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The End(s) of the State(?)

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The End(s) of the State(?)

Abstract

Last February, New York Times columnist Paul Krugman wrote an op-ed that anticipated Klein's article, in part. In his view, the Bush administration has been engaged in an effort to "Green-Zone" the United States government by gutting the professional civil service—dubbed as "the enemy" by the American Enterprise Institute—and replacing its ranks with political appointees who have little interest or experience in running a state, but quite a bit of interest in enriching the private sector with public largesse. Klein's "Disaster Capitalism" takes Krugman's theme and pumps up the volume ten-fold.

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The End(s) of the State(?)

by Daniel J. Whelan

Last February, *New York Times* columnist Paul Krugman <u>wrote an op-ed</u> that anticipated Klein's article, in part. In his view, the Bush administration has been engaged in an effort to "Green-Zone" the United States government by gutting the professional civil service—dubbed as "the enemy" by the American Enterprise Institute—and replacing its ranks with political appointees who have little interest or experience in running a state, but quite a bit of interest in enriching the private sector with public largesse. Klein's "Disaster Capitalism" takes Krugman's theme and pumps up the volume ten-fold.

Undoubtedly Klein's article unsettles many liberal-minded Americans whose inclinations tend toward suspicion of the market and privatization, "just because." They react to the enormous amounts of money being siphoned off from the public treasury to serve those who find themselves doubly-engrossed as investors in companies that now perform public functions, and due to their favorable treatment by the Bush administration as high-income taxpayers. I believe, nevertheless, that we have a much deeper problem than fat-cats feeding liberally at the public trough.

That deeper concern is a move toward private control over public life, justified within a powerful rhetoric of meeting public ends (national security, for example). Klein warns us that private corporations have created "a state within a state," or worse, that they are replacing the state altogether. Eventually, Klein suggests, only those who can pay (privately) will benefit from that which we have always considered as "public goods." Those who cannot pay will be left with little recourse. The fantasy of free-marketers, of course, is that those who do without will simply live with the situation.

How can we evaluate this state of affairs in a way that gets around simple knee-jerk reactions to the growing "power" of the market at the public's expense? I think we need to clarify the appropriate means and ends of public and private institutions—the state and civil society (including the market). Let us assume that ensuring national security, "promoting the general welfare," or the building and maintenance of infrastructure (e.g., roads, bridges, and water systems) are appropriate ends of the state. They are appropriate because they are public, universal goods. How about the means for meeting those ends? We can think of means in terms of resources (money-that is, public funding garnered by taxation). We can also think of means in terms of who "does the work" of meeting public ends. Does it matter if this work is done in civil society-by private corporations, non-profits, and so forth? There might be good public reasons for contracting with organizations and companies that specialize in some manufacture or providing some service—such as the building of F-14s or conducting a research study on diabetes. So, while those "doing the work" may be outside the state, the contracts they assume make them an extension of the state. The public is protected by the terms of contracts that protect the integrity of the ends those enterprises and organizations fulfill. As long as this is done, and our public ends are met properly, the fact that the work might be carried out by private groups should not overly concern us from the standpoint of our public life.

In civil society (especially the market), the means-ends principle is that we use private means (our own money) to secure private, particularized ends. A modern market economy is based on meeting the differentiated needs or wants of individuals. Because individuals are self-determining, their needs and wants are neither common nor predetermined. Writers from Adam Smith to Amartya Sen have pointed out how, in this way, the market is intrinsic to the very notion of human freedom and individuality.

The problem that Klein has uncovered here is complicated, but worth thinking about. In "Disaster Capitalism," we understand that the contractor has its own ends, which is to make a profit or, in the case of a non-profit organization, to do "good works." And those ends are appropriately private. However, when Erik Prince, the CEO of Blackwater, claims that his "soldiers" are not mercenaries (because they are not "foreign") and wraps the ends of his corporation in the flag ("we are loyal Americans"), we should be suspicious. Blackwater's *ends* are to make a profit. Their *means* are to provide security services. But the market principle is confused in this relationship: If the private corporation exists to meet differentiated ends, how can it meet ends that are universal, such as security?

The answer is, they cannot. What we are seeing here is a movement to *privatize* public ends so they are no longer public, but use public means to achieve private results. Clearly this has implications for public life: We need to restore the integrity of the state to ensure our public ends are guaranteed. But I should note that private corporations and non-profits should equally be concerned for the integrity of civil society. Once public ends disappear, the concepts of "security" or "education" or "infrastructure" lose their meaning. Once public ends are privatized, there is no public. Once there is no public, there is no largesse from which to feed. The market—the "buyer" of private services—shrinks considerably. The state, once able to command vast resources to meet once-public but now-private ends, is gone.

What is the oddest consequence of all of this? It is that the logic of free-market privatization has solved the problem of the War on Terrorism by destroying the public, without which there can be no such thing as a "war" (except of the Hobbesian kind). We are left with little more than private individuals with private money protected by private mercenaries. We will have collapsed into enclaves. Not only will we have destroyed the state, we also will have destroyed the "free market" that the state made possible.

Daniel J. Whelan (Ph.D., DU, 2006) is currently Assistant Professor of Politics and International Relations at Hendrix College. He was founding editor (with Laura A. Hebert) of HRHW from 2001-2004, and Senior Editor from 2004-2007. He now serves on the HRHW Editorial Review Board. His doctoral dissertation, "Interdependent, Interrelated, and Indivisible Human Rights: A Political and Historical Investigation," was awarded the 2006 Best Dissertation citation by the Human Rights Section of the American Political Science Association.