STUDY GUIDE-

Capitalism or Socialism: Which One is More Democratic?

KEY TERMS:	Socialism	moral	Capitalism
	political	consumer	democratic consent

NOTE-TAKING COLUMN: Complete this section <u>during</u> the video. Include definitions and key terms.	CUE COLUMN: Complete this section <u>after</u> the video.	
What makes Socialism so attractive to so many?	What are the significant differences between how Socialism works and how Capitalism works?	
What is the fundamental problem with Democratic Socialism?		
	How is Capitalism more democratic than Socialism?	
In what type of system do consumers vote?		

Discussion & Review Questions

- 1. Towards the beginning of the video, Mr. D'Souza contends that, "[fewer] than ten years ago you couldn't refer to 'socialism' in a positive way and hope to have a career in American politics. Socialism was referred to as the 's' word. Now it is affirmed, either explicitly or implicitly, by just about everyone on the Left. And, amazingly, given Socialism's record of failure, the Socialists seem to be gaining ground. Why? What makes Socialism so attractive to so many?" Why do you think that up until quite recently the term Socialism was so taboo in American politics? Why do you think that the whole of the Left now embraces the ideals of Socialism to some degree, especially in light of Socialism's clear and demonstrable record of failure? Explain.
- 2. After explaining that Socialism is theoretically vindicated through popular consent, Mr. D'Souza notes that in terms of Socialism, "If a majority of people, working through their elected representatives, declares something to be a public entitlement, say free college or free healthcare, then they are justified in extracting resources from those who create wealth to pay for it. ...the moral imperative is to place the economy under the control of 'the people.' ...Under an authoritarian Socialist government, a single dictator seizes the fruits of your labor. Everyone is against that. Under Democratic Socialism, a majority does. The end result is the same- you've been robbed." Do you agree with the Socialist notion that if someone earns money then a majority of other people are justified in taking some or a lot of that earned money to go spend on someone else who didn't earn it? Why or why not? What do you think Mr. D'Souza's main point is in this passage? Explain.
- 3. Later in the video, Mr. D'Souza explains that, "The fundamental problem with Democratic Socialism, however, is its assumption that in a free market system, the economy is not under the control of the people. This is exactly the opposite of how things work. ... every consumer votes in the marketplace- even felons, even children. Illegal aliens cannot vote for political candidates, but they too vote with their money. Moreover, citizens participate in a system of representative democracy- their views are filtered through the politicians who represent them. Consumers, by contrast, vote in a system of *direct* democracy." Why do you think that Socialists don't believe that the economy is directly controlled by 'the people?' What are some other advantages of Capitalism over Socialism, in terms of how much power 'the people' have with their money? Explain.
- 4. Mr. D'Souza goes on to point out that, "If you prefer an Audi to a Lexus or the Apple iPhone to the Samsung Galaxy, you don't have to elect some other guy to exercise these preferences- you do it directly yourself, by paying for them. Here we see the secret of how those billionaires like Jeff Bezos got so rich. We made them rich! The inequality that Socialists complain about is the result of popular mandate. Want fewer billionaires? Stop buying their stuff! Free markets work not through 'greed' or 'exploitation' but by satisfying our wants..." Why do you think that Socialists view inequality, especially wealth inequality, as necessarily bad and evil? Why do you think that Socialists exclusively attribute wealth accumulation to greed and exploitation rather than to merit? Explain.
- 5. At the end of the video, Mr. D'Souza concludes that, "We don't need to extend democracy from the political to the economic sphere- we already have it. And the moral grounding of free markets, just like that of our political system, is in the will of the people; in the latter case, a will expressed only on Election Day, in the former case, a will expressed deliberately,

emphatically, constantly. We don't need Socialism. Because we already have something more moral and more democratic. It's called Capitalism." What, exactly, do you think Mr. D'Souza means when he states that the 'moral grounding' of free markets is in the will of the people? Explain. Why do you think that Socialists do not accept or acknowledge that free market consumerism is a literal form of direct democracy- the best form of the 'power to the people' that Socialists claim to want? Explain.

Extend the Learning:

Case Study Boycotts

INSTRUCTIONS: Read the article "Boycotts Are More Popular Than Ever — But Do They Work?" then answer the questions that follow.

- 1. What percentage of people in the Lending Tree survey claimed to be currently boycotting *something*? What was the result of the 1955 bus boycott in Montgomery? What did Alyssa boycott, and why did she consider it a success? Who is Anjeli, and what is her perspective on boycotts? Who is Lucas, and what did he have to say about boycotts? Why is Facebook being targeted for a boycott, by whom, and how is this type of boycott working? Who is Amna Kirmani, and what does she say is necessary for a boycott to be effective? According to the Lending Tree survey, how many Gen Z and millenials are involved in a boycott right now? What perspective does Professor Kirmani's children have on boycotting? What did Professor Heldman note about people who organized boycotts? What was the 'Buy Where You Can Work' campaign? What did Professor Kirmani say about boycotts, in terms of waiting? What was Professor Kirmani's speculation about why people are boycotting so much in 2020? What is Emma's perspective on boycotting? What did Professor Kirmani say about boycotts, in terms of values?
- 2. How do *you* consider and define the degree of success of a boycott? Explain. Based on the testimony presented in the article, in what ways do you think a boycott is empowering for people? Do you agree with Professor Kirmani that the success of a boycott may not even matter? Why or why not?
- 3. Do you think the fact that Capitalism allows for boycotting supports the argument that Capitalism is a more moral system and supports morality better than Socialism? Why or why not? Considering that Socialism limits the freedom of people, and that Capitalism expands the freedom that people have in terms of how their well-earned money is controlled, do you think that Socialism is anti-American? Why or why not? In what ways do you think boycotts support the notion that Capitalism is more democratic than Socialism? Explain.

Boycotts Are More Popular Than Ever — But Do They Work?

Whizy Kim Last Updated August 3, 2020, 2:00 PM

Every five seconds, a new boycott is born. Or at least, that's definitely how it feels these days — check your social media feed and there's another call to boycott a company's unethical practices. In a recent Lending Tree survey of over 1,000 people, 38% said they're currently boycotting *something*. It's clear that COVID-19 and the Black Lives Matter protests have convinced us to voice more of our views with our wallets — last year, only 26% of those surveyed were involved in a boycott.

But how often are boycotts successful? History shows that they can work — the Montgomery bus boycott in 1955 was an integral moment of the Civil Rights Movement that unambiguously achieved its goal, with the Supreme Court striking down segregation on buses over a year after the boycott started.

But in most situations, it's not as clear if a boycott has worked. Do you count it as successful only if all demands were met? What if the company or industry hasn't yet changed, but perception of it has drastically shifted? How do you know if you're underestimating or overestimating the impact of a boycott in turning the tides of a larger movement? And in 2020, when the largest companies hold so much power and have a hand in so many different industries that it feels impossible to not be entangled with them — how effective can boycotts really be?

Alyssa, 26, is a grad student in Michigan. She says she began boycotting Kat Von D's makeup brand following accusations that she was anti-semitic and anti-vaccination. Though there doesn't seem to have been a collective effort organized by advocacy groups, Alyssa personally sees her boycott as a success, since Kat Von D announced she was leaving her company in January of this year. "My boycott hasn't ended, even though she's no longer involved in the brand," she adds. "I replaced any need for her products in my life and stopped being interested."

Alyssa's experience reveals how some boycotts can be practically effortless. If there's one brand you find distasteful, there may be plenty of alternatives. Bill, 46, is a theater manager in Philadelphia and has been boycotting Chick-fil-A for its donations to anti-LGBTQ groups and the homophobic views of its CEO. He finds it simple to keep the boycott going indefinitely. "The world does not want for chicken and waffle fries," he says.

But other boycotts aren't so easy. Anjali, 23, is a social media editor in Washington, D.C., who is boycotting Uber due to allegations of sexual harassment and discrimination. "I don't want to support a company that handles things like sexual assault the way they did," she says. She also avoids

The truth is that some corporations, frighteningly, can seem too global and embedded in our lives to abstain from using altogether. "If Amazon is your most convenient outlet in terms of shopping, it's hard to give it up," says Amna Kirmani, a professor of marketing at the University of Maryland. Sometimes, depending on where you live, it might be the cheapest or the only option for certain goods. And its size can also deceive how much consensus there really is internationally. "Amazon has such a large clientele that even when you say a lot of people [boycott it], that may just be in your friend circle — nationally or internationally, it's not a lot of people."

"I think [boycotts] only really make a difference if they're also joined with pressure from the government or other large corporations," says Lucas, a 24-year-old in London who works as a content manager. "A change of landscape, basically." He says he started boycotting Heck sausages after the brand did a PR event with Boris Johnson last July. "Haven't had one since," says Lucas. Even so, Boris Johnson still became prime minister.

But it's true that boycotts can be powerful when governments and corporations get involved. In the late '80s, calls to divest U.S. interests in South Africa definitely had an impact on the overall movement to end apartheid. The U.S. government even enacted economic sanctions, which can sometimes be so effective at financially crippling a nation that some believe they do much more harm than good.

The continuing Facebook boycott is an example of how companies can work together to pressure a giant corporate power to change. Major advertisers have been withdrawing their spending from Facebook since late June. Organized by a coalition of civil rights groups like Color of Change and the NAACP, the boycott has so far seen over 1,000 companies remove their ads in support of the #StopHateForProfit campaign. The boycott condemns Facebook and other tech companies for not doing enough to prohibit hate speech from being spread on their platforms. Recently, CEO Mark Zuckerberg defended the decision to platform a post by President Trump that called for violence against Black Lives Matter protesters. For some Facebook employees, it was the final straw, leading to resignations and a day of virtual walkouts.

Disney has notably joined the boycott, but it's far from the only major company: Ben & Jerry's, Clorox, Coca-Cola, CVS, Dunkin, Ford, Hershey's, Honda, Lego, Microsoft, Pfizer, Starbucks, Target, and Verizon have all pulled ads for the time being. It makes sense to target advertising instead of just telling people to stop using the site; 98.5% of Facebook's revenue comes from ads. Though initially the ad suspension was intended to last through July, organizers of the campaign have said they intend the boycott to continue.

The fear of negative publicity can be a useful tool against big companies. Kirmani cites the Pull Up For Change campaign, created by Uoma Beauty founder Sharon Chuter. Seeing all the social media posts brands were making in support of Black Lives Matter, Chuter decided she would ask beauty brands claiming to support Black lives to reveal the exact breakdown of Black people they employed in leadership levels. She gave each brand 72 hours to respond. And many beauty brands did respond with a breakdown of who they employed, realizing that owning up to their whiteness would be far better for their reputation than allowing the deadline to pass with silence while everyone was watching.

"Boycotts generate typically negative publicity, brands want to avoid it, and as a result they may

has agreed to a few of the demands, but organizers found many to be half measures. A recently completed independent audit of Facebook's Al-based hate speech detection found the method sorely lacking.

Another reason for the momentum behind Facebook's boycott is its relevance. "[For a boycott] to be effective, that cause has to matter to a lot of people," says Kirmani. So many of us use social media as a matter of everyday routine now. Especially as Facebook's role in the 2016 election has come to light, Americans have recognized just how much power is wielded by the largest social media company in the world — and we want a say in how that power is used.

It's also tied to a specific movement for racial justice, and the demands are pretty clear: Facebook needs to improve its removal of hate speech and misinformation. A boycott is much less successful when the concern doesn't affect enough people and the solution isn't clear. "There are sites online that say, here's a list of companies you should boycott, and then they list these reasons. And there's just too many of them," says Kirmani. An effective boycott requires strategy and organization.

But like Amazon, Facebook's size poses a serious obstacle against how far even an ad boycott with over 1,000 participants can go. Recent financial reports show that Facebook's revenue hasn't seen much impact from the boycott yet. In advance of last week's antitrust congressional hearing of big tech companies, CEO of Common Sense Media Jim Steyer — who is one of the boycott's organizers — wrote a letter to committee members urging them to press Zuckerberg during the hearing, providing sample questions. One asked whether it was true he'd told his employees that advertisers would be back soon. "Does that mean they have no real alternative?" the question read.

We certainly don't seem to have alternatives as users of social media. There's something ironic about tech boycotts becoming energized through social media platforms — but how else would you do it? "Facebook, Instagram, those media are instantaneous, they're far-reaching," Kirmani says. "Things can be organized much more quickly than in the past." The past two months of Black Lives Matter protests, which spread globally, is proof of this. It's another reason why, rather than not using a product, hurting a company's image and applying pressure in other ways can seem more feasible. In an era when every brand has a wry Twitter account that tries to come off as self-aware, funny, and allergic to canned PR speak, image clearly counts for a hell of a lot.

So it makes sense that, in the age of social media, memes have become one of the most powerful ways of gathering momentum for a boycott against a brand. Their inherent virality quickly spreads the word and puts a dent in brands' reputations, using biting humor to highlight a company's misdeeds or hypocrisy. It's more interesting and digestible than a bullet-pointed list of wrongs. The calls to boycott food brand Goya are just the most recent example of this, with countless jokes quickly being shared on social media after CEO Robert Unanue praised President Trump. A good mocking can be devastating to how a brand is perceived. Memes are so powerful at shaping an image, or at least spreading curiosity on a topic, that ex-presidential candidate Mike Bloomberg was caught trying to hire popular meme creators to make viral magic happen for him.

Regardless of the exact tactic, young people especially are enthusiastic about boycotting, even when the deck is stacked against us. Lending Tree's survey shows that over *half* of Gen Z and millennials are involved in a boycott right now. It seems the question isn't so much whether you boycott, but *what* your boycott is — we all have one. "[Gen Z and millennials] have been saying repeatedly that

She gives some personal insight into why boycotts may be particularly attractive to a younger demographic. "I have two children in the Gen Z category," she says. "They get the sense that they can't change the political system — but they can effect change when it comes to brands."

And this isn't a new phenomenon. In *Protest Politics in the Marketplace: Consumer Activism in the Corporate Age*, Professor Caroline Heldman notes that it was often people who "lacked power in formal political channels" who organized boycotts. During the Great Depression era, Black Americans held "Buy Where You Can Work" campaigns that boycotted companies refusing to hire Black people. In the early 20th century, many working-class women were organizing consumer boycotts to make a political impact before they had the right to vote.

"The other thing is that political change takes time," says Kirmani. "Whereas a boycott to a particular brand, you don't have to wait until the November elections, you can do it right now." Maybe we're boycotting so much in 2020 exactly because there's a growing sense that our "formal political channels" aren't doing enough against powerful institutions and corporations.

Emma, 24, works in digital marketing in New Orleans. While she doesn't know if boycotts work, she says, "What I do know is that I'm not supporting a place that I disagree with. And that makes me feel better and more in control."

There's never been an easier time for joining a boycott — or any kind of cause — than now. But while boycotts can bring about major social change when they're big and planned strategically, Kirmani points out that for many, the question of whether one is successful may not even matter. "It's also an expression of my values if I boycott a company," she says. "So there can be some personal satisfaction. I am who I say I am. Within your friend and family circles, you're making a statement." Personal integrity matters even if no one's watching; it can be a persuasive rationale for waging a private war against even the most gigantic companies.

This is exactly how Jack, a 45-year-old who lives in Portland, sees it. "I don't really care if they work," he says. "It's about me personally not supporting something I abhor with my own dollars. In a capitalist society, it's the only power I have, and it's dumb not to use it." He's most likely to boycott a company for using toxic ingredients, as well as for any homophobia and transphobia. Sometimes a boycott is about respecting yourself. "In the case of queerphobic companies," he explains, "it would literally be the equivalent of a pig paying for bacon."



1. What makes Socialism so attractive to so many?

- a. it seems more democratic than capitalism
- b. it seems more moral than capitalism
- c. theoretically, everyone gets a seat at the table and a slice of the pie
- d. all of the above

2. What is the fundamental problem with Democratic Socialism?

- a. the assumption that no one should deserve free entitlements
- b. the assumption that some people should be more equal than others
- c. the assumption that in a free market system, the economy is not under the control of the people
- d. the assumption that direct control over government institutions isn't possible
- 3. Under Democratic Socialism, a majority seizes the fruits of your labor.
 - a. True
 - b. False

4. Citizens vote in a representative democracy, consumers vote _____

- a. by averaging resources
- b. in a system of direct democracy
- c. in a system controlled by Wall Street greed
- d. by minority guidelines

5. Free markets work through _____

- a. greed
- b. evenly distributing resources
- c. exploitation
- d. satisfying our wants



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