Shock Doctrine Documentary Viewing Questions (view through 50 minutes only)

<https://www.youtube.com/watch?time_continue=3019&v=B3B5qt6gsxY>

This is a short view of the early history of **how neoliberalism was first imposed on several countries**. Since the doctrine of neoliberalism is applied to some degree in the global economy, some understanding of the historical process of how that came to be is in order. Though the belief that democracy will follow when market system is adopted in a country is widespread, as claimed by Zakaria, the evidence for that is mixed to say the least, as we now see China with a new framework allowing for a dictator for life, and we have the inconvenient facts of the imposition of market systems on Chile, Argentina, and Russia.

What is the connection between McGill University research and a CIA interrogation manual?

Who was Milton Friedman? And the quote from Donald Rumsfeld? “…ideas have \_\_\_\_\_\_\_\_\_\_\_\_\_.”

In the post WWII Europe, and the United States, the dominant economic model was that of John Maynard Keynes, that of regulated capitalism. Under this model, the countries of Western Europe were able to build their economies and societies, and the United States enjoyed an unprecedented era of prosperity for all, with worker incomes closely following technologically driven increases in worker productivity. In what university in the United States, however, was Keynesianism not accepted?

Where did Friedman’s students first try his ideas of shock?

As a backdrop, what was role of Chile as a South American model in the 1950s developmental policies?

Who sponsored Chilean students to study at the University of Chicago, and what led to this?

In 1970, the medical doctor Salvador Allende was elected based on nationalization of significant sectors of the economy. What US-based company operating in Chile wanted to stop Allende’s program (in what industry – you don’t need to know the name.

What did President Nixon do about Allende, by 1973?

For how many consecutive years prior to that had Chile enjoyed a peaceful democratic government?

In the new Chicago school economic program for Chile, the transition toward free markets was initially association with what economic outcome?

What social group, on the other hand, clearly benefitted from the “shock treatment”?

What did Pinochet get rid of in schools?

What did Letelier say regarding the taking of 100,000 prisoners in a period of three years?

What later happened to him in the United States, with the full knowledge of the US government? Explain.

Quote what Klein says at 22 minutes.

What happened in Argentina in 1976? What was change in wages one year later?

“Just as in Chile, \_\_\_\_\_\_\_\_\_\_\_ had to be \_\_\_\_\_\_\_\_\_\_\_\_ into accepting these economic policies.”

From where did many of the techniques used by the Chilean and Argentine militaries come from? Give five example of techniques:

Such techniques were not just used on \_\_\_\_\_\_\_\_ but also on \_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_ members and on anyone who opposed the free market economic policies of the regime.

What happened to some pregnant women?

Later, General Videla was tried and convicted of what?

Friedman believed that capitalism and \_\_\_\_\_\_\_\_\_\_\_\_ went hand in hand, but in the 1970s, the only countries putting these ideas into practice were \_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_.

Nixon had fully supported implementing these brutal policies on South American dictatorships, but not on\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

What did Nixon do in 1971 in the United States, and why? (and were these free market policies?)

How did these non-Chicago school policies work? How did these policies of Nixon work out for his political future?

What happened in 1979 in Great Britain, and who was her mentor?

What economic policies did Reagan initiate as he entered office in 1980?

What were the four planks of Thatcher’s Plan (from Friedman)?

What happened to Thatcher’s economy one year later?

Why did Thatcher say she would not follow some of Pinochet’s economic policies?

What crisis “saved” Thatcher from the dissatisfaction felt by everyday people about her economic policies?

What industries were privatized in the wake of her re-election?

What was Gorbachev’s vision in the Soviet Union? (What was the third way – “something between \_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_\_\_\_\_.”)

But when Gorbachev went to the G7 Summit hoping for aid to make the transition, he was told that there would be no aid unless he did what?

A month after the uncompromising approach from the US and others at the G7 Summit, who put Gorbachev under house arrest?

December 1991. What happened? I remember it well and everyone I knew celebrated. It was wonderful to put behind us the horrors of the Soviet Union and the Cold War. The USSR had been the worst possible outcome of a revolution, miles away from either a market society such as what is now prevalent in Scandinavia, or a true democracy with workers in control of their workplaces (as envisioned by Marx). The horrors of Stalin by some measures exceeded the horrors of Nazi Germany. And while there were differences, a pretty strong case can be made that they both were totalitarian versions of state capitalism.

Back to the documentary. Unfortunately, while The Chicago School neoliberal agenda was pursued in Russia, it was a disaster, giving us the oligarchs and Vladimir Putin today – who is doing his best to disrupt democracy in Europe, and as you know if you are paying attention, the United States.

State industries were sold off to a handful of Russians, at “\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_.” This shouldn’t be surprising, as how would anyone in the USSR have enough money to buy a state industry, unless they got the money from corruption. The US government had to have known this, but the almost religious zeal for capitalism in the leadership seems to blinded them. So in essence some of the most corrupt people in Russia were handed the reins of its core industries. How could the seeds of democracy sprout on such fouled soil? They haven’t.

Boris Yeltsin’s shock therapy, a year later, meant that Russian people consumed \_\_\_\_\_% less in 1992 than 1991.

“\_\_\_\_\_\_\_\_ was rife. \_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_ boomed.”

“The \_\_\_\_\_\_\_\_\_\_\_\_\_ of Russians opposed the \_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_ vision for their economy.”

In response to the above (and for other reasons too), what did the Russian Parliament do in 1993? By September, what did Yeltsin do? (this is sounding similar to the South American trajectories of the 1970s)

So ironically, the US Democrat President and Vice President both supported Yeltsin rather than Parliament, even though the Parliament was (arguably) responding to the will of the people more than Yeltsin was. This is a familiar refrain to those who have carefully studied US foreign policy: a lot of talk about democracy, but actions have often sided with a neoliberal agenda instead.

Then, Parliament voted to \_\_\_\_\_\_\_\_ Yeltsin, 636 votes to \_\_\_.

After some violence, Yeltsin was now fully in charge. Who was advising him?

(Yeltsin) “ruled through a form of \_\_\_\_\_\_\_\_ capitalism.”

Even more state industries were \_\_\_\_\_\_\_ \_\_\_\_\_, creating a new class of \_\_\_\_\_\_\_\_\_\_\_\_ businessmen.

They are known as \_\_\_\_\_\_\_\_\_\_\_.

By 1998, \_\_\_\_\_ percent of Russian farms were bankrupt.

Within eight years, \_\_\_\_ million more Russians were living in poverty…and Moscow would have more \_\_\_\_\_\_\_\_\_\_\_\_ than any other city on Earth.

Who was the new enemy that the newly appointed Secretary of Defense Rumsfeld identified, and what would be done with that enemy that made five year plans?

What happened the very next day?

Summarize what Klein says about this, through 50:05.

Think back to the early quote from Milton Friedman – that **ideas have consequences**. Think about in for the case of Chile, Argentina, and Russia. We could do a unit on Great Britain too. The Brexit vote is also a vote of discontent, in some ways similar in origin to what has happened in the United States. As I write this on June 1, 2019, the United Kingdom is entering a new phase of political crisis. The demographics of voters who have chosen this path are very similar to those who voted for Donald Trump. The post Brexit vote economy there has weakened considerably, yet few of those who voted for it have changed their mind. Now go to the Case and Deaton paper we looked at. Look at Table 2. Which countries, besides the United States, have seen a rise in deaths of despair (column 2, drugs, alcohol, suicide)? With the exception of Sweden, whose rise is less than the others, they are English speaking, and are among the most neoliberal political economies anywhere. A coincidence? Here is research on that for Ireland, the country with the highest deaths of despair behind only the United States. <https://journals.sagepub.com/doi/abs/10.1068/a44349> (just read the one paragraph abstract)

The rest of the documentary is useful, but not central to what we are trying to accomplish in understanding how the Washington Consensus/neoliberal ideology was spread. So we will stop here.