

## Book Review

Naomi Klein

*The Shock Doctrine: The Rise of Disaster Capitalism*

New York: Henry Holt, 2007

Reviewed by Howard A. Doughty

Robert Fulford is a local intellectual in Toronto, home of Naomi Klein who is an anti-globalization activist, author and left-wing celebrity *par excellence*. Mr. Fulford is an editor, author, critic and sometime teacher at the University of Toronto. To my mind, his greatest claim to fame is having been a childhood friend of classical pianist Glenn Gould. He has, however, also written well on occasion about censorship (he's against it).

I fear, however, that Klein will not soon be invited to his home for dinner. In a recent column in Canada's principal right-wing newspaper, *The National Post* – founded by Lord Black of Crossharbour, who is now awaiting sentencing in Chicago for various shenanigans – Mr. Fulford came close to apoplexy. In a screed that brought to mind the mentality of McCarthyism, Mr. Fulford lambasted Ms. Klein for her logic, her language and her alleged affinity for Hamas and Hezbollah. In the past, Klein has been treated like a petulant child. In November, 2002, for example, *The Economist* greeted her break-out book *No Logo* with a headline essentially telling her to “Grow Up!” Now, it appears that she has. In fact, if Fulford's fulminations are typical of the right wing, she seems to have grown to the stature of an enemy of the state.

Naomi Klein's offence has been to connect the dots. Her book is a polemic, to be sure. It is therefore vulnerable to attack not just by those who deny her principal theses on principle, but also by those who demand absolute proof of causal connections and not just reasonable inferences, as well as by those who wish to hold her to the highest level of scholarship before making the case for a provocative hypothesis. This is to be expected. Naomi Klein's new book makes the case that capitalism has lost its moral centre, such as it was, and has gone rogue. That makes capitalists (and capitalist sympathizers) nervous.

A number of arguments have been made that seek to give capitalism a measure of moral respectability. It is frequently given credit for achieving worthwhile human aims. It is said to have raised the material standard of living for billions of people dead, alive and expected in the future through the instrumentalities of free enterprise, industrialism and increasingly free trade. It is said to have stimulated technological development in such an unprecedented manner that new products and new methods of production and distribution, transportation and communication, medicine and education and almost all other human activities have become the norm; technological innovation is, in effect, in a state of permanent revolution. Capitalism is also said to be associated with – some say to have caused – the growth of political democracy, human rights, religious tolerance and other values linked to the general theme of liberalism in global culture.

Those who demur have generally nibbled around the edges of modernization, and their criticisms have not fundamentally questioned the core value of capitalism. Marx, for one, celebrated the capitalist era as essential to bringing about the material conditions for future advancement. He and his friend Engels recognized capitalist institutions as inherently progressive. Marcuse, too, recognized the necessity of capitalist development as a precondition for the emancipatory society he hoped would follow. Even the severest attacks have acknowledged that capitalist development was advantageous both economically and socially in that it advanced what Weber called “rational-legal” relationships among individuals and societies.

What may have people in a tizzy today is that Naomi Klein has questioned this consensus. When C. Wright Mills wrote *The Power Elite* (1956), and Dwight D. Eisenhower spoke of the “military-industrial complex” (1961), they were expressing concern that the political economy of the world’s greatest power was tilting away from democratic governance and heading toward oligopoly. (It is notable that President Eisenhower originally intended to say the “military-industrial-congressional complex” but was dissuaded because of fears for the apparent efficacy of government and, by implication, the legitimacy of “American democracy”; when this was understood, Congress was left off the hook).

Allegations of the concentration of power and the collusion of the powerful to dominate American and other advanced capitalist societies did not, however, constitute a fundamental attack on the legitimacy of the system, but only called for a correction to distortions that had arisen within it. Even when Naomi Klein complained about the “brand bullies” (*No Logo*, 2000), she worried about the mistreatment of workers and the duping of consumers in a global economy that remained preoccupied with social stability as a condition for profit taking. Capitalism’s fundamental premises remained intact. Now, she claims to have discovered something more insidious.

The thesis that she advances is that money is to be made not through rational progress but through the exploitation and, when necessary, the perpetration of disaster. As far as sales of her book are concerned, the privatization of the US occupation of Iraq, where “contract” workers now outnumber members of the armed services, could not have come at a better time. The controversy surrounding mercenaries employed by Blackwater and other companies and the allegations of criminal behaviour on a vast scale may not prove Klein’s point, but they are certainly discomfiting to those who reject it.

The effects of wars and natural disasters, she says, are devastating for people and for the environment. Both, however, have immense pay-offs for those in a position to undertake combat missions, logistical support and material reconstruction. Of course, the neoliberal insistence on the downsizing of government, public goods and social services, the attack on taxes and the sustained cry for privatization have provided the background in which private firms are now enabled to take up a variety of tasks from education and health care to municipal and utility services, criminal corrections facilities and disaster relief at home, and the prosecution of war and the reconstruction of post-war societies abroad.

Each new disaster, whether in New Orleans, Fallujah or Darfur, is an open invitation for private sector initiative. The inspired hatred of “big government” that seems endemic to populism and has been given intellectual credibility by a host of right-wing “think tanks” have allowed public infrastructure (roads and bridges, public buildings, etc.) to decline to the point that the American Society of Civil Engineers has concluded that a \$1.5 trillion

dollar investment will be needed over five years to bring American highways, dams and public schools back to minimum standards of safety and efficiency. The opportunities for private contractors are endless. Naomi Klein does not, of course, suggest outright sabotage; an extended period of malign neglect does the job nicely.

Disaster capitalism is different from mercantile or industrial capitalism. Like fellow Canadian John McMurtry (*The Cancer Stage of Capitalism*, 1999), Klein sees a hybrid postmodern capitalism building homes and Hummers for the affluent, stocking the shelves at Wal-Mart, and also feeding on fear, precipitating terror and carrying out increasingly invasive programs of law enforcement in a manner that exacerbates rather than solves social and economic problems. It is as if crises must be created or, at least, facilitated in order to justify heavy public expenditures to fix what need not have been broken in the first place. Creative crisis management begins, it seems, with managed crisis creation.

From private police forces in gate-guarded communities to private armies in Iraq, globalization has permitted tax-funded entrepreneurs to insinuate themselves into the lives and deaths of many developing nations. Blackwater, for instance, has announced that it is better equipped and trained than the United Nations to conduct peacekeeping operations in Darfur. Opportunities abound.

In fact, the supposed “war on terror” emerges, under Klein’s gaze, as an invitation for private companies to profit both in distant combat zones and from domestic surveillance strategies. In the end, she warns, we may see “a new more resilient approach to national security, one built not around the state but around private citizens and companies ... Security will become a function of where you live and whom you work for, much as health care is allocated [in the United States] today.” It will not be a governmental “Big Brother” but a big brother in the form of a holding company that will hold the strings of power and political manipulation. Worry about wealth having too much influence in government will take second place to worry that private wealth has become government.

In the meantime, the stock market is rewarding corporations that are favoured by no-bid contracts for aerospace industries, the armed forces, domestic security and energy sectors. “The oil and gas industry,” writes Klein, “is so intimately entwined with the economy of disaster – both as a root cause behind many disasters and as beneficiary from them – that it deserves to be treated as an honorary adjunct to the disaster-capitalism complex.”

Ideologically sustained by public education and the mass media, Klein portrays a pattern of corporate greed that knows no borders. The arming of some developing countries, the bombing of others, and the maintenance of high-alert, conflict-ready forces (to say nothing of nuclear weapons) in places that surely have more urgent needs is another aspect of the problem. So are the loans and fees that will be charged to Third World countries that are seduced into purchasing aircraft, armoured vehicles and ammunition to fight over valued resources and, once devastated, allow the arms dealers to pick up the pieces.

Empires have long used colonies and dependencies as the sites for “proxy wars.” Now, civil wars seem not intended to shift the balance of power from one imperial centre to another, but almost as ends in themselves, suitable sinkholes into which to dump expensive ordnance and to cheerfully order replacements from the international “defence” industry. By these lights, wrote one observer, adventures like Iraq are win-win situations: “Win and you get the oil. Lose and you get to enrich the corporations anyway ...” Whether Bechtel, Blackwater or Halliburton, there seems to be enough to go around.

This sort of analysis may strike some as fanciful. It may strike others as paranoid. It struck Robert Fulford as irrational, illogical and creepily close to Marxist. To such skeptics, it seems to imply a “conspiracy theory of everything.” What may really bother Naomi Klein’s more strident critics is that it is perilously close to the truth.

**Howard A. Doughty** is Book Reviews Editor of *The Innovation Journal* and teaches at Seneca College of Applied Arts and Technology, King City, Canada.