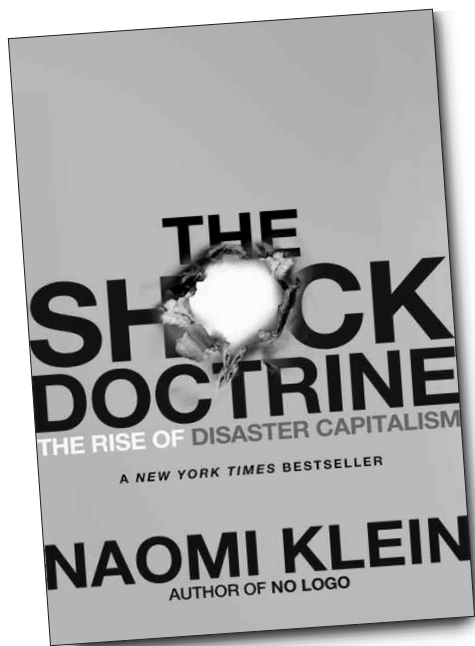


REVIEWS



The Shock Doctrine: The Rise of Disaster Capitalism

Naomi Klein
New York: Picador, 2007
720 pp., \$16.00, paperback
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Investigative journalist Naomi Klein has written a superb book compiling the historical rise and current application of what she calls “The Shock Doctrine”: a political doctrine of how governments can impose “free market” reforms on unwilling populations when people are in crisis.

These crises can be military destruction, economic collapse, political instability, or natural disasters. Unfortunately global warming alone forecasts many more such “opportunities.”

The most shocking aspect of Klein’s book is that the shock doctrine is well developed. Free-market critics repeatedly have noted the inhumanity of International Monetary Fund and World Bank programs that force countries to fire state workers, privatize national assets, and raise basic-goods prices while an economy is in shock. Klein’s book documents how for at least two decades free-market advocates have been searching for crises to ram through such plans.

Historian Howard Zinn has called Naomi Klein’s *The Shock Doctrine*, “a brilliant book, one of the most important I have read in a long time.” It provides an intellectual frame for economic and Cold War history from the 1950s to today. It is a must read for community organizers, policy makers, and public-interest professionals, because the shock doctrine works, and its use continues.

Since the 1960s many “free-market reforms” have been rejected by the public worldwide, notes Klein, through voting, organizing and protest. However under crises, governments pass these same reforms through emergency fast-paced legislation, military coups, marshal law, and other repressions. This is what Klein calls “The Shock Doctrine.”

To look at a current application, we can turn to the United States. In the U.S. since the Sept. 11 terrorist attacks, the current president has massively privatized government services with little oversight during the crisis of the “war on terrorism.” Recently U.S. Republican presidential candidate John McCain began promoting off-shore drilling as a response to high gas prices, a classic shock-doctrine technique of offering an industry goal dressed as a solution to a new crisis. Public officials and humanitarian advocates need to read this book and be warned.

Klein traces the history of today’s free-market absolutism that uses the shock doctrine to Nobel Prize-winning economist Milton Friedman and the University of Chicago economics department. During the 1950s they could not find takers for their extreme philosophy. Franklin Roosevelt’s New Deal made mixed-economies the status-quo. Economists trained at The University of Chicago developed the shock doctrine as theory in the 1960s and 1970s while working with Latin American dictatorships. They helped these dictators like Augusto Pinochet impose twin shocks of state-sponsored torture, repression of civil freedoms,

and free market reforms. Friedman and others soon developed a crisis theory, arguing that only crises would allow free-market deregulation to go forward.

In 1982, Friedman wrote: “Only a crisis — actual or perceived — produces real change. When that crisis occurs, the actions that are taken depend on the ideas that are lying around. That, I believe, is our basic function: to develop alternatives to existing policies, to keep them alive and available until the politically impossible becomes politically inevitable.”

Klein shows how widespread this doctrine has become. She quotes former World Bank chief economist Michael Bruno in 1995 promoting it to an international economics conference. Bruno called Latin American economic problems “a prime example of seemingly beneficial deep crisis.” What Bruno sees as “beneficial,” a family of four might see as losing their life-savings to runaway inflation. For Bruno, the silver lining is that “a large enough crisis may shock otherwise reluctant policymakers into instituting productivity-enhancing reforms.”

Klein quotes other international finance ministers and economists echoing the same thing since then. In two of her most moving chapters, she details how in the 2005. the massive tsunami in Southeast Asia devastated coastal areas and opened them up to use of the shock doctrine. Under the guise of disaster recovery, some governments and private corporations in Southeast Asia have prevented villagers from returning home so they can sell beaches to resort developers. The millions of people worldwide who donated to tsunami relief would be shocked. The shock doctrine harnesses such public goodwill and money for private gain.

Where is this all going? What Klein calls “The Rise of Disaster Capitalism” is its most recent phenomena. Klein notes that what former U.S. President Eisenhower referred to as the “military-industrial complex” has become what

she calls the “disaster-capitalism complex.” To put Klein’s lengthy investigation succinctly, military-industrial “companies such as Halliburton and Lockheed Martin have realized that not only is war an economic opportunity, but so is tending wounded soldiers, providing peace-time security, obtaining homeland security contracts, and managing the reconstruction and recovery of disaster areas.

Disaster capitalism promises to be the new 21st century industry, unless humanity stops it, reports Klein. In the U.S., it has been nurtured by public taxpayer funds. Since the shock of the Sept. 11 terrorist attacks, Pentagon private contracts have risen from \$137 billion to \$270 billion per year, reports Klein. Today the U.S. federal government issues \$42 billion in intelligence contracts per year, double levels of 1995. From 2001 to 2006, this administration has awarded \$130 billion in private Homeland Security contracts, reports Klein. This privatization of U.S. national security has empowered the private-industry Disaster Capitalism Complex. And if disaster recovery doesn’t work, the government remains there to blame.

Though Klein herself seems to think otherwise, her book points to a conclusion that even organized people are powerless against this juggernaut. *The Shock Doctrine* leads me to conclude that unless more people with a humanitarian-orientation enter the halls of power, from local to national governments, advocacy work on behalf of people will fall on deaf ears. The 21st century remains a question.

As Friedman’s shock doctrine notes, someone will supply the answers.

— GREGG MOSSON

Gregg Mosson is an activist and author of *Season of Flowers and Dust* (Goose River Press), a book of nature poetry.

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In Memoriam:



Maurice A. Weisberg, M.D. died on October 28, 2008 in Santa Fe, NM. Maurice was actively involved in many health and radiation issues with his time, passion, intellect, and finances. A radiologist, Maurice was particularly concerned about the health effects of radiation. He worked tirelessly to lessen health effects of uranium mining, nuclear weapons, and nuclear waste storage and disposal. He was a regular participant in public hearings and meetings, and wrote many comments, letters to the editor, in other ways expressed his opposition to nuclear weapons and radiation exposures. In recent

years, a major project was advocating the cleanup of the Mixed Waste Landfill at Sandia National Lab. He was actively involved in various organizations, including Physicians for Social Responsibility, Citizen Action, and Citizens for Alternatives to Radioactive Dumping. And for many years, SRIC has greatly appreciated his advice, concerns, and encouragement, as well as his financial support.

SRIC’s board and staff express deep condolences to his wife, Gloria, his sons, and daughter, and other family members. We join with many others who knew and appreciated Maurice, as well as many others who did not know him but who benefitted greatly from his work to protect their health and environment.

Misha Jones — Southwest Research and Information Center lost a great friend in September when Misha Jones passed on suddenly while he was in Thailand. Misha was a gentle and generous person who worked on Russian indigenous rights and river resource protection programs. He was always ready to share his experiences in Northern Asia, translating and interpreting for people from around the world who cared about the region and its people.



Misha’s legacy is an inspiration for the people he left behind. His ability to build close personal and working relationships across such a vast region was a vital part of the efforts to build and sustain the “Sosnovka” network of civil society organizations in Russia that Misha’s employer, Pacific Environment, had worked so hard to maintain for more than a decade. We will continue to build on the strong foundation that Misha has thoughtfully and carefully worked to establish.

We offer our condolences to his wife Tanya Lisovskaya as she finds the strength to move on from this tragedy, to build the life that she and Misha had worked for in Primorye in the Russian Far East. Donations in honor of Misha can be made through www.pacificenvironment.org/honoringmishajones and Southwest Research and Information Center.