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November Roundtable: Introduction

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November Roundtable: Introduction

Abstract

An annotation of:

“Disaster Capitalism: The New Economy of Catastrophe” by Naomi Klein. Harper’s. October 2007.

Keywords

Human rights, Capitalism, Government policy

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An Annotation:

“Disaster Capitalism: The New Economy of Catastrophe” by Naomi Klein. *Harper's*. October 2007.

In this month's Roundtable, our contributors discuss the suggestion that, once again, and in a new way, capitalism has run amok. Looking at the market response to political and natural disasters, Naomi Klein revisits a notion upon which both Karl Marx and Milton Friedman would agree: Capitalist markets create and deal with their own problems. However, the discrepancy that places these economic giants at odds is whether this mechanism constitutes the seeds of capitalism's own destruction, or simply is a self-corrective and balancing feature of open markets. For Marx, capitalism is perpetually expanding, devouring everything in its path as it insatiably seeks new markets until reaching a crucial tipping point. For Friedman, capitalism, if it remains free to operate, will respond to systemic shocks in such a way that in the long run will re-establish equilibrium and allow for its continuity and growth. Klein uses her own contemporary lens of privatization under neoliberalism to address this question as she looks primarily at the response to Hurricane Katrina and the U.S. occupation of Iraq.

“The end result is the same kind of unapologetic partition between the included and the excluded, the protected and the damned...”

With startling, apocalyptic prose, Klein paints a stark picture of a broken government unable and unwilling to fulfill its basest responsibilities—be they security, health care or education. If the private sector performs duties traditionally reserved for the State, what is the cost? Klein, through her critique, intends to highlight the sidestepping of foundational principles of liberalism and human rights, such as transparency, accountability, and reciprocity. Underlying even these is the notion that all are equal before these principles; none are above the rule of law and none are below the safety net the State provides. Placing these obligations in the hands of corporations compromises the universal nature of the State and threatens to create a situation where these necessities are available only to the highest bidder.

“The companies at the heart of the disaster-capitalism complex increasingly regard both the state and nonprofits as competitors; from the corporate perspective, whenever governments or charities fulfill their traditional roles, they are denying contractors work that could be performed at a profit.”

The process Klein describes is one that begins with public money spent to hire private contractors, which results in transferring “common welfare” provision into the realm of commodification—the very tasks for which government is convened get outsourced and transformed into a product one must purchase. Not only does access to these services become more limited, but the nature and value inherent in them is irremediably altered. Whereas the human rights previously assigned to the State for universal protection are now subject to the dictates of the fluctuating market.

“All indications are that if we simply stay the current course, they [disasters] will keep coming with ever more ferocious intensity. Disaster generation can therefore be left to the market’s invisible hand.”

Is this phenomenon an outgrowth of capitalism itself or a directed political strategy? Put another way, does “Disaster Capitalism” exist by default or by design? Do we correctly point to the “Washington consensus” and the expansion of neoliberal economic ideology or would it be more accurate to identify a State that is compelled to go to outside providers to perform its most fundamental tasks because it is overburdened, overstretched and/or simply incapable? Naomi Klein’s article implies that the Disaster-Capitalism Complex is at the same time a natural progression with its roots in the Military-Industrial Complex, as well as a deliberate attempt to weaken government and maximize revenue for private interests.

Finally we must ask: What is at stake? Do these trends produce positive results for ordinary people? To return to our authoritative economists, while Milton Friedman would respond that this is indeed a positive direction in which to be moving as the market is better suited to meet the demands of “common welfare” than the state, Marx would describe this as yet another instantiation of economic power consolidation bent on securing massive profits at the expense of human freedom and well-being.

These issues and many more are addressed in this month’s installment of *Human Rights & Human Welfare’s* Roundtable.

~ *The Editors*