

RTD Social 30-1 Class Questions from June 5th, 2019 (MacEwan – answers provided by Susan Chalmers)

- 1. My social teacher is having us write an argumentative essay this week on freedom and control, and I am having a difficult time composing a thesis that sets a guideline of what amount of freedom and control is “just right”. Do you have any recommendations on how to do this?**

I think what you are asking is what words to use to say "just right?" And that is a great question! Of course it depends on how you feel about the issue - are you speaking about economic control/freedom or political control/freedom? We each have our own feeling about what is too much government control and what is not quite enough.

(I am just using the following as an example, and not stating my opinion).

For one small example, economically speaking, my personal opinion is that when the government is not spending enough of social programming, I think that does not help our society as a whole. When social programming is underfunded I think that means there is not enough intervention and I would like those programs to be funded better. With that information about how I feel, I can now form a thesis based on knowing that I am somewhere in the middle of the spectrum. I would say something like: "Governments should be involved in the economy to a moderate extent." And then I would go on to clarify what I meant by that.... "I believe governments have a responsibility to all people in society so I would say I lean towards the left because I strongly believe in economic equality."

You can do the same process, no matter what your viewpoint by using words like .."to a great/large, moderate, limited, extremely limited, etc. Or even, I think that it is never a good idea for governments to.... (but it is very rare to hold an extreme position on many of the issues you will be presented with.)"

- 2. I understand supply that demand side economics can also be called Keynesian economics, but I don't understand what supply side is. And I am also confused if one is left wing and one is right wing or if they are the same thing.**

*Supply side economics is on the right side of the economic spectrum because supply side economists like Milton Friedman and Friedrich Hayek believe strongly in deregulation - governments should not regulate/makes rules about the free market in any way, shape or form! Always they will believe in lowering taxes (causing less government control over how much money you have) and allowing the market to work like Adam Smith said it would if governments would just stay out of it - remember he called that *lassiez-faire* - it means "to leave alone." They believe that by not taxing so much - especially lowering the taxes for companies, that the company owners will have more money to expand and the benefits of that "trickle down" and allow for the hiring of more people and then those people won't need any type of social program.*

Two famous world leaders who believed strongly in supply side economics and implemented the policies into their countries were Margaret Thatcher in Great Britain (Thatcherism) and Ronald Reagan in the USA (Reaganomics). Demand Economics belongs on the left because it is about government intervening in the economy in order to level out those peaks of inflation and valleys of depressions that we discussed regarding the business cycle.

- 3. What are the most important terms we should memorize for the test?**

There are so many new concepts for students in Social 30-1! So what I will do is attach the list of vocabulary that I give out and a couple of worksheets that are good too!

4. What is the difference between the economic and political spectrum? And why aren't they the same?

That's a big question! Economic issues have to do with how a society handles anything to do with money/commerce. The biggest job a society has (and we vote in representatives to manage this) is to find ways to fund all the things a society needs to function both in material things like roads, hospitals, power lines, water, military, etc, etc... and also how to make sure all the citizens have enough money to have a basic standard of living. So the economic spectrum is a chart that plots all the different ideas that people have had about how to do those things. It's just an organizer - a way that our brains can make sense out of all the different (and sometime quite complex) economic ideologies.

Political issues have to do with how a society handles what kind of policies it wants to have in regard to how the citizens are ruled, and what the responsibilities are of those that are doing the leading and those that are being led. It is a huge job too and of course those same representatives we vote in to handle the economic issues, also make policy/laws about the political issues of the day. Your diploma exam will have questions on it about different political systems, both dictatorships and democracies. A dictatorship is a political system. A democracy is a political system. We plot them on a line so we can organize the different ideologies.

So, it is sometimes a little confusing because these ideologies are complicated and putting them on a straight line sometimes proves difficult but as a general guideline it is helpful to plot them in order to understand them.

A fun way to get your head around this is to go to politicalcompass.org and after answering both political and economic questions, your ideology will be plotted on the quadrant and you can compare yourself with famous leaders. Check it out! It's a good way to shake up your studying!

5. Can you please explain the differences between neo conservatism and neo liberalism?

There is actually not too much difference. Both ideologies believe in returning to the classical liberal principles to run the economy. Neo conservatives have a slightly more traditional outlook when it comes to social issues and neo liberals have a slightly more progressive perspective but neither are too concerned with social issues (like gay marriage or gender equality), these ideologies mostly speak to an economic view of society.

6. What is a command economy?

A command economy is an economy that is completely controlled by the central government and usually by only a few people at the top of that government structure. Another term you could use would be a centrally planned economy. Both these terms are used when referring to the way a communist country handles its economy. So for those very important economic questions like:

What to produce?

How to produce it?

How to distribute it?

Who decides?

The answer in a command economy would be the same for all the questions: The government."

7. What is monetarism?

Monetarism is the type of government intervention that both demand side economists (on the left) and supply side economists (on the right) agree on using when the economy starts to look a little shaky and by shaky I mean that it is either going through a time of fairly intense inflation or deflation. Monetarists want the government to tell the banks to either raise or lower the interest rates on loans that they give out (to both businesses and individuals) depending on what is happening. When prices are rising quickly but your income stays the same, it's a time of inflation so monetarists would raise interest rates to slow down consumer demand and therefore slow down the rising prices. On the other hand, when a time of deflation is threatening to turn into a recession or worse, a depression, monetarists would want the banks to lower interest rates so individuals and businesses are enticed to take out loans to buy things and therefore increase consumer demand.

Here's a link to a video that might help too! <https://www.khanacademy.org/economics-finance-domain/macroeconomics/monetary-system-topic/macro-monetary-policy/v/monetary-and-fiscal-policy>

8. What is a good historic example of a capitalistic society that prospered? We're doing an essay in our social class currently, and the topic I got is on capitalism. Throughout our social class we focused more on the left side of the spectrum and weren't taught many examples of capitalistic society's that actually worked? Besides for the USA

The USA is the best example to use – it is the most successful liberal democracy. However, there are many other capitalist economies around the world that are successful as well. Many countries of western Europe (although many, like Canada, are a mixed economy.)

Try this link to see if it helps! <https://www.investopedia.com/ask/answers/040915/what-are-some-examples-free-market-economies.asp>

9. What's the difference between socialism and communism?

For the purpose of this course, so as to not get bogged down by the nitty gritty details of these quite complex ideologies, Socialism, or to be more exact, Democratic Socialism is an ideology that uses a mixed economy, with elements of both individualism, as in the free market, along with collectivism, as in the progressive taxation that provides the money that is used to deliver social programming, such as public healthcare and education. Canada is a great example of Democratic Socialism.

Communism, on the other hand, is a system that is entirely controlled by the central government, so both politically and economically there is very limited freedom for the citizens. In reply to the big economic questions:

What to produce? How to produce it? How to distribute it? Who decides?

the answer to all of these questions in a communist system is always: The Government.

What do you notice?



10. I was just wondering what the phrase “Das Kapital” mean in the economics book page 24, and who said it?

Great question! "Das Kapital" is a very famous book written by Karl Marx in which he outlines his theories about how capitalism, and capitalists exploit the working class and how labour should rise up and take control of the means of production (the factories and companies that used cheap labour to make a lot of money but did not share that wealth with the workers, on the contrary, they worked in horrific conditions and paid next to nothing.)

11. I don't understand classical and modern liberalism fully and would like an explanation.

Also is monetary and fiscal policies centered around Keynes theory? Or is that just involved in it?

Classical liberalism is the ideology that believes that the free market should be the consideration when answering the big economic questions. It is about economic and political freedom for each individual in a society. Adam Smith is the famous philosopher that came up with his theories surrounding supply and demand and how they work almost like an "invisible hand" that ensures that there are fair prices as long as the government leaves the market alone (laissez-faire) to work on its own through competition and self-interest (profit motive). However, these principles led to some very nasty practices from the industrialists/factory owners when capitalism was first used and governments were forced to step in and make some rules about what capitalists could do and not do when it came to how they made their money. Every time the government makes a rule that limits the amount of profit that can be made, classical liberalism takes one step to the left towards modern liberalism. So, especially during the Great Depression, when FDR made all those rules about getting people back to work and creating social programs, the economic system of classical liberalism was pretty much dead. Modern liberalism replaced it because people demanded that the government help them economically by voting for political parties that promised to do just that.

Keynes was the economist that came up with the extensive solutions for controlling the economy of a country using both fiscal and monetary policies. Social 30-1 only skims the surface so for the purpose of this course you can say that demand side economics, made famous by Keynes, is when the government works with the Central Bank to try and make sure that the economy stays healthy.

12. Can you go over the philosophers individually please?

I just found out about this youtube chanel and it is awesome for reviewing the philosophers! Check it out!!

<https://www.youtube.com/channel/UC7IcJI8PUf5Z3zKxnZvTBog>

13. What is the difference between micro and macro economics?

Here is a good site to review that material and if you scroll down the short video explains it well!

<https://www.investopedia.com/ask/answers/difference-between-microeconomics-and-macroeconomics/>

14. Could you comment on the difference between democratic socialism and a welfare state? The lines are often blurred (it's arguable Sweden isn't truly socialist, provided it's free market, etc., and is more akin to a welfare state). How should we approach this, particular with the Part A assignment?

The terms could be used almost interchangeably. One example of how a Democratic socialist system works is through a welfare state such as Sweden or Canada. Socialism was never intended to be a centrally planned dictatorship. Eventually, Marx wanted no government at all – humankind would work and progress for the reward of a continually advancing society. We will go over how to use these terms and the best examples to use on your Part A in class on Monday.