLUSION: ENVIRONMENT}

Time is running out. We face mass destruction of our land’s most precious resources. Melting glaciers, the destruction of our food chain- the depletion of the ozone layer- weather

\begin{footnotesize}
\begin{itemize}
\item \textsuperscript{251} Ibid.
\item \textsuperscript{252} Ibid.
\item \textsuperscript{255} Ibid.
\item \textsuperscript{256} Ibid.
\item \textsuperscript{257} Ibid.
\item \textsuperscript{258} Ibid.
\end{itemize}
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patterns demolishing our lands- toxic dumps ruining our eco-system- adverse health effects- animal extermination- the devastation of the Amazon, are all consequences of reckless, unethical behavior.

Another troubling aspect is the vast amount of money put into media marketing to deny that we are experiencing any kind global warming. Scientists are paid large amounts of money to formulate evidence, show graphs, and statistics in order to portray that the earth is not getting warmer. There’s also a new trend or tactic, “corporate green washing,” pushing for environmentally friendly “green” products but this latest fad is just another outlet for corporations to exploit a new market of consumers.\(^{259}\) Huge marketing budgets embellish product packaging with words like “organic,” “eco-friendly,” “small footprint,” and “pure and natural”- these are just a few examples of the verbiage used.\(^{260}\) Facts are misrepresented and often made up. Simply adding a “green” has no meaning. For this reason we must be cautious of misleading advertising.

Alternatives must be adopted and we must prioritize the environment if we want to secure our future. Capitalism’s interaction with nature is colliding and little effort has been made to compel companies to find unconventional methods that would have the least impact on the environment. Only one suggestion has been proposed and that is to introduce a cap and trade system; it would essentially allow a company to buy a license or permit per say, for its toxic pollutant emissions.\(^{261}\) It would also put a tax on pollution. How could we ever consider not only jeopardizing our future for profits, but also more frightening putting a price on our lives?

Our leaders must act fast. Big polluters who release carbon dioxide and green house gasses must first admit to their role in our current situation as well as acknowledge the negative externality’s of their manufacturing production. Secondly, be held accountable to changing existing procedures, and lastly help repair the damage already done. Still, contrary to the above, this merely puts a “Band-Aid” on the real issue. Once more, the only permanent

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\(^{260}\) Ibid.

\(^{261}\) Krugman, “Building a Green Economy.”
answer, if we really want to live without the threat of an apocalypse, (seems drastic but it is a reality) is by completely abandoning our current neoliberal economic system.262

SOCIAL AND CULTURAL CONSEQUENCES

Culture is created by who in creating it, creates himself. Culture is more than erudition or refinement; it is the substance of humankind, its very nature. Without culture, human beings are no longer themselves, they lose their essence; they become dehumanized.

–Jose Ortega y Gasset in Serrano

Peruvian Leopoldo Chiappo argues that there are only three possibilities of man:

• He builds culture, or
• He destroys it, or
• He becomes a prisoner to ancient systems due to his inability to produce new guiding threads for the natural emanation of humanity that we call culture. The natural state of man is culture.263

There’s a misconception that globalization and capitalism create more integrated communities, building unity amongst neighborhoods and nations, and connecting people of all backgrounds across the globe, but a system structured by economics only aids the interests of the wealthy elite. If we take a closer look at society we will see that our values and culture are disappearing due to urbanization. We are detached, mindless, and unconscious of our social decay. We are becoming a more homogenous population eradicating philosophies and traditions, gradually becoming one culture; this type monotonous atmosphere takes away from enrichment, intelligence, and the progressive development of human beings. Margaret Thatcher once said, “There is no such thing as society, there are only individuals.”264 This is exactly the type of attitude that we cannot tolerate.

By in large all incomes except for the wealthy have declined since the 90s.265 We are breeding a very affluent upper class, a very deprived lower class, and a middle class that is

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263 Ibid.
264 Doucet, Urban Meltdown, 112.
rapidly disappearing. Our financial standing now determines our status and power; this type of class system has transformed our social life in every way. Domination and oppression by individuals at the top of the hierarchy restrict citizens from decision-making and as a result we are left without a voice on how society should be organized, leaving us vulnerable and unprotected. When our quality of life deteriorates it becomes dangerous because at some point there will be a tumultuous backlash.

**Health Decline**

Another social concern is the fact that our physical and mental health has declined significantly as a consequence of living in a fast-paced urbanized world. Stress and the constant anxiety of our erratical day-to-day life has a created a society dependent on prescription pills and frequent psychiatry visits. With a fast growing and prosperous business with $9.5 billion in pharmaceutical sales, doctors gladly prescribe mass amounts of dangerous drugs. We sedate ourselves for temporary relief; we believe that drugs like, Xanax, Vicodin, and Ambien will ease the pain from our mental anguish. Last year, Iowa Republican Charles Grassley wrote letters to 34 states asking for changes in prescription mismanagement. He wrote, “These types of drugs have addictive properties, and the potential for fraud and abuse by prescribers and patients is extremely high.”

The National Center for Health Statistics reported that the rate of antidepressant use in this country among teens and adults, ages 12 and older, increased by almost 400% between 1988–1994 and 2005–2008. Startling statistics show that in 2010 approximately 7.0 million persons were current users of

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268 Ibid.


psychotherapeutic drugs taken non-medically, with Pain relievers at 5.1 million, Tranquilizers at 2.2 million, Stimulants at 1.1 million, and Sedatives at 0.4 million.\[271\]

The main issue is that we’re not addressing the root of our psychological grief. We must ask ourselves what’s really going on here. There are several components. One is the fact that we are facing difficult times. Turn on the news and you’ll quickly understand. Job loss, debt, war, financial hardship, and so on, makes our world feel dark and uncertain. Alarmingly, since 1950 suicide rates have quadrupled.\[272\] People feel they are unable to cope. We feel this way because our quality of life is diminishing. In the superficial world we live in today media and advertising seduces us into believing that material things will fill the void in our lives. We love money and we want more of it. So what do we do? We work and work. 40% percent of Americans work 50 hours a week with some work weeks running 60-70 hours.\[273\] Even when we’re not working, we’re working. 88% percent of Americans carry electronic devices while on vacation to keep up with work and 40 percent are constantly checking their work email.\[274\] Our schedules are so busy that put our health aside. For those who dream of retirement, don’t be fooled; in California over 60% percent of those between the age of 55 and 64 are working, an increase of 7.4% since 1980.\[275\]

As a result of our busy work schedules, we turn to cheap entertainment and social media. We cannot survive without our electronic companions. 24/7, we text, instant message, Instagram, email, twitter, Facebook, YouTube, and so on. Even at restaurants we can’t put down our phones; we make sure we update our Facebook status to notify our friends where and what it is we’re eating. It’s also rare that a restaurant not have a TV; our attention span is short. We tweet our every thought without a care for privacy. It’s impossible to remove ourselves from our gadgets and there’s no doubt that this sort of draining energy takes a toll on us psychologically and socially. Putnam coined the term “The Bowling Alone” effect; he describes how our social interaction with one another is quickly deteriorating and how these


\[272\] Wood, Tyranny in America.


\[274\] Ibid.

\[275\] Ibid.
social skills and connections are meant to enrich our lives. \(^{276}\) Social bonding is extremely vital as relationships help us cope with stress and our friendships comfort and support us. Studies show that people who keep close ties to family and friends, and those who are more involved with their community, are physically and mentally healthier than those living isolated lives. \(^{277}\) With take-out food, Skype chatting, and a computerized world with shopping at our fingertips, more than ever it’s easy to hibernate and confine ourselves to our homes. There’s no need anymore to venture out sports arenas, art galleries, and concert halls. It’s my belief that when people live a secluded life bound by hours of TV, video games, and computers, they quickly lose touch with reality. From the evidence above we can gather that living this kind of sheltered life is certainly a driving factor for people taking anti-anxiety medications. If we want improve our nation’s health crisis along with our dependency on prescription medications, it is crucial we break away from our destructive lifestyles.

Another reason in the surge prescription use is due in part to the tactical marketing of pharmaceutical companies and its billion-dollar market. Instead of doctors controlling the medical field, pharmaceutical companies now have a heavy influence in determining how disorders be diagnosed and treated. \(^{278}\) An investigation done by Psychologist Irving Kirsch explains how easily pharmaceutical companies get drugs approved by the FDA and how problematic this is. A pharmaceutical company can do as many clinical studies as they like for any particular drug; they can do over 100 studies if they wish, but all they need is two trials to pass for the drug to be approved and quickly put out on the market. \(^{279}\) In reviewing forty-two placebo-controlled clinical trials for the top six-antidepressant drugs, Kirsch found that the majority of the investigations had come back unsuccessful. \(^{280}\) 82% of the placebos used with patients were as effective of the real drugs. \(^{281}\) Nevertheless, only the few trials that showed positive results were prominently published in medical journals and shared among


\(^{280}\) Kirsch, *The Emperor’s New Drugs*.

\(^{281}\) Ibid.
medical professionals, while the negative result trials were kept concealed.\textsuperscript{282} (The FDA can withhold these from the public because they consider them proprietary)\textsuperscript{283} Instances like this lead doctors to believe that the drugs are highly effective. These practices allow the pharmaceutical companies to not only regulate the market but also dangerously sway medical treatment decisions for the public. For example, recently there’s been a surge in mental health disorders.\textsuperscript{284} The numbers have skyrocketed, but why so sudden? Are the numbers real or has this new health crisis been designed for pharmaceutical companies to profit? In a similar report, Author Robert Whitaker’s book concludes:

> The number of the disabled mentally ill has risen dramatically since 1955, and during the past two decades, a period when the prescribing of psychiatric medications has exploded, the number of adults and children disabled by mental illness has risen at a mind-boggling rate. Thus we arrive at an obvious question, even though it is heretical in kind: Could our drug-based paradigm of care, in some unforeseen way, be fueling this modern-day plague?\textsuperscript{285}

This pretty much sums it up. When money is at stake almost anything can be altered or manipulated to insure big earnings. The pharmaceutical companies have successfully led us to believe that we all need to be medicated, which has left a large number of people addicted to harmful prescription drugs.

Again, it is important to understand not only the social impacts of living in a dysfunctional, chaotic, world, but also how it dangerously becomes a self-perpetuating problem.

**CONCLUSION: UNETHICAL NATURE OF NEO-LIBERALISM**

The above analysis, once more suggests that an immoral profit-driven market, accompanied by corporate rule, impedes on our fundamental human rights and produces unyielding environmental, health, and social consequences. While our livelihood remains in the hands of private companies we will continue to lose social programs and our deserving

\textsuperscript{282} Ibid.
\textsuperscript{283} Ibid.
\textsuperscript{285} Ibid.
public resources, including healthcare and education. The spirit of capitalism has yet to prove that it can operate without creating damaging effects across nations. We hold tremendous obligations as individuals and companies and if we want to deviate from a dissolute life of consumerism, self-indulgence, and suffering, we must have a drastic transformation in the way we organize ourselves as a society. We have the duty of living by faithfulness, truthfulness, civility, and loyalty. Lastly, let us not believe that our problems stem only from a lack of regulations or few corrupt Wall-Streeters, let us make it clear that it is the social system that we ourselves have engineered that has brought us to where we are today.
CHAPTER 5

RESTORING AN ETHICAL SOCIETY

We live as our imaginations permit us…what we can’t imagine we can’t accomplish.

—Clive Doucet, *Urban Meltdown*

IMAGINING A DIFFERENT TYPE OF WORLD

We live in an age of globalization. Our current politics are outdated. From the previous chapters it is unmistakable that Capitalism impedes on our most basic human rights. It has brought massive suffering around the world and has created an obscene gap between the rich and poor. What we must understand is that the future lies in our hands. Prominent authors like Serrano and Choi explain that we can’t fix anything unless we imagine an alternative vision of life where every human being has the right to live a dignified life. We need to think outside the box; people have the capability of creating their own world but it will take a major revolution, drastic reform, and a complete paradigm shift in our current economic model. It is fair to say that at this time there is no single strategy to end poverty but we must hurry; there is no time to sit back and contemplate. It is almost as if we’re waiting around for someone to rescue us but what we must realize is that we’ve already been given the tools for our salvation. Things that were once thought to be imaginary are now in reach of being achieved.

Why have we allowed ourselves to be manipulated and sucked into a system so unfair and imbalanced? What is wrong with being an idealist? What’s wrong with considering a utopian society? What is wrong with being radical? These are critical questions we must ask. As Leopoldo Zea once said, “A reflexive and critical philosophy can engage the world productively and forge a new, more relevant social order.”

286 Doucet, *Urban Meltdown*.

287 Barbara M. Corbett, *Race, Class and Nation in Wartime San Luis Potosi* (Guadalajara, Mexico: Anherst College, 1997), 110.
HOW SHOULD SOCIETY BE ORGANIZED

An individual has not started living until he can rise above the narrow confines of his individualistic concerns to the broader concerns of all humanity.

–Martin Luther King Jr.

An alternative to neoliberalism is not created through analysis and protest alone. An alternative to neoliberalism has to be practiced. Opinions on how to do this differ. Some discuss “alternatives” that are none: a reform of the WTO; a “control” of globalization through NGOs; a return to Keynesianism; a restoration of “social market economy”; or even a revival of socialism. Such ideas ignore reality and trivialize the problem. Much more is at stake – neoliberalism shows this every day.

We have to establish a new economy and a new technology; a new relationship with nature; a new relationship between men and women that will finally be defined by mutual respect; a new relationship between the generations that reaches even further than to the “seventh”; a new political understanding based on egalitarianism and the acknowledgment of the dignity of each individual. But even once we have achieved all this, we will still need to establish an appropriate “spirituality” with regard to the earth (Werlhof 2007c). The dominant religions cannot help us here. They have failed miserably.

Communities are being created in which people support each other, allowing every individual to think, feel and act differently. No alternatives have ever come from “the top.” Alternatives arise where people, alone or in groups, decide to take initiative in order to control their destiny (Korten 1996).

And of course there are alternatives to plundering the earth, to making war and to destroying the planet. Once we realize this, something different already begins to take shape.288

Given the above, if we want to progress we must first to come to an agreement on what exactly we think progress is. Many believe this signifies acquiring wealth. Today there is something fundamentally wrong with the values and principles of not only our nations and communities, but also the entire human race.289 There is a vast range of new possibilities and now is the time to re-invent a new social and cultural way of living; we cannot wait any longer. What we need is a supportive and sustainable community, where we each have the same opportunities and where we all have access to the most basic resources, such as health, education, and the prospect of a bright future.

289 Ibid.
Atomist and Marxism ideologies argue that it is not the market nor political parties but the working class that shall guide their own destiny.\textsuperscript{290} People must have the liberty to engage and participate in the organizing and designing of society, giving local people their own economic development power; such an atmosphere would look like a stateless society free of corruption and exploitation. In Paulo Freire’s ideal world, pedagogy calls to overthrow our oppressor.

The radical, committed to human liberation, does not become the prisoner of a ‘circle of certainty’ within which reality is also imprisoned. On the contrary, the more radical the person is, the more fully he or she enters into reality so that, knowing it better, he or she can better transform it. This individual is not afraid to confront, to listen, to see the world unveiled. This person is not afraid to meet the people or to enter into dialogue with them. This person does not consider himself or herself the proprietor of history or of all people, or the liberator of the oppressed; but he or she does commit himself or herself, within history, to fight at their sides, bring down capitalist rule, and build classless societies.\textsuperscript{291}

\textbf{CURRENT MOVEMENTS/PROTESTS}

An individual who breaks a law that conscience tells him is unjust, and who willingly accepts the penalty of imprisonment in order to arouse the conscience of the community over its injustice, is in reality expressing the highest respect for the law.

–Martin Luther King, Jr.

Protesting human rights is essential and this year whether it is bloggers, twitter, or Facebook, mass media has helped spark massive grass root movements and protests such as \textit{Occupy Wall Street}. Across hundreds of cities around the globe, from Yemen to Albania, people of all races, religions, and backgrounds have started a global revolution demanding that the corruption and greed of the wealthy come to an end. Activists campaign that \textit{they} are 99\% of the population exploited by the wealthiest 1\% of the world.\textsuperscript{292} They rally: “We are the 99\%! We will advance together! Together we will find strength! We will occupy together!”\textsuperscript{293}

\begin{itemize}
\item \textsuperscript{290} Ibid.
\item \textsuperscript{291} Paulo Freire, \textit{Pedagogy of the Oppressed} (London: Continuum Publisher, 1970).
\item \textsuperscript{293} Ibid.
\end{itemize}
Occupy Movement Principles of Solidarity:

- Engaging in direct and transparent participatory democracy;
- Exercising personal and collective responsibility;
- Recognizing individuals’ inherent privilege and the influence it has on all interactions;
- Empowering one another against all forms of oppression;
- Redefining how labor is valued;
- The sanctity of individual privacy;
- The belief that education is human right; and
- Making technologies, knowledge, and culture open to all to freely access, create, modify, and distribute.\textsuperscript{294}

Occupy Declaration:

The beauty of this new formula and what makes this novel tactic exciting, is its pragmatic simplicity: we talk to each other in various physical gatherings and virtual people’s assemblies...we zero in on what our one demand will be, a demand that awakens the imagination and, if achieved, would propel us toward the radical democracy of the future ... and then we go out and seize a square of singular symbolic significance and put our asses on the line to make it happen.\textsuperscript{295}

We are daring to imagine a new socio-political and economic alternative that offers greater possibility of equality. We are consolidating the other proposed principles of solidarity, after which demands will follow.\textsuperscript{296}

The movement calls for people to use their voices and no longer live in silence. Campaign slogans such as: “PUT THE POLITICIANS ON MINIMUM WAGE AND SEE HOW FAST THING CHANGE.” “ROB A BANK GO TO PRISON- ROB A NATION GET A BONUS.” “THIS REVOLUTION WILL NOT BE PRIVATIZED.” “IF YOU DON’T KNOW WHAT WE’RE TALKING ABOUT OR WHAT’S GOING ON TURN OFF THE NEWS,” are sending a clear message to government executives and wealthy elite on Wall Street.\textsuperscript{297}

Republicans have counterattacked; Presidential candidate Newt Gingrich called the concept of movement “Un-American” and “Disruptive.”\textsuperscript{298} At times protesters have felt

\textsuperscript{294} Ibid.
\textsuperscript{295} Ibid.
\textsuperscript{296} Ibid.
\textsuperscript{297} Ibid.
discouraged, deeming their efforts unsuccessful but what we must remember and what is more important, is to remained committed, provide people with information, and call attention to injustices. There have been small victories across cities. In DC, Florida, Detroit, and many more, Occupy campaigns have helped many residents save their homes from foreclosure. Fighting against big mortgage lenders like Wells Fargo and IndyMac, people like 75 year-old Josephine Tolbert who has lived in her home for over 40 years now, was able to remain in her home after Occupy activists put pressure on Bank of America to help her modify her loan.299 In Spain and all through Europe, Occupy organizers have formed the M31-European Day of Action initiative against Capitalism.300 Members are demanding major reforms be made for wageworkers, migrants, and that assistance be provided for the unemployed. In San Francisco, Occupy organizers have set up a social center in a vacant church providing medical care, food, and shelter for many of the community’s homeless. This month (March 2012) New York Occupy Wall Street members chained ticket gates at numerous subway stations allowing all passengers free entry to the subway stations.301 In a press release activists explained their motives: “Instead of using our tax money to properly fund transit, Albany and City Hall have intentionally starved transit of public funds for over twenty years…The MTA must resort to bonds (loans from Wall Street) to pay for projects and costs.”302 Moreover, calling the agency “a virtual ATM for the super-rich.”303 The occupiers also exposed how MTA spends more than $2 billion a year to pay off its debt.304 They conclude, “This means Wall Street bondholders receive a huge share of what we put into the system through the Metro cards we buy and the taxes we pay.”305 Organizers are taking drastic measures to demonstrate the urgency to solve these matters.

300 Ibid.
301 Ibid.
302 Ibid.
303 Ibid.
304 Ibid.
305 Ibid.
Occupy activists are not connected to any political organization; it doesn’t matter whether you are an anarchist, a democrat, or republican, it’s a neutral non-partisan movement calling for people to get involved in their communities and take back their freedom. Next month (May 2012) thousands of Labor Organizers, immigrants’ rights groups, Occupiers, and more, will strike again on “May Day.” May 1st is recognized as International Workers Day. The campaign is calling for: “No Work, No School, No Housework, No Shopping, No Banking - TAKE THE STREETS!” The recession has affected people across nations and has only recently in the last year begun to build momentum; people are finally starting to realize the real impacts and consequences of living in a free market society. This is just the beginning of a long battle toward equality and freedom.

Just this year (2011) after 18 days of hostile riots and protests, citizens of Egypt forced President Hosni Mubarak to step down from office after 31 years of corrupt rule and oppression. Protests sparked following the parliamentary election that many believed was fixed. It was named a “day of revolution against torture, poverty, corruption and unemployment.” Thousands gathered, calling for freedom of speech, fair elections, and the end to police brutality and government corruption. Addressing high unemployment rates, labor union concerns, and food price increases were among other issues. Communities gathered demanding they be included in the decision-making process and management of Egypt’s natural resources.

Over the last decade or so Egypt’s economy has experienced growth but poverty rates have continued to rise. While in office it is estimated that Mubarak’s wealth well exceeded over $70 billion dollars, more than enough to cover Egypt’s $34 billion dollar debt. With 80 million Egyptians living in poverty and the average person earning around $2 dollars a day, many people have been forced to either become a beggar or a thief. Because of the

310 Ibid.
social and economic crisis, Mubarak’s regime held Egypt under a 30-year “state of emergency.” It set up laws so that Mubarak and his officials could arrest and detain anyone at anytime without any evidence or charges.\(^\text{311}\) Protesting was forbidden under Mubarak’s regime and for years citizens lived in fear of voicing and defending their rights. Human Rights groups estimate that today there are still between 10,000 to 15,000 political prisoners.\(^\text{312}\)

Decades of Mubarak’s authoritarian abuse has left the country devastated. Leading up to the protests, two particular incidents fueled the growing resentment felt by the majority of the Egyptian people. First, several people witnessed the brutal beating of a young man Khaled Said by two policemen. Following this incident, street vendor Mohamed Bouazizi set himself on fire in protest of the harassment he was constantly receiving from police officials; they also seized his merchant goods leaving him with no means to earn a living. His brave act spread rage across the country igniting the 2011 Egyptian Revolution. During the uprise 846 people were killed with over 6,000 injured; many described the scene as a “war zone.”\(^\text{313}\) At an all night sit-in in Tahir Square, police moved in during the middle of the night firing automatic weapons into the crowds, launching tear gas, and brutally beating protesters leaving 40 dead.\(^\text{314}\) In response protesters turned “violent,” turning over cars and setting fires to buildings. People threw rocks at police as they were hit by rubber bullets; the military continued patrolling the streets clashing with the unrelenting protesters.

After a month of turmoil it was finally announced that government power would be handed over to The Supreme Council of the Armed Forces.\(^\text{315}\) The parliament has promised to turn over power to civilians within the next year (2012). In June 2012, Mubarak was sentenced to life in prison for the massacring of hundreds of innocent protesters. However this is only a partial victory. The interior minister and Mubarak’s top security officers were


\(^{313}\) ABC News, “Protests Turn Egypt into War Zone,” December 16, 2011.

\(^{314}\) Ibid.

found not guilty of corruption and their involvement in the killing of the protesters. Khalid Fahmi, one of the protesters from the very beginning says, “This verdict is basically acquitting the police officers, basically sending them a message that they can do whatever they want to do with impunity.” The movement is ongoing as the country tries to piece itself back together and plan for its next move. Many countries have stepped in to support and aid the country in bringing back order to the nation. Secretary of State Hillary Clinton has demanded that Egypt speed up their democracy promises before the country receives its $1.3 Billion in annual US aid. Presidential elections, in addition to a new draft of the constitution are to take place sometime in 2013.

The Egyptian uprising proves that change can be accomplished but only with the commitment, ferociousness, and power of the people. The events have also influenced and encouraged other nations to do the same. This will hopefully send a message to our world leaders that individuals will no longer tolerate these injustices. While there is still a lot of progress to be made, this incident has triggered a long awaited international dialogue concerning human rights, equality, and justice.

At almost the same time (February 2011) the people of Libya also revolted against their 41-year long-standing dictator, Muhammad Gaddafi. Thousands of civilians, teachers, students, and lawyers took to the streets protesting for his resignation. After years of oppression by the Gaddafi administration, the Libyan revolution made history when it took down its age-old regime.

Libya, being one of the biggest oil exporters in the world, has been very prosperous from its oil production. However, over the years the wealth has not been distributed equally as it has remained in the hands of a very few elite individuals and political parties. During his time in office Gaddafi and his family controlled the entire economic and financial industry, and with his vast fortune Gaddafi lived a luxurious lifestyle with million dollar homes around the globe and investments in Hollywood films, lucrative businesses, and so on. A large part of Libya’s money was also used to purchase weapons, as well as investments in its military.


Under his rule, unemployment rates reached as high as 30%; the country's education system folded and medical care was almost non-existent.\textsuperscript{318} Gaddafi also threatened to publicly hang or execute anyone who resisted the government’s regime as well as anyone who attempted to launch any type of political party. For decades now, as a result of the Gaddafi era, the country has lived under the poorest and most extreme conditions.

Last year, (2011) Libya’s citizens could no longer endure the corruption and exploitation of Gaddafi’s administration. After failing to make progress amid peaceful demonstrations, Libyan citizens rebelled. A “Day of Rage” ensued; protesters were driven to take over the streets, take control of the radio stations, block roads, and infiltrate government buildings. In response, Gaddafi’s military executed lethal and deadly force firing shots at the crowds. Water canons and shots were fired from helicopters. Women and children leaped from bridges to escape the fighting. During the revolt, 24-year-old civilian Omar cried: “Gaddafi is reacting to the protests with utter ruthlessness. Tanks are on the streets, and there are running battles between armed killers and protesters. Some of the soldiers have been so disgusted by what is going on that they have swapped sides.”\textsuperscript{319} Internet, phone lines, and all other forms of communication were shut down. Journalists were captured, some held hostage, others executed. The \textit{New York Times} reported, “The crackdown in Libya has proven the bloodiest of the recent government actions.”\textsuperscript{320}

Many countries came to the rescue and aided in freezing Gaddafi assets and restricting his travel. A no-fly zone was implemented by the intervention of foreign states. Feeling overwhelmed, army and police withdrew from Benghazi area of protests and eventually after nine months of bloody turmoil Gaddafi was captured and killed by the Libyan National Liberation Army. The 2011 Libyan Civil War uprising claimed the lives of 500-700 people including journalists, students, and soldiers.\textsuperscript{321} It took a resilient willpower to bring down the tyrant; the Gaddafi era has finally came to an end.


\textsuperscript{319} Nick Meo, “Libya Protests: 140 ‘Massacred’ as Gaddafi Send in Snipers to Crush Dissent,” \textit{The Telegraph}, April 5, 2011.


\textsuperscript{321} Human Rights Committee, “Bermun 2011 Research Report,” last modified July 21, 2011,
The country has been left in a fragile state; massive infrastructure and extreme reform is still needed. As of now the political parties who have taken office are moderately similar to its previous predecessors; regardless, the citizens of Libya have made a point that they will not live under their oppressors and will fight for their freedom, risking their lives, at all costs.

**Syria** too is currently (2012) experiencing violent radical protests asking President Bashar al-Assad be removed from office. With Assad’s father ruling the country for 30 years and he now going into his 12th year of dictatorship, the country has been under siege for the last 40-50 years and has been under “emergency” law for decades. Unlike Egypt and Libya, Syria is still going through a turbulent period, many have been killed and so far there is no sign of ceasefire.

The military and government regime are despised for the years of torture and abuse their people have experienced. Syria’s privileged millionaires and billionaires have created an elite upper class and a very depressed lower class; a middle class no longer exists. There is a young generation of college graduates who have been given no choice but to work in low-paying factory jobs. When one 30-year-old man was asked why he didn’t pursue college he responded, “Why should I go to college? I am just going to work in this little shop selling shoes anyways. Why should I waste my time struggling in school.”

In another attack on the nation, in 2007 Assad put a law in place requiring that all conversions, text, and comments, be recorded in Internet cafés. Websites like YouTube, Facebook, and Wikipedia were blocked in an attempt to keep the public in dark and to also shield people from speaking out against their government. It also enforced travel bans, which are illegal under international law. The violations of human rights is endless and continues.

When Bashar Al-Assad took over his father’s office he promised that drastic reforms would be taken to recover the economy and to improve living conditions; Assad did not


come through with his promise. In 2000 political activists responded demanding radical reform; they mobilized meeting in private to discuss the social and political crimes inside the Syrian government.\textsuperscript{325} The government quickly suppressed all activity, imprisoning many of the activists. Again, in 2005 activists struggled to call for drastic democratic restructuring and the end of Syria’s totalitarian rule.\textsuperscript{326} Both movements lasted a short period of time but both movements gradually continued to build up anger and the resistance leading up to today’s unrelenting massive riots and protests.

The 2012 Syrian revolution gained momentum when a small city began protesting in reaction to the torturing of a group of students who graffiti’d anti-government slogans. In another incident that stirred hatred and disgust for Syria’s government, well-known political cartoonist Ali Farzat was severely beaten and threatened to stop drawing his controversial cartoons. Huge demonstrations erupted around the nation. President Assad has responded with violent force and has continued to crackdown sending tanks into neighborhoods and opening fire on civilians. The United Nations has reported that between 9,100 and 11,000 have been killed, mostly protesters.\textsuperscript{327} Thousands have been imprisoned and tortured for their part in the demonstrations. At this time, (April 2012) Assad’s administration has banned, censored, and taken control of all forms of communication.

The uprising is going on more than a year now; the country is on the verge of civil war and tension from the conflict is spreading across boarders into Lebanon, Iraq, Turkey, and Jordan. These examples show how corruption and abuse can be a huge threat and safety risk across the globe if we continue to live under the current circumstances. In recent news, (January 2012) Obama and political leaders of other countries have intensified pressures on Syria’s government for the resignation of Assad. We’ll have to wait and see what the future holds for Syria.

\textsuperscript{325} Ibid.
\textsuperscript{326} Ibid.
Known for having one of the most totalitarian regimes across the globe, today Burma is seeing a unique rebellious movement. A new punk scene is emerging and is proving to be one of the most defiant subcultures out of the Southeast Asian Country.\textsuperscript{328}

Burma is rich in its natural resources and lush land but under dictator Ne Win, Burma has also topped the list as one of the most impoverished countries in the world experiencing extreme inequality and poverty.\textsuperscript{329} In 2008 the country fell second under the world’s most corrupt countries.\textsuperscript{330} The ruling elite has been connected to drug trafficking, organized crimes, money laundering, and more.\textsuperscript{331} The country lacks regulations and transparency and its volatile political atmosphere has bred a history of fraudulent elections. All together, Burma’s social and economical framework has severely deteriorated over the past four decades.

One of the most significant events in Burma’s political struggle was in 2007 when the government lifted oil subsidies and gas prices soared over 500% over night along with escalating food prices.\textsuperscript{332} Buddhist monks launched the \textit{Saffron Revolution}, a pro-democracy movement.\textsuperscript{333} 20,000 monks led 100,000 people marching across 66 cities.\textsuperscript{334} Soldiers brutally killed hundreds of peaceful protesters shutting down the protest arresting thousands.\textsuperscript{335} Despite the atrocities, the Saffron Revolution has inspired many new activists like the punk movement and its loyalist. Many have praised the monks for their courage and boldness.

Under the fear of authoritarian control, punk bands and Burmese youth hide in abandoned underground warehouses putting on live punk rock shows. Their lyrics cry out,

\begin{itemize}
  \item\textsuperscript{330} Ibid.
  \item\textsuperscript{331} Ibid.
  \item\textsuperscript{333} Ibid.
  \item\textsuperscript{334} Ibid.
  \item\textsuperscript{335} Ibid.
\end{itemize}
“Saida! Saida! Saida!” “Resistance! Resistance! Resistance!” They scream, “No fear! No indecision! Rage against the system of the oppressors!” Shirts that say “Fuck Capitalism” are worn boldly. Kyaw Kyaw, singer of the punk band Rebel Riots, explains the frustration of living in extreme poverty. He works at a textile factory earning around $65 a month but like many others, finds it tormenting when he see the luxurious lifestyles of the rich elites.336 Kyaw Kyaw says, “Only a revolution can change the system.”337 Punk bands are not just writing songs; mentally and socially their everyday life is an act of defiance. Organizer, Ko says, “In Burma, punk is not a game. It’s a way of life -- and for that we deserve respect.”338

While it is often difficult to organize protests and campaigns under the constant surveillance of the government, young Burmese minorities are risking their lives to express their hate and dissatisfaction towards the corrupt government. Under Burma’s tight government control any person caught protesting or disobeying the strict regimes laws are beaten to death or imprisoned for an unspecified amount of time. Today there are believed to be more than 1,600 political prisoners waiting to be released.339 The Burmese regime claims to be working on a more democratic system and after five decades of strict military rule the country recently moved to a civil government but many of its former members are still working under the new administration. Recently, (2011) Hilary Clinton met with the Burmese government to urge for further progress. The new punk scene using music as a powerful tool to express the viewpoints and raw emotions of the majority the country is feeling.

PROTESTS CONCLUSION

If you don’t do anything you’re not worth anything.

– Martin Luther King, Jr.

Corruption, exploitation, and inequality are a universal problem entangled in a web of politics and capitalism but Paulo Freire asks us to be radical and attack the oppressors,

336 Dluzak, “Burmas Punk Scene.”
337 Ibid.
338 Ibid.
tyrants, and dictators who have ruled us for far too long. The protests in the US, Egypt, Libya, Syria, and Burma are all examples that demonstrate how powerful the resistance from below can be, proving that individuals will go to great lengths to demand change. Protesting is empowering. It works; it shakes things up and it is an opportunity to educate and learn from each other. It teaches people that it is ok to demand more than what we have been given. Still, today as we watch thousands of people sacrificing their lives for change; it is clear that if the situation remains the same the bloodshed will continue. The crash of world economy has been an eye-opener for many, and with the successful spread of social media, the corruption and abuse of governments and the rich elite is finally being exposed to the masses. We are witnessing a revolutionary retaliation from the people; individuals are angry, fed up, and no longer will tolerate the ways of the past. The struggle is ongoing. The future is still uncertain and there are still many obstacles ahead but protests around the globe have been unyielding and at some point Capitalist states will have to respond.

**CHARTERS WORKING TOWARDS ALTERNATIVES OF NEO-LIBERALISM**

We can’t solve problems by using the same kind of thinking we used when we created them.

–Albert Einstein

Advocates of neoliberalism admit that capitalism has not always been perfect and that there are instances where corruption and exploitation can occur; in response they argue there is no other alternative system and therefore no other option but to accept and continue with the current model. As I mentioned earlier yes, in context “imagining a different world” is essential, and may be the first step toward change but it is one thing to imagine, quite another to actually act upon. Our situation is so perilous that words are not enough here if we want to make real progress. If we look closer, today there are in fact charters across the globe implementing programs as alternatives to capitalism. Since each community differs from one to another, in order to remove itself from its dependency the population must first identify its needs and second come up with solutions specific to their local problems.340 These charters empower local communities and are proving to be successful. We select, build, and create the

340 Choi, Murphy, and Caro, *Globalization with a Human Face*. 
systems we live in; democratic planning is achievable and other countries must take notice and learn from these charters.

**ALBA: ALTERNATIVA BOLIVARIANA PARA LAS AMERICAS**

Revolutionary Marxist traditions have always argued that any successful revolution against capital has to destroy the state and replace it with institutions based on rank and file democracy, through which working people can govern themselves. Jung Choi explains how neoliberal systems are designed specifically so that decision-making is made only by the elite and not for local communities, but today there is a new Latin American uprising changing the way its organizes and manages its nation. ALBA, the Bolivarian Alternative for the Americas, created in 2004, is an alliance led by Venezuela and Cuba. It is a new international organization agreement originally established by Hugo Chavez as an alternative to neoliberal economies. For decades Latin America has been subject to US interventions; in 1973 the US used its power, with the help of the IMF and World Bank, to force Latin America to adopt Western neo-liberal politics. Under the new neoliberal system, inequality rose drastically, millions lost their jobs, and access to healthcare and education was cut off; but today, to quote Noam Chomsky, Latin America is “re-asserting its independence.” Chavez is calling it a “historic moment.” As a rejection and response to the FTAA, Free Trade Area of the Americas, instead of trade liberalization ALBA centers on local economic integration and cooperative agreements between Latin American states.

Speaking in front of the United Nations, President Chavez declared:

> We fight for Venezuela, for Latin American integration and the world. We reaffirm our infinite faith in humankind. We are thirsty for peace and justice in order to survive as a species. Simon Bolivar, the founding father of our country and guide to our revolution swore to never allow his hands to be idle or his soul to rest until he had broken the shackles, which bound us to the empire. Now is the


time to not allow our hands to be idle or our souls to rest until we save humanity.³⁴⁴

The ALBA article establishes:

The two countries will produce a strategic plan to guarantee the most beneficial productive complementation on the bases of rationality, exploiting existing advantages on one side or the other, saving resources, extending useful employment, access to markets or any other consideration sustained in genuine solidarity that will promote the strengths of the two countries.³⁴⁵

Some of the highlighted principles:

- Economic complementarily and cooperation between the participant countries and not the competition between countries and productions.
- Cooperation and solidarity that is expressed in special plans for the least developed countries in the region.
- Energy integration between the countries of the region, in order to insure the supply of stable energy products to the benefit of the Latin American and Caribbean societies. Including Venezuela’s proposal of the creation of Petro America.
- Promotion of investment of Latin-American capital in Latin American and the Caribbean itself, with the objective of reducing the dependency of the countries of the region on foreign investment.
- Defense of Latin American and Caribbean culture and the identity of the people of the region, with particular respect and promotion of the autonomous and indigenous cultures.³⁴⁶

Led primarily by indigenous, anti-imperialist, anti-capitalist, and socialist groups, anti-poverty projects are springing up across communities.³⁴⁷ Soon after the formation of the ALBA program, from 2003 to 2007, the poverty rate was cut in half and extreme poverty by 70 percent.³⁴⁸ Today for the first time, millions are receiving free healthcare and education.³⁴⁹

³⁴⁴ Ibid.
³⁴⁷ Fox, “Defining the Bolivarian Alternative.”
³⁴⁹ Ibid.
ALBA has made significant improvement in social services and helped developed many local communities. Below are some of ALBA’s most celebrated achievements:

- School enrollment numbers have increased by 86 percent.
- 3.9 million school children, about half the population, now receive school lunches.
- Government food stores are now distributing food at discounts from 27 to 39 percent.
- In 2007 Chavez took steps to nationalize telecommunications and electricity sectors.
- From 2003 to 2008 unemployment numbers dropped from 19 percent to 8.2 percent. In 2011 unemployment rates dropped to 6.6 percent.
- Inequality numbers measured by the Gini coefficient (measure of inequality in comparison by country) went from 48 to 42 in 2007.\(^{350}\)

Citizens are also actively participating in a democratic voting process, giving them a voice in the organization and management of their communities. One of the best well-known examples of the joint agreements was the exchange of Venezuelan oil for twenty thousand Cuban doctors to help bring basic health care to millions of Venezuelans.\(^{351}\)

The movement towards independence is overturning years of neoliberalism that has been forced on Latin America. Chavez has endorsed ALBA as a model for others to follow. The crusade is gaining momentum with other countries. The leaders of new member countries—Antigua and Barbuda, Bolivia, Cuba, Dominica, Ecuador, Honduras, Nicaragua, Saint Vincent and the Grenadines, have formed committees and gather annually to discuss new plans and strategies. Venezuela and Cuba have made huge strides moving away from capitalism to end US hegemony.

I also want to note that much of Venezuela’s success has been kept out of the media. Chavez has made it clear that he is in opposition to the US and since Chavez’s move toward liberation the relationship has been tense. With Venezuela breaking the chains from years of enslavement to the US, the US is no longer able to take advantage of the country’s assets and natural resources. Previously the US was able to use tariffs and “free” trade agreements to make huge profits off cheap exports. Chavez and Fidel have stated that they will not rest until the vision of Jose Marti, (from the Latin united and integrated America and Caribbean) is achieved.

\(^{350}\) Ibid.

\(^{351}\) Ibid.
In 1892 Marti wrote:

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Our enemy obeys one plan: to inflame us, disperse us, divide us, suffocate us. That is why we are obeying another plan: to show ourselves in all our stature, to tighten up, join together, to evade him, finally making our homeland free. Plan against plan.352
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To this end, Charters come from a grass-root effort that supports every member of society and cares for the welfare of its people. Instead of asking for a handout they take matters into their own hands and bring sustainability and security to their communities.353

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352 Venezuelanalysis.com, “Final Declaration from the First Cuba-Venezuela Meeting.”

353 As we are discussing possible alternatives and solutions, I want to quickly touch on the notion of charity and how harmful it is. Let's make it clear that freedom and justice does not come by giving money to the poor. Many times when a crisis strikes, for instance, when a country hits rock bottom, the government’s first response is to donate millions of dollars to the catastrophe. However, this does not in any way create long-term economic success. The above political activists and charters are not asking the wealthy for a hand out; they are not asking money be donated to their nations and communities; this will not ease their worries. What they're asking for is sovereignty and self-sustainability. Susanne Butte as cited in Claude Choules, The Last of the Last (Edinburgh: Mainstream Publishing, 2006), 281.

By appealing to a person’s moral goodness and sense of charity, many injustices were and continue to be abolished. In general terms however, charity alleviates short-term suffering without looking to remedy the underlying cause. Those who become the objects of charity are expected to respond with gratitude, and a dependency on charity will result. The negative social consequences that can result include loss of dignity and powerlessness.

The work of Paul Longmore, explains how in actuality “poor-relief and welfare policies have always inflicted a parallel moral stigma.”353 This is extremely damaging. Longmore goes on to explain that this, “poor people” picture, categorizes people into the “the worthy” and “unworthy;” in the end he says, “all are punished.”
CHAPTER 6

END

What we do for ourselves dies with us. What we do for others and the world remains and is immortal.

–Gideon, Criminal Minds

During this journey, as I uncovered more and more layers of injustices, I became angry. However, Philosopher Paulo Freire explains that it is ok we feel anger and rage about the atrocities made against mankind. He says: “I have the right to be angry and express that anger, to hold it as my motivation to fight, just as I have right to love and to express my love for the world, to hold it as my motivation to fight, because while a historical being, I live history as a time of possibility, not of predetermination.”

The Universal Declaration of Human Responsibilities states: “Globalization of the world economy is matched by global problems, and global problems demand global solutions on the basis of ideas, values and norms respected by all cultures and societies.” We are morally and ethically responsible and must re-examine our values and principles, ask questions, and demand answers. It is time for a revolution. Philosopher Leopoldo Zea says, “A reflexive and critical philosophy can engage the world productively and forge a new, more relevant social order. New attitudes and a new way of thinking provides enlightenment and new concepts enrich and improve our quality of life.” Everyone must participate. Teach your children to ask questions and search for the truth. Instill in them compassion, let us raise a conscious generation.

I do not claim to have the answers to our poverty crisis. Indeed, there are many times I’ve said that these problems are “complex.” But it hit me; it is not complex at all. There’s a problem, there are people who created it, and a very simple answer: freedom CANNOT exist.

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355 Ibid.
356 Ibid.
in a capitalist world, period. Someone once told me, “Natasha, Capitalism works when it’s managed and executed properly.” I contemplated this for a moment, but what I realized is that, no, absolutely not. The rich can only prosper and become wealthy at the expense of others and this is accomplished with corruption, exploitation, and oppression. There’s no going around it. Neoliberal ideologies must be completely abolished. We cannot start a new world unless we completely overthrow our current coparatouracy; the government cannot be trusted nor can we depend on them any longer. Indeed, this may sound a bit extreme but no progress can be made until we do this first. There are no other options. There WILL be catastrophic consequences. We must be committed to political activism and fight against social injustices.\textsuperscript{357} We must improve mankind for we are entitled to a dignified life free from oppression and today we must be part of our own liberation.

Overall I am aware that this is far too big a topic to cover in a thesis. It was difficult simply because of the volumes of books and articles on this subject; however, it was important for me personally to explore and examine the world we live in. I try to offer my own perspective based on personal experience. I hope that it will inspire anyone who may read this to start living more consciously. More importantly we need to engage in a dialogue and critical thought. To this end, I will turn to Nelson Mandela where he writes, “For to be free is not merely to cast off one’s chains, but to live in a way that respects and enhances the freedom of others.”

\textsuperscript{357} Murphy, \textit{The Role of Philosophy}. 
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