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The Effects of Neoliberalism on Globalization and the 2008 Financial Crisis in the United States

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Abstract

This research includes a compilation of reviewed opinions from three economists and philosophers – American economist Charles Kindleberger, British economist David Harvey, and French economist Thomas Pikettys’ point of view of neoliberalism. This research aims to explore the cause of the 2008 Financial Crisis, the effects of neoliberalism policies, and the economic impact caused by the crisis today. The research findings include that the crisis is caused by deregulation in the financial industry - some willfully ignorant, some unethical, others unknowingly. Ramifications of the crisis include a greater income divide amongst the rich and the poor, disproportionately impacting the marginalized communities. The research concludes that overall, inequality is the common denominator, the root of the crisis and most affected in the aftermath. Several different opinions have been reviewed to demonstrate the negative effects of neoliberalism, and the author shows through comparison and research that neoliberalism and its usual prescriptions - more markets, less government - are in fact a misrepresentation of mainstream economics. Furthermore, the author demonstrates that neoliberalism is the beneficiary of globalization - a world that is completely monetized and tied into a global banking cartel is vulnerable to neoliberal policies.

Keywords: neoliberalism effect, financial crisis, globalization, neoliberal policy, mainstream economics