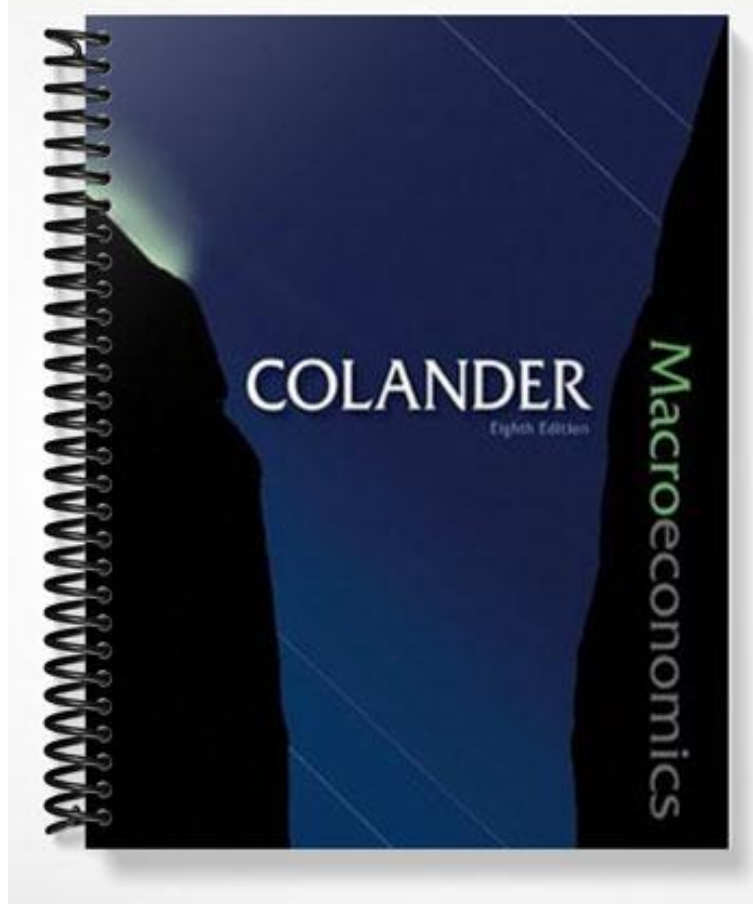


**SOLUTIONS MANUAL**



## Questions from Alternative Perspectives—Chapter 2

### Austrian

1. In a market economy competition the market process translates individual actions into actions that are good for society. There is no such mechanism for government; government has a monopoly on power, which allows individuals in government to use that monopoly to achieve their ends, which may not be “good” ends. This monopoly on power makes government less reliable than the market to do good, since the government is not subject to entry and exit as firms are in the market. Also, whether or not every individual voice is taken into account depends on the government system, while the market will always include any individual’s voice by either their entry or exit.

### 2. Religious

- a. Most people would say that while it might be a component of the goals of society, it is not “the” goal of society. Other goals might include virtues such as kindness and generosity.
- b. If a country is Christian, maximizing should not be “the” goal of society.
- c. In a Christian society the paramount goal would be to discern and fulfill the will of God.

### 3. Feminist

- a. Companies definitely think that sex sells products. Just look at the cover of any number of magazines.
- b. Sex is used in the advertising of numerous products.
- c. All people are subject to abuse by advertising, but women are more likely to be portrayed as objects instead of people, and are therefore at greater risk of exploitation.
- d. While men and women may both be used in advertising, typically men are shown to be in a dominant position of power, while women are shown in subordinate positions.

### 4. Institutional

- a. Back in the 1950s President Eisenhower warned of the military/industrial complex, which maintains all types of military spending on projects so that they continue to generate jobs for those areas. Senators with power on the appropriations committee inevitably have larger defense expenditures in their districts than senators not on the appropriations committee. This high spending on military production results in a trade-off. It means that there is less money to spend on consumer goods, leading to a lower production of consumer goods.

- b. The short-term consequence is a loss in consumer goods. The long-term consequences are potentially much more serious, because in order for the military to justify the expenditures, wars are necessary; thus the production of military goods over consumer goods can increase the probability of wars. Some might argue that the latest Iraq war is an example, with Halliburton benefiting from it, and the former head of Halliburton, Vice President Cheney, leading the group pushing for the U.S. entrance into the war.

#### 5. Radical

- a. Yes, for many low wage jobs it does, although technology is changing that to some degree.
- b. When making policy decisions, society must take into account not only what is produced, but the methods and means of production.