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Catastrophe" by Naomi Klein

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## American Capitalism - Disasterous Consequences?

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## American Capitalism - Disasterous Consequences?

### Abstract

Naomi Klein's depiction of late-capitalism as feeding off a disaster-prone planet and state-system is provocative and illuminating, even if it seems to be itself a form of "shock and awe" journalism. The great cultural critic of the 1960s, Norman O. Brown, memorably said of psychoanalysis, "[o]nly the exaggerations are valuable," and so it might be with this critique of the dark sides of recent tendencies in world economic activity. It is notable that the book version of Klein's article bears the title *The Shock Doctrine: The Rise of Disaster Capitalism*, which itself can be read as a sly admission that her account is intended to portray one controversial facet of a much more complex economic reality. Also, it should be understood that most of the attention is paid to the American experience—which has certainly featured a preoccupation with disaster at home and abroad—looking at the combined impacts of 9/11 and Hurricane Katrina. Whether her assessment would be as relevant if the same questions were considered from a Chinese, Indian, Turkish, or French perspective seems quite doubtful.

### Keywords

Human rights, Capitalism, Government policy, United States

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## American Capitalism - Disasterous Consequences?

by Richard A. Falk

Naomi Klein's depiction of late-capitalism as feeding off a disaster-prone planet and state-system is provocative and illuminating, even if it seems to be itself a form of "shock and awe" journalism. The great cultural critic of the 1960s, Norman O. Brown, memorably said of psychoanalysis, "[o]nly the exaggerations are valuable," and so it might be with this critique of the dark sides of recent tendencies in world economic activity. It is notable that the book version of Klein's article bears the title The Shock Doctrine: The Rise of Disaster Capitalism, which itself can be read as a sly admission that her account is intended to portray one controversial facet of a much more complex economic reality. Also, it should be understood that most of the attention is paid to the American experience—which has certainly featured a preoccupation with disaster at home and abroad—looking at the combined impacts of 9/11 and Hurricane Katrina. Whether her assessment would be as relevant if the same questions were considered from a Chinese, Indian, Turkish, or French perspective seems quite doubtful.

Klein's argument is that the private sector has recently flourished in those contexts where either natural disasters occurred or geopolitical obstacles have been experienced. Her stress is upon the word "recently" in order to sustain the position that we have entered a new phase in the evolution of world capitalism. It is certainly true that extreme weather has produced a series of events around the world during the last several years in a form that has required massive aid and reconstruction efforts, and that mega-corporate construction firms such as Halliburton and Bechtel have been better positioned than governments or foreign companies to organize responses. She also correctly notes that the challenge of responding to natural disasters bears resemblance to the challenges associated with occupation and reconstruction in Iraq.

It is almost certain that natural disasters will continue to offer opportunities to private firms for profitable undertakings in the years ahead, but hopefully the outlook is less clear in the area of geopolitical failure. The possibility exists that American political leaders will learn the hazard of seeking to intervene forcibly in foreign countries, and find less costly, more acceptable, and more effective means of pursuing its foreign policy goals. This is by no means assured. The Vietnam War did inhibit interventionist geopolitics for some years, but the so-called "Vietnam syndrome" was gradually overcome by some ambiguous military successes in the First Gulf War (1991) and the Kosovo War (1999), and by the ascendancy of neoconservative grand strategy during the Bush presidency. Klein does not really take into account whether there will be a new "Iraq syndrome" that will discourage recourse to counterinsurgency ventures in the years ahead, and how that might alter the overall profile of unfolding world capitalism.

Surely, Klein is correct to note that post-9/11 homeland security has been an area of robust and profitable economic expansion, and that there exists a correlation between profitability and insecurity within American society. In this respect there is a deeply troubling connection between a politics of fear pursued by the U.S. Government to obtain a mandate for limiting the freedoms of Americans and the private sector benefits that result from the surveillance and monitoring of the citizenry. Klein's article is valuable in making us appreciate the linkages between the "war on terror" and private sector interests.

Klein also casts her discerning eye on the privatization of the security functions of the state, including even the conduct of wars. The notorious role of Blackwater in Iraq was definitely highlighted by Klein well before it became a matter of public concern in the United States and elsewhere. Her larger point is also well-taken, to the effect that the dominant state in the world, despite its huge military budget, is increasingly dependent on private contractors and mercenary soldiers to fill the gaping holes of its military occupation in Iraq.

Although Klein does not accuse the corporate beneficiaries of conspiring to produce disasters, she notes that they use their leverage with the government and the media to discourage steps that might move toward ecological and geopolitical stability. Again, this is a disturbing trend that when coupled with neoconservative political leadership seems to be leading the country down a catastrophe-laden path.

It is a bleak picture, but perhaps not as decisively so, as Klein would have us believe. Her outlook is expressed at the end of the article where she observes that the only possible counterweight to the disaster scenario is the “unlikely scenario that this latest boom could somehow be interrupted by an outbreak of climatic stability and geopolitical peace.” What is missing is an assessment of tensions within capitalism itself, as not all parts of the economy are dependent on disaster, especially if the future magnifies the disasters experienced in the last decade. Also missing is the possibility of countervailing politics here and elsewhere, from above and below, that is, by shifts in governmental policies and by populist pressures. Looking at world capitalism as a whole, the American economy is being displaced by more constructive forms of profit-making elsewhere in the world that are not linked to “disaster capitalism.” The dollar is declining, U.S. manufacturing is losing out to foreign competitors, trade and fiscal deficits are growing, the military budget is excessive and exacts damaging opportunity costs vis-à-vis restoring the American infrastructure, and investment flows are moving elsewhere.

In concluding, I believe that Klein has over-generalized her argument, insufficiently distinguishing the afflictions of American economic development from the overall condition of world capitalism. There are acute difficulties with world capitalism associated with terms of trade, widening disparities, insufficient social and environmental regulation, but these criticisms do not lend support to Klein’s contentions about “disaster capitalism.” Her framework would be more convincing if it explicitly limited the burden of her indictment to the American role in the world economy, and did not conflate the two. It is a common liberal fallacy to suppose that whatever happens to the United States happens to the world, which seems to me dangerously misleading in this setting because it fails to clarify the relationship between American economic and geopolitical decline (of which “disaster capitalism” is a symptom) and the global economy that is certainly affected by disaster, but not nearly to the same extent. For instance, European governments are more prepared to make sharp cuts in greenhouse gas emissions than is the United States. In this central respect, Naomi Klein should be thanked for starting a conversation, but others must steer it in different directions, if we are to avoid wallowing in despair.

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