

SAYOUT

Canada and the world

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Ideas, Facts, and Opinions for Today

The power and influence of economics

In the present day our policies and practices are very much guided by the apparent truths of economics. Different politicians pick up on these seeming truths from economists and declare that they must be obeyed. After all, they're based on the 'science' of economics, so they must be correct, mustn't they?

It all sounds set and sensible. Besides, some convenient findings could benefit certain vested interests who will gladly lend their support to those politicians who get behind findings that look suitably profitable.

In mid-December, 2009, Paul Samuelson died. He was a giant in the field of economics, author of many articles and books, including college textbooks on economics. Ten years earlier, in an interview with Paul Solman on PBS, he had said, "Economics is not an exact science, it's a combination of an art and elements of science."

So economics contains elements of science, and we might assume that economists may do their best to maintain a scientific approach to their work. Still, the findings of economic research may not always be as firm or certain as many would like us to believe.

Thomas Piketty (*Capital in the Twenty-First Century*, 2014) declared: "... I dislike the expression 'economic science,' which strikes me as terribly arrogant ...").

If economics really isn't a science on the same level as, say, physics or chemistry, then its declared findings are not as ironclad as they're often made to seem. Further, political deci-

sions based on those findings are much more questionable than they're dressed up to appear. It's even possible that some political policies based on supposed economic truths are deeply flawed and counterproductive, even destructive, because the underlying economic rationales themselves are flawed.

In medieval times in Europe professional men such as lawyers and doctors would often cloak their pronouncements in Latin instead of in the local language of the people. This helped to give what they had to say a certain mystery and power for ordinary folk.

In the present day, economists will often come up with equations using Greek letters to dress up their declarations with a touch of mystery and to add a seeming god-like authority. James Galbraith (*The End of Normal*, 2014) tells us, "The main purpose of the math is not to clarify, or to charm, but to intimidate."

These days it seems that our politicians are often intimidated by what their economic advisers have to say. This, even though in the run-up to the 2007-2008 financial debacle, so many economists got things so badly wrong.

When it comes to over-arching policy decisions such as austerity measures, aiming for balanced budgets, or pushing to join so-called 'free trade' deals, it may well be that the economic assurances we receive about these decisions should be questioned a little more closely. It could be they're not as well founded as people think, and they just might turn out to be harmful.



Robyn Peterson

So the economists tell us this is how we can meet our transit needs?

Money for our future?

Bitcoin, the pre-eminent cybercurrency seems to grow in popularity every day—beyond even the popularity of gold.

But the massive ups and downs recently in the value of Bitcoins and other cybercurrencies seem to reflect a good deal of speculation at work. In effect, we appear to have a big financial casino operating in cyberspace.

No one seems to know for sure what we have here. Is it a newfangled bubble? Or is it the birthing pains of a legitimate new form of money on the world stage?

If different forms of cybercurrencies do give us a new type of money, then we have to figure out how to accommodate them properly and legally within our financial system. Stay tuned.

Sophisticated ignorance for all

"The financial world sustains a large, active, well-rewarded community based on compelled but seemingly sophisticated ignorance."

John Kenneth Galbraith,
The Economics of Innocent Fraud, 2004

What about the disposables?

Given continuing technological advances, we need fewer and fewer people to provide our goods and services.

So what should we do with the people we don't need, the outcasts? It seems the task of disposing of such people is now underway.

Support for people needing welfare has routinely been shrunk over time even as the need has risen.

Many Aboriginal reserves and villages in the developing world have become forlorn places of neglect and misery. Stigmatization of those with little money has become routine. Who needs them?

A major function of people in today's economy is to serve as consumers. If people can't provide this service, then they're not useful for the economy. If they become needful of support from society, that's even worse. Then they might be seen as economic parasites and of little use to anyone.

In considering those our society wishes to dispose of, a troubling question arises. What if the number of people we need to dispose of grows even more? What if you become one of the people who should be disposed of? It could never happen, you say? Well, technology marches on, and the army of robots is increasing in size. Don't be surprised if, one day, a robot comes along, taps you on the shoulder, beeps and burbles gently and says, "Goodbye!"

During the 2016 presidential election in the United States, Hillary Clinton called many of Donald Trump's supporters the "deplorables". What if,

instead of being deplorables many of those people had actually been "disposables"? Is it possible that they considered themselves to be disposed of by the economic system that dominated their lives? Could they have identified Clinton as being a strong supporter of that system, especially after her secret speeches to the moguls of Wall Street?

In Britain, many of the people who supported Jeremy Corbyn during the 2017 snap election, which gave him surprising parliamentary strength, felt themselves to be left out. Many were, in fact, disposables.

When major elections are held these days, a lot of people simply don't vote — too many. Who are these non-voters? Are they just lazy? Have they given up? Are they disposables? We don't know for sure, but it does seem that a significant degree of anxiety exists in society today, and that anxiety is slowly eating away at the very structure of democracy.

How long can any society survive in a healthy way as it disposes of more and more people? If a society becomes intolerable for too many people, that society faces serious upheaval, even collapse. Will we be strengthening our military and police forces even more to deal with such a potential collapse?

We can't just dispose of people from healthy participation in our economy and expect things to continue in a routine and comfortable way. Isn't it time we took the wellbeing of all our people more seriously? Much more seriously?

Reflecting to build

Things don't just happen in our world. They come about from our thinking, deciding, and then acting.

When we reflect carefully about what we've done in the past, we develop our wisdom about what to do in the future.

What do our reflections tell us now. How might we do better?

Do you assert yourself?

When you're assertive, you state own position clearly and forthrightly in different situations.

Being assertive is not being aggressive.

What would happen in our world if more people were assertive? People making themselves clear. There's a concept! It just might lead to some good changes

A better agenda

Only a bold and genuinely redistributive progressive agenda can offer real answers to inequality and the crises in democracy, while directing popular rage where it belongs at those who have benefited so extravagantly from the auctioning off of public wealth, the polluting of land, air, and water, and the deregulation of the financial sphere."

Naomi Klein
No is Not Enough, 2017

Climate change around us

Are the climate change events scientists have been predicting for some years actually now happening?

- * More heatwaves? - check.
- * Rising oceans? - check.
- * More intensive hurricanes, typhoons, and other severe storms? - check.
- * More desertification? - check.
- * More climate refugees? - check.
- * More large-scale weather damage to crops? - check
- * Increased ocean acidification? - check.
- * Thinning out and melting of glaciers and arctic ice sheets? - check.

We're now receiving lots of direct and real climate change warnings. Do we still have enough time to deal with climate change effectively? Do we want to?

Sayout

Sayout gives voice to those concerned about where we are in today's world and where we're headed. Here we can talk about issues affecting us right now—in Canada and around the world.

Agree or disagree, but think.

What is really happening, and what do we need to do? Ask questions of those in power, demand action where it's needed, and don't be misled by saccharine promises or golden phrases meant to soothe but nothing more.

This newsletter is free in its e-version form.

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Children in poverty – who cares?

In November of 1989 a bill was passed in the House of Commons pledging to eliminate child poverty in Canada by the year 2000. It received unanimous all-party support. Public approval was quick to follow.

The vote was a landmark moment and politicians felt proud of themselves for taking such a step. It sounded grand and fully worthwhile, a real contribution to Canada's humane inclinations.

The landmark vote took place almost thirty years ago and the year 2000 is well in our past. Where does child poverty in Canada stand today?

Unfortunately, child poverty remains with us. In 2013 The Alliance for a Poverty Free Toronto and Social Planning Toronto reported that 33% of children under the age of 15 lived in poverty in Toronto. Similar, and too often worse, percentages existed across the country.

At the very least we can say that the parliamentary promise of 1989 was not fulfilled – far from it. What happened?

Other priorities came along, such as signing 'free trade' deals or engaging in government spending cutbacks in the name of fiscal responsibility. With these other priorities, the question of child poverty just became too inconvenient. Besides, not enough people, voters, were pushing to make poverty reduction or elimination any kind of priority.

So we now live with a significant level of child poverty. Children do grow up, so we also have sad levels of poverty among adults.

Other than telling jobless people to "get a job!" or the disabled to "get over it!" what are we doing about poverty in our midst? Unfortunately, it seems that we're doing far too little.

Yes, little tid bit initiatives are announced with great enthusiasm from time to time. But these are always inadequate to the real need, often insultingly so.

It seems that for all the apparent enthusiasm of our politicians back in 1989, child poverty and poverty in general in this country just didn't matter after all. Is that something we should be proud of as Canadians?

Let's hope not.



Robyn Peterson

Snow? ... in Canada?

Look out! Neoiberal zombies at the controls!

We've now had over forty years of neo-liberal dominance in our social and economic existence. We were promised real economic growth, financial benefits for everyone, and widespread and shared prosperity.

Some people have experienced benefits, particularly those in higher positions of power and income. But many people have not. In fact, many people have gone through personal upheavals and are worse off than they ever thought they would be when they were younger and looking to the future.

Many, including not a few economists, argue that neoliberalism has failed. It has not lived up to its promise.

Yet, leading politicians continue to emphasize its supposed virtues, from free trade to widespread privatization.

It's almost as though they've become zombies, frozen at the controls of a long train filled with hapless passengers. And this train is hurtling down the tracks to an unknown destination.

Is it not time to question where we're going on this train? Is it possible we should have switched to another track some time ago. How do we deal with those zombies up front?

The unaccountable global network of financial guilds

"... the offshore system is more like a network of guilds in the service of unaccountable and often criminal elites."

Nicholas Shaxson
Treasure Islands, 2012

Who or what's for sale in Canada?

In this age of the internet, investors around the world can easily view property in Canada online. Technology allows sharp and detailed pictures of property, inside and out. So people anywhere in the world with money from whatever source can browse prospective properties in Canada at their leisure. Vancouver and Toronto in particular are feeling the effects.

Foreign buyers are one source of our ever-rising house prices. We have plenty of domestic sources, but we ignore external sources at our peril.

Our situation within the global economy has placed us in a position of some vulnerability when it comes to property prices. After all, our population, at about thirty-six million people, is minuscule compared to the populations of some other countries. And rich people in those other countries might well take an active interest in the vastness of Canada's geography. That interest could have a significant negative impact on the availability of affordable housing for Canadians.

Once the world of international finance gets into the picture, all sorts of manoeuvres, legal, not-so-legal, and downright criminal can occur. Those who wish to launder their money, such as drug lords or slave owners can easily 'clean' their money through property purchases in other countries. Canada is not immune to such vile investors.

Agents and the sellers of properties are not too likely to question the sources of the money they are offered, especially if the sums involved are much better than what others might come up with. Those sums might even, at times, be tendered in cash, lots of cash.

Some people are nervous about the idea of looking into foreign purchases of Canadian properties. They worry that racism may be involved. We do need to guard against that. At the same time, however, we have a legitimate need to take seriously the question of housing affordability for Canadians. We must take remedial action wherever it is actually needed. Naivety will only take us so far.

We need to serve our own housing interests fairly and sufficiently.

A decent income for everyone?

Almost all economists agree that income inequality has grown sharply in the past few decades. The trouble is, agreement on what to do about it is hard to come by. Only economic band-aids dispensed now and then seem to be on offer.

The band-aid approach is popular politically. A little benefit provision here or a new or increased tax deduction there can, through strident marketing, be made to appear much more than they really are.

But, band-aids they remain. They do not solve the problem of income inequality.

People such as the physicist, Stephen Hawking, are warning that we're entering a time when good jobs will increasingly be hard to find as a result of automation and the "rise of artificial intelligence".

Early in 2017, Finance Minister Bill Morneau 'advised' young people to get used to the idea of precarious employment in our economy. This was just the way it was.

The noted economist, James Galbraith, tells us that, "The plain result of the new technology is unemployment." (*The End of Normal*, 2014) Is that the result we want as a society? Is more unemployment a good thing?

Many people can't meet their income needs through employment anyway. The very young, the disabled, the aged, and others cannot realistically find or take jobs that will provide them with real livelihoods. Is their band-aid solution to be that of being permitted to go out and beg on the streets?

In 2015, Bryan Hyndman, PhD and Lisa Simon, M.D. of the Association of Local Public Health Agencies and The Ontario Public Health Association wrote in support of a basic income guarantee. They saw it as being provided to all citizens in Canada and being sufficient to allow someone, "... to meet basic needs and live with dignity, regardless of work status."

When the basic income solution comes up in public discussion, some people are quick to question its affordability and worry about its impact on the work ethic.

In 1939 people were sure that the country could not meet the vast financial needs of a major war. After all, money hadn't been made available on a large scale to meet the desperate income needs of people struggling in the years of the Great Depression.

As we know now, Canada was able to finance a major war effort up to 1945 and that effort contributed significantly to the postwar boom in our economy. Further, the major financial effort we made for our war effort did not push the national debt out of control or bankrupt the nation. Once and for all the financing of our war effort proved we could well afford a good basic income programme. It's not an impossible dream.

What about the willingness to work? In discussions about basic income that's something of a red herring. People almost always are willing to work at decent jobs, not just any old jobs, but decent jobs. These are the very kinds of jobs that people such as Bill Morneau tell us will increasingly be in short supply. Besides, not everyone is capable of working at a job even if it is decent. Many people who are disabled can't realistically take on full-time jobs. They might not even be able to handle part-time jobs.

A guaranteed and universal livable income programme would be transformative for our society. It would directly address income inequality. It would diminish and possibly eliminate poverty in our society once and for all.

As Robert Reich, former Labor Secretary of the United States and a supporter of the basic income concept, has said, "History is on the side of positive social change." (*Inequality for All*, video 2013) We can get rid of the band-aids and go for positive social change. What's stopping us?

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The quick answer is: please feel free to do so.

The only thing we ask is that you attach an attribution. If the articles are unsigned, they're written by Robyn Peterson.

Thanks for your interest.



Robyn Peterson

There's a curve in the road ahead!

Who's really in charge?

In December 2014, *The Guardian* cited a report that showed the top 175 economic entities in the world included 111 large corporations. The remaining 64 entities were nations..

What does the present economic dominance by transnational corporations mean for democracy? After all, corporations routinely govern themselves autocratically.

Given today's economic realities, perhaps we should think more carefully about the real shape of our political system. To what degree are we now, in effect, living in a dictatorship with democratic trimmings?

A solution from Einstein

"A planned economy, which adjusts production to the needs of the community would distribute the work to be done among all those able to work and would guarantee a livelihood to every man, woman, and child."

Albert Einstein,
'Why Socialism', The Monthly Review, 1949