

The VOTE Textbook













Student Notes

Chapter 7: Tools to Get Started

Opening Story: Island of cannibals

Shared Tools: Challenging Stereotypes

Radicals, conservatives, and liberals share the same goals, but they just have very different ideas for how to achieve them. With the Golden Moment in mind, I can be inspired by different ideas and let that inspiration spark brilliant new solutions.

| The Golden Moment of VOTE | | |
|---|--|---|
| <i>It's the realization that conservatives, radicals, and liberals share the same goals; they just have very different ideas about how to achieve them.</i> | | |
| Issue | Shared Problem | Shared Goal |
|  Agriculture | Instability in farming threatens food security | A secure food system |
|  Product Safety | Products can cause harm | The protection that people want |
|  Livelihood | Poverty causes suffering and deprivation | An end to poverty |
|  Housing | Unaffordable housing leads to homelessness | Affordable housing for all |
|  Income Distribution | Income inequality can cause social conflict | Income that awards people fairly |
|  The Environment | Polluted air, water, and land can be dangerous | Breathable air, drinkable water, and habitable land |
|  Health Care | Lack of access to high-quality health care | Health and well-being for all |
|  Market Power | Large firms can abuse their power | The best products at reasonable prices |
|  Retirement Security | Seniors are economically vulnerable | Care and peace of mind for the elderly |
|  The Federal Budget | Irresponsible budgeting and money management | Financial freedom to invest in our future |
|  International Trade | When trade relationships break down, society loses out | Improved standard of living through trade |
|  Economic Stability | Inflation and unemployment undermine the well-being of society | Stable prices and full employment |

Stereotype: Oversimplified idea about a group of people can be conscious and unconscious. Stereotyping is a lazy habit. It makes it impossible to hear other people's perspectives with an open mind.

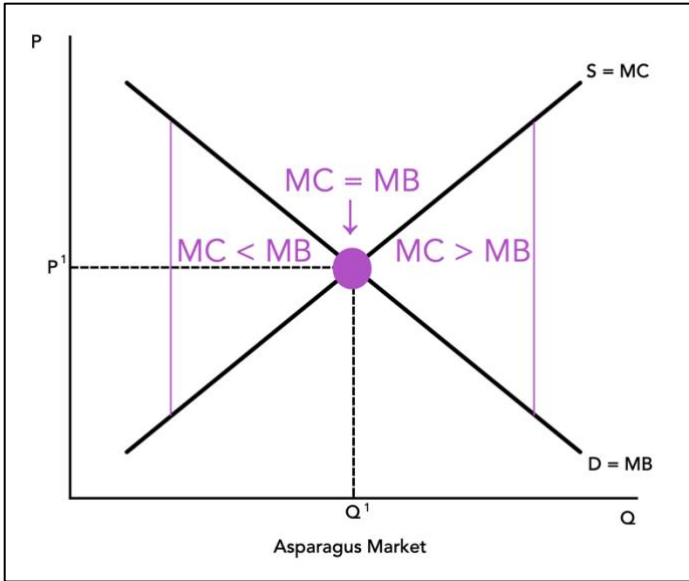
FALSE Stereotypes:

- Conservatives are greedy and heartless.
- Liberals believe the solution to all problems is a government handout.
- Radicals are a bunch of idealistic hippies.
- Democrats are the party of the elite and the wishy-washy.
- Democratic Socialists are anti-wealth.
- Republicans are the party of the rich.
- Radicals want to pay an uneducated janitor the same as an inventor with a PhD.
- Conservatives want to pretend everyone has an equal chance to succeed.
- Liberals are "politically correct."
- Liberals are antibusiness.
- Radicals want a revolution.
- Conservatives are stubborn and pigheaded.

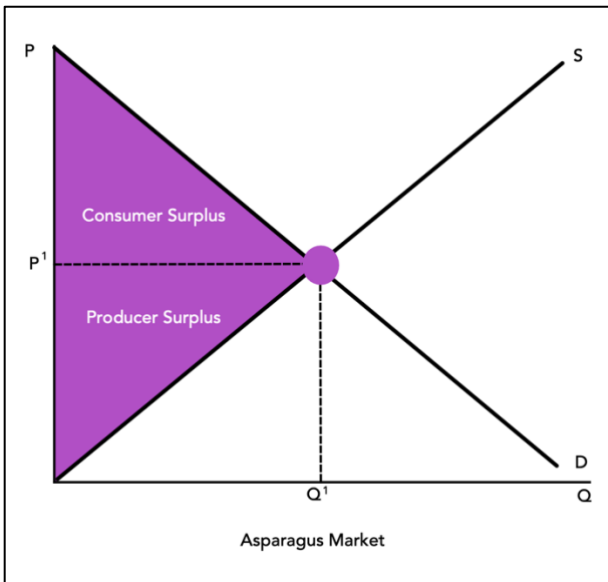
Conventional Tools: Equilibrium and Social Welfare

Two explanations for why equilibrium shows us where we maximize our social welfare.

1. At equilibrium, *Marginal Benefit (MB) = Marginal Cost (MC)*



2. At equilibrium, Total Surplus is maximized.

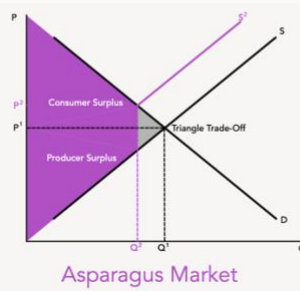


VOTE Market Change Guide

- A.** Read the relevant news article.
The state passed new requirements for asparagus farmers.
- B.** Name a market that is most affected by this news.
- C.** Determine the market change.

| Demand | Supply |
|---|---|
| <input type="checkbox"/> Income | <input type="checkbox"/> Cost of Inputs |
| <input type="checkbox"/> Preference | <input type="checkbox"/> Number of Firms |
| <input type="checkbox"/> Number of Buyers | <input checked="" type="checkbox"/> Taxes/Subsidies/Regulations |
| <input type="checkbox"/> Availability/Convenience | <input type="checkbox"/> Prices of Related Goods |
| <input type="checkbox"/> Prices of Comps and Subs | <input type="checkbox"/> Changes in Technology |
| <input type="checkbox"/> Future Expectations | <input type="checkbox"/> Future Expectations |

- 2. Shift** demand or supply curve.
 Supply Shifts Left
- 3. Slide** with the price change.
 $QD > QS$, Shortage, P tends \uparrow
- 4. Settle** at the new equilibrium.
 New Eq. $P \uparrow$, New Eq. $Q \downarrow$



Market:

D. Summarize the conservative and liberal views on this market change.

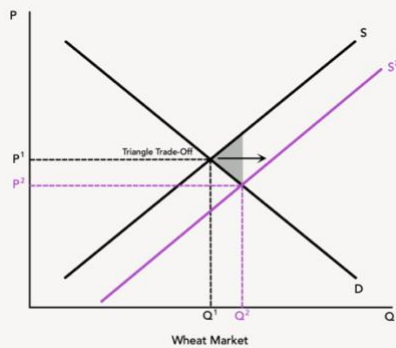
| Conservative | Liberal |
|--|--|
| Government interference hurts society. | Government intervention helps society. |

Conservative Triangle Trade-Off:
 "Efficiency Loss" (aka Deadweight Loss")

Liberal Triangle Trade-Off:
 "Equity Gain"

Agricultural Subsidies

Financial support given by the government to producers of agricultural products.



Liberal

YES!

1. Government intervention helps society.
2. Triangle trade-off: equity gain
3. With subsidies, the problem of food insecurity will be fixed.

Conservative

NO!

1. Government interference hurts society.
2. Triangle trade-off: efficiency loss (aka deadweight loss)
3. Left alone, the problem of food insecurity will self-correct.

| Agriculture Policies | |
|--|---|
| Liberal | Conservative |
| Liberals want agricultural subsidies. | Conservatives want unfettered price signals. |

| | |
|---|--|
| <p>Product Safety Regulations</p> <p>Standards that lawmakers believe firms must follow to prevent risks to consumers at all levels of production and distribution.</p> <p style="text-align: center;">Automobile Market</p> | <p style="text-align: center;">Conservative</p> <p style="text-align: center;">NO!</p> <ol style="list-style-type: none"> Government interference hurts society. Triangle trade-off: efficiency loss (aka <i>deadweight loss</i>) Left alone, the problem of unsafe products will self-correct. <p style="text-align: center;">Liberal</p> <p style="text-align: center;">YES!</p> <ol style="list-style-type: none"> Government intervention helps society. Triangle trade-off: equity gain With regulations, the problem of unsafe products will be fixed. |
|---|--|

| Product Safety Policies | |
|---|--|
| Conservative | Liberal |
| Conservatives want unfettered price signals. | Liberals want product safety regulations. |

Radical Tools: Top-Down Governance and Participatory Governance

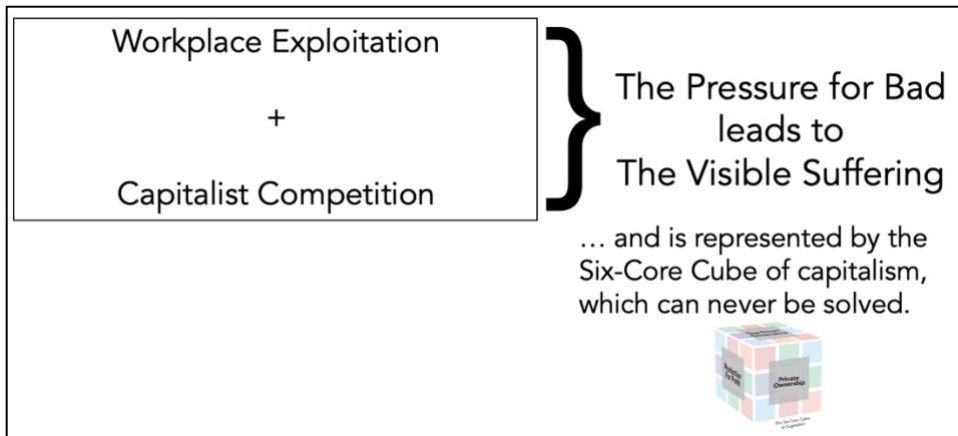
Radicals use the six core points as tools to analyze economic issues.

- 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 agriculture and product safety, it is governance.

Drill down into governance in capitalism:



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



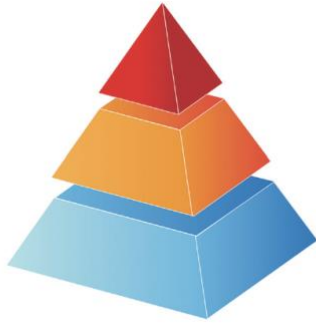
The Six-Core Cube
of Capitalism

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

Top-Down Governance: decision-making is left in the hands of a few elected officials and bureaucrats, and people don't have a real say.

Top-Down Governance

- Periodic ritual of casting a vote gives us no real say.
- Representatives aren't experts and can't know the local impact of decisions.
- Lawmakers are corrupted by campaign contributions.



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 governance 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!

Participatory Governance: decisions are made by community councils of diverse stakeholders who represent our collective best interests.

Participatory Governance

- Elected officials convene community councils that harness local expertise.
- Elected officials facilitate meetings of stakeholders, who have decision-making power.
- Elected officials are required to represent community council decisions at every level of government.

An illustration showing several white, stylized human figures working together to assemble a large, colorful structure made of interlocking puzzle pieces. The pieces are in various colors including blue, yellow, red, green, and purple. The figures are positioned around the structure, some standing on top of it, some holding pieces, and some looking at the work. The background is plain white.

Agriculture and Product Safety Policies: Radical

Agriculture - Food Security Councils

Policy example: Emergency and Innovation Funds

Government support to help farmers prepare for, respond to, and adapt to instability in agriculture.

Product Safety - Product Safety Councils



Policy example: Hazard Assessment Protocols

Government support to reduce the risks of dangerous flaws in product design, manufacture, and 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

VOTE Six-Core Cube Guide

| | |
|--|---|
| <p>Capitalism</p> <p>A. Name the problem. Pesticides could ham children</p>  <p>B. Identify the relevant core point.</p> <div style="border: 1px solid black; padding: 5px;"> <p>Six Core Points of Capitalism</p> <ul style="list-style-type: none"> <input type="checkbox"/> Private Ownership <input checked="" type="checkbox"/> Top-Down Governance <input type="checkbox"/> Individuals at Risk <input type="checkbox"/> Production for Profit <input type="checkbox"/> Unsustainable Growth <input type="checkbox"/> Unhealthy Communities </div> <p>C. Summarize the meaning of that core point. Decision-making is left in the hands of a few elected officials and bureaucrats, and people don't have a real say.</p> <p>D. Reveal the visible suffering (outcome).</p> <ul style="list-style-type: none"> • Hunger and malnourishment • Harmful products | <p>Democratic Socialism</p> <p>A. Name the problem. Pesticides could harm children</p>  <p>B. Identify the relevant core point.</p> <div style="border: 1px solid black; padding: 5px;"> <p>Six Core Points of Democratic Socialism</p> <ul style="list-style-type: none"> <input type="checkbox"/> Cooperative Ownership <input checked="" type="checkbox"/> Participatory Governance <input type="checkbox"/> Social Safeguards <input type="checkbox"/> Production for Use <input type="checkbox"/> Sustainable Development <input type="checkbox"/> Healthy Communities </div> <p>C. Summarize the meaning of that core point. Decisions are made by community councils, of diverse stakeholders who represent our collective best interests.</p> <p>D. Reveal the invisible synergy (outcome).</p> <ul style="list-style-type: none"> • Abundant, healthy food • Safe and helpful products |
|--|---|

| THE BLAME GAME | | |
|---|--|--|
| What causes food insecurity and unsafe products? | | |
| <p>Conservative</p> <p>Too much government interference in capitalism</p> <p>We need free-market capitalism.</p> | <p>Liberal</p> <p>Not enough government intervention in capitalism</p> <p>We need fair-market capitalism.</p> | <p>Radical</p> <p>The drive for profit in capitalism</p> <p>We need democratic socialism.</p> |