

# CHAPTER 20 RESOURCE DEVELOPMENT:

## THE CONFLICTING PERSONALITIES OF GOVERNMENT

### LEARNING GOALS:

Have students develop an understanding of:

- 1) The history and role of government in both enabling capitalism and regulating it.
- 2) The myth of democracy and capitalism being inexorably linked.
- 3) The economic and social goals that would benefit the majority of citizens.

### SUCCESS CRITERIA:

I will know I am successful when I can:

- Understand the history of government in both enabling capitalism and regulating it.
- Explain how the relationship between those with wealth and power and politicians can influence government in a way that may not benefit the majority of citizens.

### RESOURCES:

- [TED Talk on role of government in financing innovation](#)
- [TED Talk the rise of a new class of plutocrats \(those who are extremely powerful because they are extremely wealthy\)](#)
- [Value vs. profit](#)
- [bloomberg.com/news/articles/2008-10-15/forget-adam-smith-whatever-works](http://bloomberg.com/news/articles/2008-10-15/forget-adam-smith-whatever-works) (part about opportunity to tie government bailout money to fuel efficiency/ other goals)
- [Norway's White paper on renewable energy policy](#)
- [The Corporation A Legal Person](#)
- Wealth, power and politicians as courtiers to this power via ideology and threat of disinvestment. The Australia example (Rudd)
- (Who's Counting Marilyn Waring—video segments)
- [Ray Anderson on sustainable production](#)

## CHAPTER 20

Strong, central government helped create and enable capitalism and colonial exploitation

Capitalism and democracy are not naturally connected

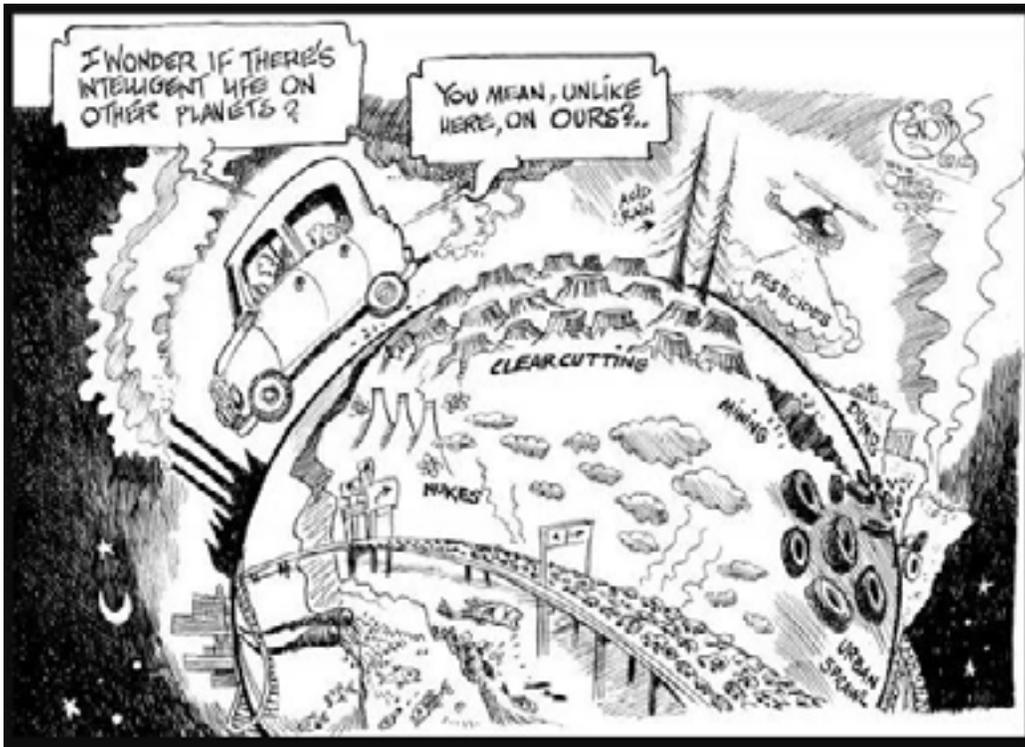
Politicians pressured by private wealth vs. public need

Praxis—what workers can do, and the challenges under neoliberalism

Concept of GDP what counts/ what doesn't



key ideas



Source: [plus.google.com/+NeildeGrasseTysonFanClub/posts/WouX64ZBGcp](https://plus.google.com/+NeildeGrasseTysonFanClub/posts/WouX64ZBGcp)

### MINDS ON:

“The idea that conservatives trust the market while progressives want the government is a myth. Conservatives simply are not honest about the ways in which they want the government to intervene to distribute income upwards.”

— Dean Baker, US economist (2006).

“The law, in its majestic equality, forbids the rich as well as the poor to beg in the streets, steal bread, or sleep under a bridge.” — Anatole France, French Author (1894).

### You Write the Book: open for Business

The unelected power of private businesses to determine the course of entire economies through investment and production decisions gives them tremendous influence over government policies, no matter which party is in power. The business community usually finds an understanding ear for its problems from political and government leaders. Think of an interesting example of a way that your government supports and promotes the interests of private business. Share with your peers.

### ACTION:

- 1) Before the lesson, have students complete the reading of Chapter 20 and the companion handout.
- 2) Students will apply a conflict theory lens to the Ontario Employment Standards Act. Using the provided investigation resource, they will explore the demands of the Workers' Action Centre's \$15 and Fairness movement, the Chamber of Commerce counterarguments, and the government's decisions following the 2017 report, The Changing Workplaces Review from the Ministry of Labour. ([Part I Student Inquiry](#), and [Part II](#))

- 3) Externalizing costs: Government's role in capturing the environmental cost of capitalism—reference Chapter 16 activity: Carbon Tax activity + Stanford's Cap-and-Trade. Carbon pricing video "[Carbon Pricing with Chickens](#)."

## CONSOLIDATION:

### Capitalism in context: climate change

#### Framework:

How do we assess capitalism? Often, we make this assessment based on our current, personal situation. Am I living in a comfortable safe home? Can I buy things that I need and want? Are my parents/guardians able to find the work that they need? If you're lucky, capitalism has resulted in a home situation that, economically at least, is stable. If you're unlucky, it may not be enabling you to have your basic needs met regularly. Does capitalism distribute wealth fairly? Does everyone in your city live the way you do? What about in rural areas? Would you argue that an assessment of capitalism has to be global, as well? How are workers faring in different parts of the world? We hear about a global "lift" in wealth. How is this actually felt by people living on the ground? What about historical injustice, current oppression, and the present-day consequences? Stanford points out that the combination of colonialism and military power has been used to "forcibly access raw materials and markets". Does this matter to you in your assessment of capitalism? Does capitalism promote peace? In terms of political systems interaction, does capitalism foster empowerment of people in their communities, or does it lead to a concentration of wealth and power? And finally, there is the context of climate change --- if capitalism is leading to devastating changes to our biosphere, can it be considered a successful system even if it passes the other tests?

#### The Task:

In Groups of 2-3, research [Ontario's 2016–2020 climate action plan](#).

Each Group will pick one area of the plan, starting the Introduction and ending with Actions Not Featured in the Plan. Each group will be responsible for a 10 minute presentation to the class that summarizes key points, and offers a critique of the section using at least two resources. The critique will touch on the following points: How has the government done over the past years on this item? Is the target enough?

As a way of understanding the consequences of wealth and power, in the context of climate change, research cases where industry has pressured a government (of course, sometimes the private corporation has former members in government so little pressuring is needed!) away from policy that scientific evidence suggests would be necessary to avoid deep climate change.

#### Possible Cases:

**Canadian Federal:** Kinder Morgan Trans Mountain expansion project, Oil/Tar Sands extraction

**Ontario Provincial:** Nestle water taking,

Why do companies do this? Is there a reason other than protecting wealth that you can think of (ideological - neoliberalism—"market is always right, regulation is always wrong, private is good, and public is bad, and taxes that support public services are the worst of all.")

**Rubric:**

Criteria	Level 1	Level 2	Level 3	Level 4
<p><b>Knowledge</b> Demonstrate an understanding of assigned portion of Ontario's Climate Change Plan</p>	Demonstrates an understanding of assigned portion of Ontario's Climate Change Plan with limited effectiveness.	Demonstrates an understanding of assigned portion of Ontario's Climate Change Plan with some effectiveness.	Demonstrates an understanding of assigned portion of Ontario's Climate Change Plan with considerable effectiveness.	Demonstrates an understanding of assigned portion of Ontario's Climate Change Plan with a high degree of effectiveness.
<p><b>Thinking</b> Analyse the government's effectiveness in reaching the target goal in the assigned portion of Ontario's Climate Change Plan</p>	Analyses the government's effectiveness in reaching the target goal in the assigned portion of Ontario's Climate Change Plan with limited effectiveness.	Analyses the government's effectiveness in reaching the target goal in the assigned portion of Ontario's Climate Change Plan with some effectiveness.	Analyses the government's effectiveness in reaching the target goal in the assigned portion of Ontario's Climate Change Plan with considerable effectiveness.	Analyses the government's effectiveness in reaching the target goal in the assigned portion of Ontario's Climate Change Plan with a high degree of effectiveness.
<p><b>Communication</b> Clearly communicate analysis to audience. Define unfamiliar terminology, and explain any difficult concepts.</p>	Clearly communicates analysis to audience. Defines unfamiliar terminology, and explain any difficult concepts with limited effectiveness.	Clearly communicates analysis to audience. Defines unfamiliar terminology, and explain any difficult concepts with some effectiveness.	Clearly communicates analysis to audience. Defines unfamiliar terminology, and explain any difficult concepts with considerable effectiveness.	Clearly communicates analysis to audience. Defines unfamiliar terminology, and explain any difficult concepts with a high degree of effectiveness.
<p><b>Application</b> Integrate assessment of Climate Change Plan targets, critique of capitalism, impact of wealth and power.</p>	Integrates assessment of Climate Change Plan targets, critique of capitalism, and impact of wealth and power with limited effectiveness.	Integrates assessment of Climate Change Plan targets, critique of capitalism, and impact of wealth and power with some effectiveness.	Integrates assessment of Climate Change Plan targets, critique of capitalism, and impact of wealth and power with considerable effectiveness.	Integrates assessment of Climate Change Plan targets, critique of capitalism, and impact of wealth and power with a high degree of effectiveness.

## EXPECTATIONS:

### CGC1D

- B1.4 explain how human activities can alter physical processes and contribute to occurrences of natural events and phenomena
- C1.4 analyse the roles and responsibilities of individuals in promoting the sustainable use of resources
- C3.1 identify the natural resources needed to produce and distribute a product that is used in the everyday lives of people living in Canada (e.g., raw materials, resources used in production and transportation)

### CHC2D

- B4.3 explain how points of view and issues associated with diverse groups and individuals
- C4.3 assess the strengths and weaknesses of current laws for protecting the rights of individuals and various groups (e.g., indigenous peoples) from the impact of human activities that cause changes to the natural environment (e.g., the construction of hydroelectric dams, pipelines, highways; resource extraction and processing)
- C4.1 analyse from a legal perspective contemporary circumstances in which individual or group rights and freedoms are threatened (e.g., loss of autonomy due to globalization, loss of privacy or intellectual property rights due to cybercrime) or limited (e.g., by imposition of travel security checks or environmental protection laws)

### CHC4U

- F1.1 evaluate, on the basis of research, the effectiveness of government initiatives or regulations (e.g., the Great Lakes Action Plan), and the actions of individuals (e.g., use of public transportation), intended to improve air and water quality, and propose a personal action plan to support these efforts.

### CHV2O

- B1.1 describe some civic issues of local, national, and/or global significance
- B1.3 explain why it is important for people to engage in civic action, and identify various reasons why individuals and groups engage in such action
- B3.2 analyse key responsibilities associated with Canadian citizenship
- B3.3 explain how the judicial system and other institutions and/or organizations help protect the rights of individuals and the public good in Canada
- B3.4 analyse rights and responsibilities of citizenship within a global context, including those related to international conventions, laws, and/or institutions
- C1.1 assess the significance, both in Canada and internationally, of the civic contributions of
  - some individuals
- C1.2 describe a variety of ways in which they could make a civic contribution at the local, national, and/or global level
- B1.4 communicate their own position on some issues of civic importance at the local, national, and/or global level

### CIA4U

- D1.1 demonstrate an understanding of the business cycle model (e.g., recession, depression, peak, recovery, expansion) and various economic indicators (e.g., employment, gross domestic product, inflation)
- D3.1 analyse the role of the Bank of Canada, with a particular emphasis on monetary policy (e.g., with reference to the money supply, interest rates, reserve ratio, exchange rates, its role in responding to economic challenges such as recession or inflation)

#### **CIC4E**

- B1.3 compare wages, salaries, and benefits typically offered in different types of employment (e.g., full-time, part-time, and contract employment; apprenticeships; service, sales, and/or professional positions; unionized and nonunionized jobs; base salary and commissions, tips, and/or bonuses), and explain some ways in which they might affect individuals' financial planning
- E1.2 describe, and assess the effectiveness of, some programs and services that are intended to address economic inequality in Canada (e.g., minimum wages, social assistance, employment insurance, pensions, public education, universal health care, public housing programs, Habitat for Humanity, Goodwill, skills retraining, micro-credit or social finance initiatives, new business grants, food banks) Sample questions: "Which programs/services do you think are the most effective in addressing economic inequality in Canada? Do you think these programs/services are adequate? If not, what more do you think should be done?"

#### **CIE3M**

- C4.5 explain how economic models and data are used to measure social need in Canada and to help frame responses to social issues
- E1.2 analyse how First Nations, Métis, and/or Inuit people have responded to issues relating to scarce resources

#### **CLN4U**

- C3.3 explain how human rights legislation and the courts attempt to balance minority and majority rights
- C4.3 assess the strengths and weaknesses of current laws for protecting the rights of individuals and various groups (e.g., indigenous peoples) from the impact of human activities that cause changes to the natural environment
- C4.2 compare from a legal perspective the rights and protections (e.g., protections related to workplace safety, pay equity, unionization) for various kinds of workers (e.g., migrant workers, immigrants, refugees) in Canadian jurisdictions and jurisdictions outside Canada

#### **CPW4U**

- B3.1 analyse how various economic factors (e.g., GDP per capita, trade balances, poverty rates, currency exchange rates, employment rates, inflation rates, recessions, depressions) influence politics in and relations between various countries, including Canada

#### **HFA4U**

- analyse the relationship between various economic, social, and political factors and food supply and production in a particular region or regions (e.g., debt-repayment requirements, demand for cash crops, oil prices, free-trade agreements, trade embargos or bans, controls on fishing and hunting, import-export restrictions to prevent or control outbreaks of disease)

#### **HFA4C**

- explain the effect of various economic, social, and political factors (e.g., debt-repayment obligations, demand for cash crops, oil prices, free trade agreements, trade embargos or bans, controls on fishing and hunting, import-export restrictions designed to prevent or control outbreaks of disease) on food supply and production

#### **HSP3U1**

- analyse examples of social or institutional practices in earlier historical periods that formed the basis for social relationships involving discrimination or exclusion in contemporary society (e.g., apartheid, segregation, ghettoization, ostracism, gender discrimination).

#### **HZT4U**

- analyse how theories of social and political philosophy (e.g., libertarianism, egalitarianism) are adopted and realized in contemporary political policy making (e.g., concerning the distribution of wealth), and how the adoption of a particular theory makes a difference to political and social practices;

#### **SES4U**

- E1.1 assess the direct and indirect impact on local, provincial/regional, or national economies of the exploration for and extraction and refinement/processing of Earth materials

### **SNC1D/1P**

- B1.2 evaluate the effectiveness of government initiatives in Canada (federal, provincial, municipal), and/or the efforts of societal groups or non-governmental organizations, such as Aboriginal communities, environmental groups, or student organizations, with respect to an environmental issue that affects the sustainability of terrestrial or aquatic ecosystems
- B3.5 identify various factors related to human activity that have an impact on ecosystems (e.g., the introduction of invasive species; shoreline development; industrial emissions that result in acid rain), and explain how these factors affect the equilibrium and survival of ecosystems

### **SNC2D/2P**

- D1.2 assess, on the basis of research, the effectiveness of some current individual, regional, national, or international initiatives that address the issue of climate change
- D2.9 compare different perspectives and/or biases evident in discussions of climate change in scientific and non-scientific media

### **SVN3M**

- F1.2 assess the costs and benefits to society of the use of renewable and nonrenewable energy sources, using a variety of criteria
- F3.1 explain the historical significance of a variety of energy sources (e.g., whale oil, coal), and describe their long-term impact on the environment

## CHAPTER 20

THE CONFLICTING PERSONALITIES  
OF GOVERNMENT



## READING RESPONSE

ACCORDING TO STANFORD, DOES SIZE OF GOVERNMENT MATTER? EXPLAIN.

### DEFINE KEY TERMS

Key term	Definition
Enclosures	
Disinvestment	
Transfer Payments	
Public Goods	
Natural Monopolies	
Sector Development Strategies	
Sovereign Wealth	
Investor-State Dispute Settlement	



photo: [naomiklein.org/meet-naomi](http://naomiklein.org/meet-naomi)

Under the neoliberal worldview, governments exist to create the optimal conditions for private interests to maximize their profits and wealth.

— Naomi Klein, *No Is Not Enough*

### TAKING CARE OF BUSINESS:

Give 3 concrete examples of how capitalism was guided by strong, central government:

Three large, empty green circles arranged in a triangular pattern. Each circle has a small purple square with a white number (1, 2, or 3) next to it, indicating where to write an answer.

Stanford reflects on the history of the law being used to protect the private property of wealth investors. “Police kept the uncouth masses far away from the estates of the rich, protected banks and other stockpiles of financial wealth, and defended the capital equipment of factories (sometimes against the angry outbursts of their own workers)”. As the economy evolved, what were some of the legal innovations used to continue this private property protection?

Legal innovation	Definition
Intellectual Property	
Financial Property	
Copyright	
Trade Laws	

**Table 20.1 Whose Nanny State?  
Ten Ways Governments Serve Business**

Protect private property (including intangible property, like patents).	Pay for basic economic infrastructure (roads, communication, utilities).
Pay for essential training of workers.	Keep workers “in line” by managing and policing labour relations.
Maintain business-friendly macroeconomic conditions (low inflation, stable interest rates).	Enforce stable rules and standards (quality standards, competition laws, contracts).
Support business investment through tax incentives or subsidies.	Open up new markets for businesses (privatization, trade agreements).
Provide tax loopholes and subsidies to companies and the high-income individuals who own them.	Rescue businesses (especially financial companies) in times of crisis.

In point form, summarize Stanford's case that "there is nothing inherently democratic about capitalism", including the "How to Get Rid of a Prime Minister" box:

If government was to work in the interests of the workers, what agenda and toolkit do they have if they decide they're up to the political challenge of legislating for workers?

**AGENDA**



**TOOLS**



**GOVERNMENT FOR  
THE PEOPLE**