

The VOTE Textbook

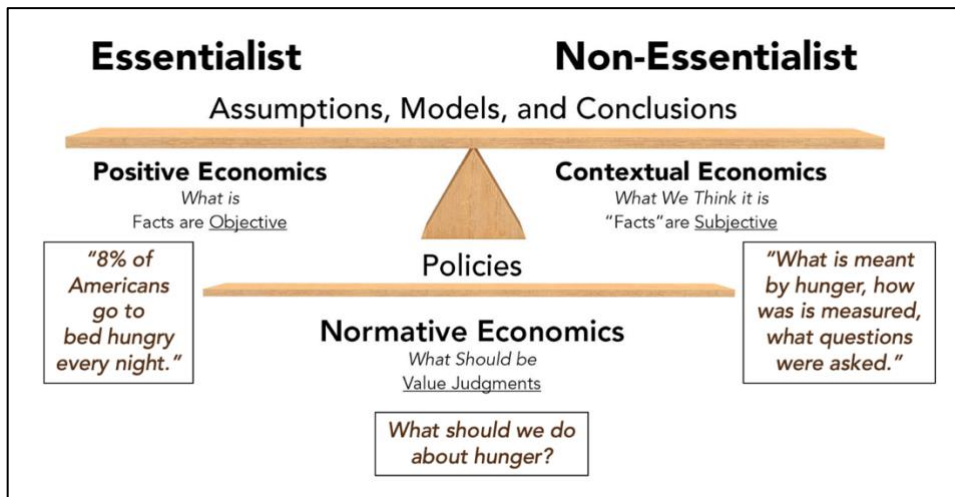
Student Notes

Chapter 10: Tools to Move Ahead

Opening Story: Is it wrong to steal life-saving medicine?

The different perceptions of “truth” and “facts”

The stumbling block to constructive conversations among rival perspectives is our different perceptions of “truth” and “facts.”



Diversity of ideas is a gift of democracy. We need different ways of thinking to intermingle and recombine to bring us new resilience, strength, and wisdom. When a seed of an idea from someone else drifts into your mind, it could potentially blossom into a solution that the world needs.

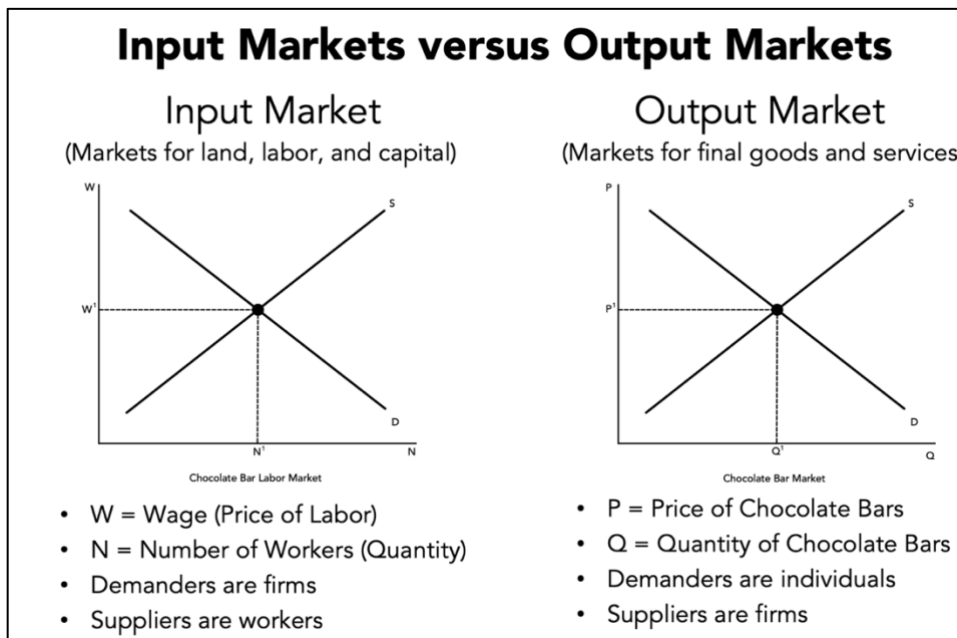
Shared Tools: Civil Discourse

Six Guidelines for Civil Discourse

1. Listen Thoughtfully
Focus on understanding what they're saying, even if I think I already know.

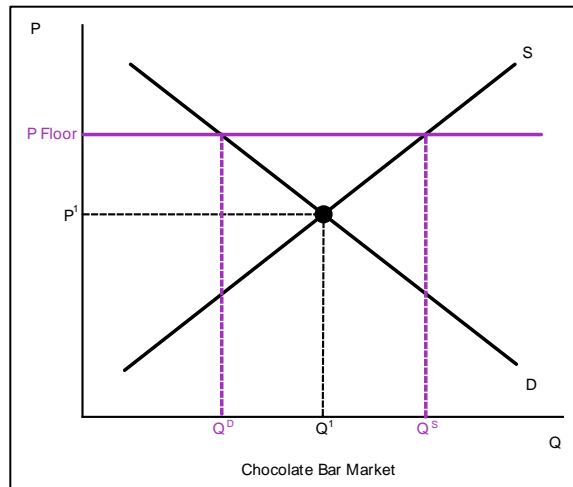
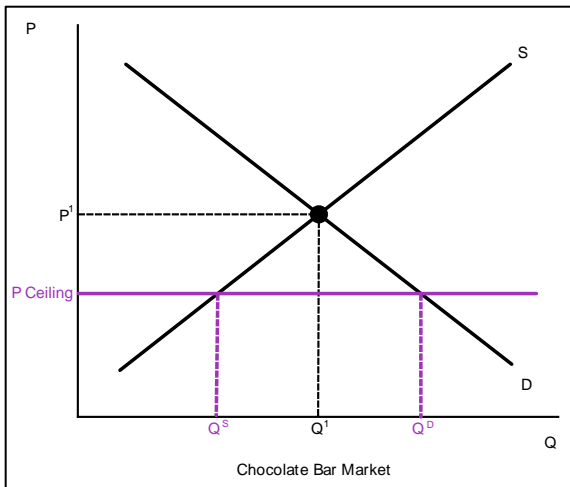
2. Critique Issues, Not Individuals
Don't make it personal. I don't have to like the other person to give their ideas a fair hearing.
3. Use Your Biofeedback
Be mindful of my physical and emotional reactions and remember to breathe.
4. Remember that Empathy Helps
Remember that just as it was hard for me to hear their ideas, they may have a hard time hearing mine.
5. Aim for Peaceful Persuasion
Don't be threatening or abusive. It won't help me convert anyone to my way of thinking.
6. Be Open-Minded
Allow curiosity and try not to make assumptions. I might discover common ground or a great new idea.

Conventional Tools: Price Controls and Elasticity



Price Ceiling: It's a legally established maximum price that a seller can charge. (Tends to cause a shortage.)


Price Floor: It's a legally established minimum price that a seller can be paid. (Tends to cause a surplus.)



Elasticity: Sensitivity or responsiveness to changes

Price Elasticity of Demand: Sensitivity of quantity demanded to a change in the price

Four Determinants of Price Elasticity of Demand*



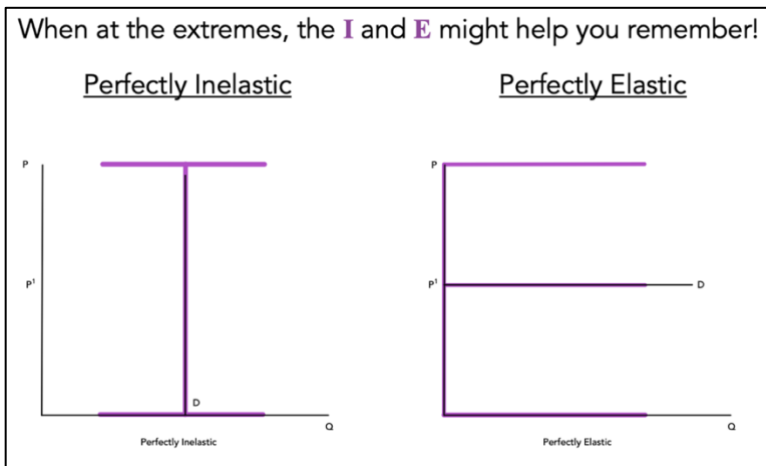
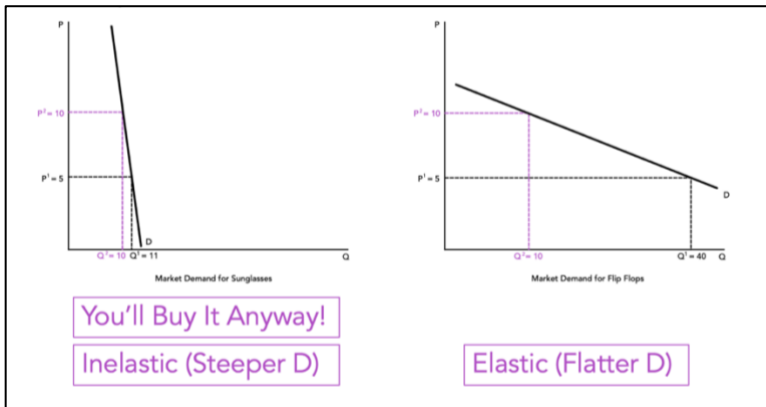
1. Necessity versus Luxury
Luxury: Elastic
Necessity: Inelastic

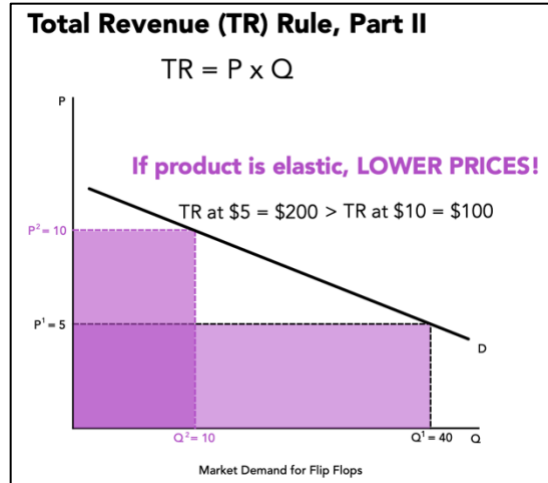
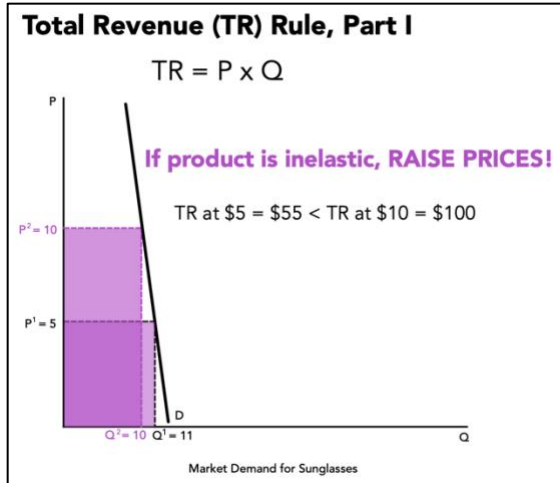
2. Number of Substitutes
Many Substitutes: Elastic
Few Substitutes: Inelastic

3. Fraction of Income
Large Fraction: Elastic
Small Fraction: Inelastic

4. Time Factor
Future: Elastic
Immediate: Inelastic

*in order of importance





Some determinants of the Price Elasticity of Supply (output market):

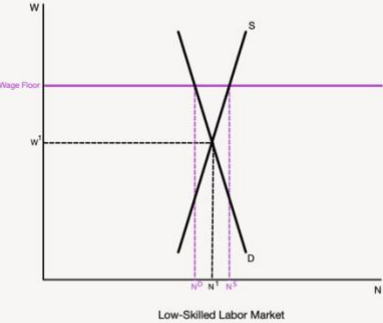
- Available inputs
- Inventories
- Complexity of production
- Time factor

One determinant of the Price Elasticity of Labor Demand:

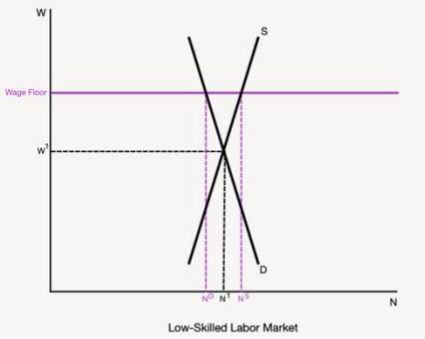
- Ease of labor substitutions

One determinant of the Price Elasticity of Labor Supply:

- Adaptability of labor skill

<p style="text-align: center;">Minimum Wage</p> <p>The establishment of a price floor in the labor market.</p>  <p style="text-align: center;">Low-Skilled Labor Market</p> <p>This assumes that the price elasticity of both demand and supply are inelastic.</p>	<p style="text-align: center;">Conservative</p> <p style="text-align: center;">NO!</p> <ol style="list-style-type: none"> 1. Government interference hurts society. 2. A minimum wage creates a surplus of workers (unemployment!). 3. Left alone, the problem of poverty will self-correct. <p style="text-align: center;">Liberal</p> <p style="text-align: center;">YES!</p> <ol style="list-style-type: none"> 1. Government intervention helps society. 2. A minimum wage that is a living wage lifts millions out of poverty. 3. Workers' spending creates even more jobs, which closes the gap.
--	--

Livelihood Policies	
Conservative	Liberal
<p>Conservatives want free-market wages.</p>	<p>Liberals want minimum wage legislation.</p>

<p style="text-align: center;">Rent Control Laws</p> <p>The establishment of a price ceiling in the housing market.</p>  <p style="text-align: center;">Low-Skilled Labor Market</p> <p>This assumes that the price elasticity of both demand and supply are inelastic.</p>	<p style="text-align: center;">Liberal YES!</p> <ol style="list-style-type: none"> 1. Government intervention helps society. 2. Rent control laws make housing affordable. 3. Government housing programs and incentives close the gap. <p style="text-align: center;">Conservative NO!</p> <ol style="list-style-type: none"> 1. Government interference hurts society. 2. Rent control laws create a housing shortage. 3. Left alone, the problem of homelessness will self-correct.
---	--

Housing Policies	
Liberal	Conservative
Liberals want rent control laws.	Conservatives want free-market rent signals.


Radical Tools: Private Ownership and Cooperative Ownership

Radicals use the six core points as tools to analyze economic issues.

- Ownership
- Governance
- Meeting people’s basic material needs
- Production
- Sustainability
- Communities


Radicals select the core point that makes the most sense for a particular issue. For livelihood and housing, it is ownership.

Drill down into ownership in capitalism:

Workplace Exploitation + Capitalist Competition	}	The Pressure for Bad leads to The Visible Suffering
... and is represented by the Six-Core Cube of capitalism, which can never be solved.		
		

The Unsolvable Six-Core Cube of Capitalism

1. Private Ownership
2. Top-Down Governance
3. Individuals at Risk
4. Production for Profit
5. Unsustainable Growth
6. Unhealthy Communities



The Six-Core Cube of Capitalism

Why unsolvable?
It is built around six core points that are rotten to the core!

Private Ownership: Owners pay workers less than the value of what they produce and keep the profits for themselves.

Private Ownership

- Capital is in the hands of the few, not the many.
- Owners exploit wage-laborers.
- Workers are alienated from their labor.



The Visible Suffering of Capitalism

- Hunger and malnourishment
- Harmful products
- **Mass poverty**
- **Homelessness**
- Extreme income inequality
- Pollution and climate crisis
- Inaccessible, low-quality health care
- Destructive market domination
- Impoverished elders
- Exploding public and private debt
- Damaging trade relationships
- High prices and no jobs

Drill down into ownership in democratic socialism:

Workplace Justice
+
Coordination Among Competitors

The Pressure for Good
leads to
The Invisible Synergy

...and is represented by the
Six-Core Cube of democratic
socialism, which can be solved.




The Solvable Six-Core Cube of Democratic Socialism

1. Cooperative Ownership
2. Participatory Governance
3. Social Safeguards
4. Production for Use
5. Sustainable Development
6. Healthy Communities

Why solvable?
It is built around six core points that are beneficial to the core!

Cooperative Ownership: People are joint owners of their firms and make decisions through a fair process of one person, one vote.





Livelihood and Housing Policies: Radical

Livelihood - Worker-Owned Business Incubators

Support systems that offer cooperative owners financial resources, technical support, legal training, and community networking for the start-up and success of worker-owned enterprises.

Housing - Resident-Owned Communities (ROCs)

Housing structures of all shapes and sizes that are co-owned or co-leased by the residents, who make management decisions collaboratively. ROCs are often located on land set aside by community land trusts (CLTs) for this use.

The Invisible Synergy of Democratic Socialism

- Abundant, healthy food
- Safe and helpful products
- **Prosperity**
- **Housing for all**
- Equitable income distribution
- Clean environment
- Universal, first-rate health care
- Fair and positive competition
- Secure and dignified retirement
- A thriving, debt-free society
- Mutually beneficial trade relationships
- Jobs and stable prices

THE BLAME GAME		
What causes poverty and homelessness?		
<p style="color: red; font-weight: bold; margin: 0;">Conservative</p> <p style="color: red; margin: 10px 0;">Too much government interference in capitalism</p> <p style="color: red; margin: 10px 0;">We need free-market capitalism.</p>	<p style="color: blue; font-weight: bold; margin: 0;">Liberal</p> <p style="color: blue; margin: 10px 0;">Not enough government intervention in capitalism</p> <p style="color: blue; margin: 10px 0;">We need fair-market capitalism.</p>	<p style="color: green; font-weight: bold; margin: 0;">Radical</p> <p style="color: green; margin: 10px 0;">The drive for profit in capitalism</p> <p style="color: green; margin: 10px 0;">We need democratic socialism.</p>