Naomi Klein: From Think Tanks to Battle Tanks, “The Quest to Impose a Single World Market Has Casualties Now in the Millions”

Amy Goodman & Naomi Klein, Democracy Now!

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AMY GOODMAN: The State Department is coming under criticism this week for refusing to allow a prominent South African social scientist to enter the country. Adam Habib was scheduled to speak at the annual meeting of the American Sociological Association in New York this past weekend, but the government refused to give him a visa.

Ironically, the theme of this year’s sociology conference was "Is Another World Possible?" At the conference, the ASA planned a series of sessions to assess the potential for progressive social change both in the US and in the world and to invite a serious discussion of "economic globalization" and its consequences.

One of the most highly anticipated sessions was to feature Jeffrey Sachs, an internationally known economist and a former special advisor to UN Secretary General Kofi Annan, versus Naomi Klein, the Canadian journalist and author. But shortly before the ASA conference opened, Sachs pulled out. Unclear if it was related to the fact that Naomi Klein takes him on in her forthcoming book, *The Shock Doctrine: The Rise of Disaster Capitalism*. The theme of her talk was "Lost Worlds." This is Naomi Klein.

> **NAOMI KLEIN:** As we think about reaching this other possible world, I want to be very clear that I don’t believe the problem is a lack of ideas. I think we’re swimming in ideas: universal healthcare; living wages; cooperatives; participatory democracy; public services that are accountable to the people who use them; food, medicine and shelter as a human right. These aren’t new ideas. They’re enshrined in the UN Charter. And I think most of us still believe in them.
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> I don’t think our problem is money, lack of resources to act on these basic ideas. Now, at the risk of being accused of economic populism, I would just point out that in this city, the employees of Goldman Sachs received more than $16 billion in Christmas bonuses last year, and ExxonMobil earned $40 billion in annual profits, a world record. It seems to me that there’s clearly enough money sloshing around to pay for our modest dreams. We can tax the polluters and the casino capitalists to pay for alternative energy development and a global social safety net. We don’t lack ideas. Neither are we short on cash.
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> And unlike Jeffrey Sachs, I actually don’t believe that what is lacking is political will at the highest levels, cooperation between world leaders. I don’t think that if we could just present our elites with the right graphs and PowerPoint presentations — no offense — that we would finally convince them to make poverty history. I don’t believe that. I don’t believe we could do it, even if that PowerPoint presentation was being delivered Angelina Jolie wearing a (Product) Red TM Gap tank top and carrying a (Product) Red cell phone. Even if she had a (Product) Red iPhone, I still don’t think they would listen. That’s because elites don’t make justice because we ask them to nicely and appealingly. They do it when the alternative to justice is worse. And that is what happened all those years ago when the income gap began to close. That was the

motivation behind the New Deal and the Marshall Plan. Communism spreading around the world, that was the fear. Capitalism needed to embellish itself. It needed to soften its edges. It was in a competition. So ideas aren't the problem, and money is not the problem, and I don't think political will is ever the problem.

The real problem, I want to argue today, is confidence, our confidence, the confidence of people who gather at events like this under the banner of building another world, a kinder more sustainable world. I think we lack the strength of our convictions, the guts to back up our ideas with enough muscle to scare our elites. We are missing movement power. That's what we're missing. "The best lacked all convictions," Yeats wrote, "while the worst are full of passionate intensity." Think about it. Do you want to tackle climate change as much as Dick Cheney wants Kazakhstan's oil? Do you? Do you want universal healthcare as much as Paris Hilton wants to be the next new face of Estee Lauder? If not, why not? What is wrong with us? Where is our passionate intensity?

What is at the root of our crisis of confidence? What drains us of our conviction at crucial moments when we are tested? At the root, I think it's the notion that we have accepted, which is that our ideas have already been tried and found wanting. Part of what keeps us from building the alternatives that we deserve and long for and that the world needs so desperately, like a healthcare system that doesn't sicken us when we see it portrayed on film, like the ability to rebuild New Orleans without treating a massive human tragedy like an opportunity for rapid profit-making for politically connected contractors, the right to have bridges that don't collapse and subways that don't flood when it rains. I think that what lies at the root of that lack of confidence is that we're told over and over again that progressive ideas have already been tried and failed. We hear it so much that we accepted it. So our alternatives are posed tentatively, almost apologetically. "Is another world possible?" we ask.

This idea of our intellectual and ideological failure is the dominant narrative of our time. It's embedded in all the catchphrases that we've been referring to. "There is no alternative," said Thatcher. "History has ended," said Fukuyama. The Washington Consensus: the thinking has already been done, the consensus is there. Now, the premise of all these proclamations was that capitalism, extreme capitalism, was conquering every corner of the globe because all other ideas had proven themselves disastrous. The only thing worse than capitalism, we were told, was the alternative.

Now, it's worth remembering when these pronouncements were being made that what was failing was not Scandinavian social democracy, which was thriving, or a Canadian-style welfare state, which has produced the highest standard of living by UN measures in the world, or at least it did before my government started embracing some of these ideas. It wasn't the so-called Asian miracle that had been discredited, which in the '80s and '90s built the Asian "tiger" economies in South Korea and Malaysia using a combination of trade protections to nurture and develop national industry, even when that meant keeping American products out and preventing foreign ownership, as well as maintaining government control over key assets, like water and electricity. These policies did not create explosive growth concentrated at the very top, as we see today. But record levels of profit and a rapidly expanding middle class, that is what has been attacked in these past thirty years.

What was failing and collapsing when history was declared over was something very specific in 1989, when Francis Fukyama made that famous declaration, and when the Washington Consensus was declared, also in 1989. What was collapsing was centralized state communism, authoritarian, anti-democratic, repressive. Something very specific was collapsing, and it was a moment of tremendous flux.

And it was in that moment of flux and disorientation that several very savvy people, many of them in this country, seized on that moment to declare victory not only against communism,

but against all ideas but their own. Now, this was the Fukuyama chutzpah, when he actually said — and it seems so strange to read it now — in his famous 1989 speech, that the significance of that moment was not that we were reaching an end of ideology, as some were suggesting, or a convergence between capitalism and socialism, as Gorbachev was suggesting, it was not that ideology had ended, but that history as such had ended. He argued that deregulated markets in the economic sphere combined with liberal democracy in the political sphere represented the endpoint of mankind's ideological evolution and the final form of human government.

Now, what was interesting and never quite stated in this formulation was that you basically had two streams: you had democracy, which you can use to vote for your leaders, and then you had a single economic model. Now, the catch was that you couldn't use your vote, you couldn't use your democracy to reshape your economy, because all of the economic decisions had already been decided. There was only — it was the final endpoint of ideological evolution. So you could have democracy, but you couldn't use it to change the basics of life, you couldn't use it to change the economy. This moment was held up as a celebration of victory for democracy, but that idea, that democracy cannot affect the economy, is and remains the single most anti-democratic idea of our time.

Now, I was drawn to the slogan that was chosen for this year's ASA gathering, because I think, as many of you know and have read in the program, it comes from the World Social Forum. And I was at the first World Social Forum six-and-a-half years ago — more than six-and-a-half years ago in January 2001 in Porto Alegre, Brazil. I was one of only a handful of North Americans who attended. And we gathered under that same slogan, but I think it's significant and interesting that it wasn't posed as a question back then. There was a proud exclamation mark at the end of the sentence: "Another world is possible!"

I wrote a feature article for *The Nation* when I came back from Brazil, trying to explain to readers in the US — the event wasn't covered at all in this country, although it was covered very heavily in the international press — what it felt like to be there with 10,000 other people. And a lot of people were saying that they felt like we were making history. And what I wrote was that what it really felt like was the end of the end of history. That's what it felt like to be in that room. It was this powerful gust of wind that you could suddenly breathe more deeply. You were free to imagine. Our minds were unleashed.

And it wasn't just Porto Alegre, because Porto Alegre was the culmination of these types of spontaneous — often spontaneous uprisings that were happening around the world whenever world leaders were gathering to advance the so-called Washington Consensus, whether it was in Seattle at the WTO meeting in 1999, whether it was the IMF/World Bank meetings a few years later in Washington, then in Genoa during the G8. And, of course, the Zapatistas and the MST in Brazil were at the forefront.

And the theme in Porto Alegre was democracy. That was the — it was about redefining democracy to include the economy: deep democracy, participatory democracy. And it was a challenge to this idea that these two streams could not intersect. The right to land as a form of democracy, the right to biodiversity, to independent media. But what was most extraordinary about Porto Alegre was that — you know, certainly there were some politicians there, there were some big NGOs there, but the people who were at the podiums, who were shaping the discussion, were the people who were the casualties of this economic model, who were themselves discarded, made landless, forced to occupy pieces of land, chop down fences and plant food and make decisions democratically.

So, you know, Jeffrey Sachs talks about these model villages that he's building in Africa. And many of them, you know, are making tremendous progress. But I can't help thinking back to these field trips that we made in Porto Alegre to MST villages, where it was the people

themselves, the landless people themselves, who were showing us their own model villages and were asking for our solidarity. And I think as sociologists, you understand this key distinction, that it was the actors who were the protagonists of their history, and that was what was historic. It was breaking the charity model in a very real way.

Now, I look at where we are now, six-and-a-half years later, and it does feel that we have moved backwards in many areas. Talk of fixing the world has become an astonishingly elite affair. Davos — now, Porto Alegre was in rebellion against the Davos Summit every year in January. This was the anti-Davos. Davos has been re-legitimized, and now solving the world's problems appears to be a matter between CEOs and super-celebrities. And the idea that we don't need to challenge these mass disparities, what we need is sort of *noblesse oblige* on a mass scale, that is very different than what we were talking about in Porto Alegre those years ago.

Now, we know what closed that window of possibility, that freedom that opened up in 2001, and it was September 11th in this country. And the window didn't close everywhere, but it did close, at least temporarily, in North America, that sense of possibility, that putting these issues and the people affected by these policies at the center of the political debate. Now, the shock of those attacks, I think we can see with some hindsight, was harnessed by leaders in this country and their allies around the world to abruptly end the discussion of global justice that was exploding around the world. There was a door that had opened, and it was suddenly slammed shut. We heard that phrase again and again: 9/11 changes everything. And one of the first things we were told that it had changed was that trade, privatization, labor rates, all the things we were fighting for just so recently no longer mattered. It was Year Zero. Wipe the slate clean. And it was another one of these rebooting history moments. History was apparently starting all over again from scratch, and nothing we knew before mattered. It was all relegated to pre-9/11 thinking.

Now, the Bush administration justified this by saying that all that mattered was security and the war on terror. And in Canada, we were told that — by the US ambassador — that security trumps trade. That became the new slogan, that before 9/11 it was economic priorities that drove the US administration, but post-9/11 the only thing that mattered was security. So talk of economic justice, corporate greed, the loss of the public sphere, the talk of Porto Alegre, was suddenly retro, so 2001.

Now, the irony that we can now see is that, while denying the importance of this economic project, the Bush administration used the dislocation of 9/11 to pursue the very same pre-9/11 radical capitalist project, now with a furious vengeance, under the cover of war and natural disasters. So forget negotiating trade deals at the World Trade Organization. When the US invaded Iraq, Bush sent in Paul Bremer to seize new markets on the battlefields of his preemptive war. He didn't have to negotiate with anyone. He just rewrote the country's entire economic architecture in one swoop. But, of course, if you said that the war had anything to do with economics, you were dismissed as naïve. It was, of course, about security, about liberating Iraqis from Saddam.

AMY GOODMAN: Journalist Naomi Klein. We'll be back with her speech in a minute.

[break]

AMY GOODMAN: We return to journalist Naomi Klein.

NAOMI KLEIN: Meanwhile, at home the administration quickly moved to exploit the shock that gripped the nation to push through a radical vision of hollow government, in which everything from waging wars to reconstructing from those wars to disaster response became

an entirely for-profit venture. This was a bold evolution of market logic. Rather than the ’90s approach of selling off existing public companies, like water and electricity, the Bush team was creating a whole new framework for its actions. That framework was and is the war on terror, which was built to be private, privately managed from the start. The Bush administration played the role of a kind of a venture capitalist for the startup security companies, and they created an economic boom on par with the dotcom boom of the 1990s. But we didn’t talk about it, because we were too busy talking about security.

Now, this feat required a kind of two-stage process, which was using 9/11, of course, to radically increase the surveillance and security powers of the state, concentrated in the executive branch, but at the same time to take those powers and outsource them to a web of private companies, whether Blackwater, Boeing, AT&T, Halliburton, Bechtel, the Carlyle Group. Now, in the ’80s, the goal of privatization — and in the ’90s — was devouring the appendages of the state. But what was happening now is it was the core that was being devoured, because what is more central to the very definition of a state of a government than security and disaster response? Now, this is one of the great ironies of the war on terror, is that it proved such an effective weapon to furthering the corporate agenda precisely because it denied that it has, and continues to deny that it has, a corporate agenda at all.

Now, it had another benefit, too, which was the ability to pay anyone who opposed this system as aligned with potential terrorists and so on. So our movement, which was already facing extreme repression before 9/11, was put on notice as traitorous. Looking back, it’s clear that the shock, the disorientation caused by the attacks, was used to reassert this economic agenda, to reassert that consensus that never really was. The window that was opened at the end of the ’90s in the movement known as the anti-globalization movement, but which was always a pro-democracy movement, was slammed shut, at least in North America. And it was terror that slammed it shut. The alternatives started to disappear.

Now, I want to use the rest of my time just to say that this was not the first time, that this — if we look back at the past thirty-five years, we see this slamming of the door on alternatives just as they are emerging repeating again and again. Many of you were here for the opening address from Ricardo Lagos, the former president of Chile, who talked about another September 11th, which was another one of those moments, a far more significant one, when a very important democratic alternative, the real third way, not Tony Blair’s third way, but the real third way between totalitarian communism and extreme capitalism was being forged in Chile. And that was the great threat.

And we know that now through all of the declassified documents. There’s a really revealing one: a correspondence between Henry Kissinger and Nixon, in which Kissinger says very bluntly that the problem with Allende’s election is not what they were saying publicly, which was that he was aligned with the Soviets, that he was only pretending to be democratic, but that he was really going to impose a totalitarian system in Chile. That was the spin at the time. What he actually wrote was, “The example of a successful elected Marxist government in Chile would surely have an impact on — and even precedent value for — other parts of the world…The imitative spread of similar phenomena elsewhere would in turn significantly affect the world balance and our own position in it.” So that alternative, that other world, had to be blasted out of the way, and extreme violence was used in order to accomplish that.

Now, this kind of preemptive attack on our democratic alternatives, the persistent dream of a third way, of a real third way, has come up again and again. And this is what I discuss at length in the book, but I want to mention a couple of examples — unless I’m totally out of time? OK — examples of moments where there was a similar sense of effervescent possibility of being able to breathe more and dream more fully.

One of them was in Poland in 1989. June 4th was the day of the historic elections in Poland

that elected Solidarity as the new government. They hadn't had elections there in decades. And this was the event that really set off the domino — what's now referred to as the domino effect in Eastern Bloc countries — and ultimately resulting in the breaking apart of the Soviet Union. But it's worth remembering what it actually looked like in June of 1989. In Poland, people didn't think that history was over, because they had just elected Solidarity as their government. They thought that history was just beginning and that they were finally going to be able to implement what the movement, which was a labor movement, had always seen as the third way, the third way not taken. Now, Solidarity's vision was not a rejection of socialism. They said that they were calling for "real socialism," as socialists often do, and it was a rejection of the Communist party. They were everything that the party was not: dispersed where it was centralized, democratic where it was authoritarian, participatory where it was bureaucratic. And Solidarity had ten million members, which gave them the power to completely shut down the state.

So when people went to the polls and elected a Solidarity government, what were they voting for? What did they think they were voting for? Did they think that they were voting to become a free market economy on the model that Francis Fukuyama was talking about? No, they didn't. They thought they were voting for the labor party that they had helped to build.

And I just want to read you a short passage from Solidarity's economic program, which was passed democratically in 1981. They said, "The socialized enterprise should be the basic organizational unit in the economy. It should be controlled by the workers' council representing the collective" and should be operated — cooperatively run by a director appointed through competition, recalled by the council, workers' cooperatives. So the idea was to get the party out of control of the economy, to decentralize it and have the people who were doing the work actually control their workplaces. And they believed that they could make them more sustainable.

Now, did they get the chance to try that, to act on that vision of a worker cooperative economy as the centerpiece of the economy, to have democratic elections but still have socialism? Did they get that chance when they voted for Solidarity? No, they didn't. What they got was an inherited debt, and they were told that the only way that they would get any relief from that debt and any aid is if they followed a very radical shock therapy program. Now, I would be remiss if I didn't point out that the person who prescribed that shock therapy program was Jeffrey Sachs. And I — no, I say that because I really had hoped that we could debate these different worlds, because there are differences, there are real differences that we must not smooth over.

Now, in 2006, 40% of young workers in Poland were unemployed, 40%, last year. That's twice the EU average. And Poland is often held up as a great success story of transition. In 1989, 15% of the Poland's population was living below the poverty line. In 2003, 59% of Poles had fallen below the line. That's that opening of that gap. That's what these economic policies do. And then, we can say we're very, very worried about the people at the bottom, let's bring them up, but let's be clear about what we're talking about. These jarring levels of inequality and economic exclusion are now feeding a resurgence of chauvinism, racism, anti-Semitism, misogyny, rampant homophobia in Poland. And I think we can see, actually, that it's inevitable that this would be the case, because they tried communism, they tried capitalism, they tried democratic socialism, but they got shock therapy instead. After you've tried all that, there really isn't a whole lot left but fascism. It's dangerous to suppress democratic alternatives when people invest their dreams in them. It's risky business.

Another one of these powerful dreams was Tiananmen Square, and it's a sort of a very sad fluke of history that on the same day that Solidarity won those historic elections and that dream was betrayed, what they voted for was betrayed, tanks rolled in Tiananmen Square, and that was the day of the massacre: June 4, 1989. It was another bloody end to a moment of

effervescent possibility.

Now, the way those protests were always reported on in the West was that students in Beijing just wanted to live like in the United States. And they, you know, put a goddess to democracy that looked a lot like the Statue of Liberty. So it was reported on CNN as just kind of pro-American–style democracy protests.

But in recent years, an alternative analysis of those events has emerged. And what we're starting to hear from what's being called China's New Left, and people like Wang Hui, who's a wonderful academic, is that this was a vast oversimplification of what was driving the pro-democracy movement in 1989 in China. What was driving it was that the government of Deng Xiaoping was radically restructuring the economy along with the lines that had been prescribed by Milton Friedman — economic shock therapy — and people were seeing their quality of life devalued. Workers were losing their rights. And they were taking to the streets and demanding democratic control over the economic transition.

So democracy wasn't an abstract idea. It wasn't just "We want to vote." It was, "We want to control this transition. We want to have a say in it." It was a direct challenge to the Fukuyama formulation, which, by the way, was made that same year: the idea that you would have these two streams and that they wouldn't intersect.

I just want to read one other thing, which is another one of these paths not taken, because we know how that one ended in Tiananmen Square: that dream was crushed. Another historic moment of possibility, when we look back on our recent history, was 1994, when the ANC government won landslide elections in South Africa. That was a victory for people power. That was one of the most hopeful days that I can remember.

I think we should remember what South Africans thought they were voting for in those historic elections. You know, it was just portrayed as something very simple: it was an end to apartheid. But what did an end to apartheid mean to South Africans? And we can get an answer from that actually from Nelson Mandela, who wrote a little note two weeks before he was released from prison. And he wrote this note because there was a growing concern that he had been in prison so long that he had forgotten the promise of liberation, which was not just to have elections, but to change the economy of the country and redistribute the wealth. And Mandela was under so much pressure that he had to release this very short statement just to clarify this point. And what he said was, "The nationalization of the mines, banks and monopoly industry is the policy of the ANC and a change or modification of our views in this regard is inconceivable in our situation. State control of certain sectors of the economy is unavoidable." And this was a reiteration of South Africa's Freedom Charter, which is the platform of the ANC, which calls for the national wealth of South Africa, the heritage of the country, to be restored for the people, the mineral wealth and so on.

Now, I say this because this was one of those worlds that wasn't chosen, one of those paths that wasn't chosen. And I spent the past four years pulling these stolen and betrayed alternatives out of the dustbin of our recent history, because I think it matters. I think it matters that we had ideas all along, that there were always alternatives to the free market. And we need to retell our own history and understand that history, and we have to have all the shocks and all the losses, the loss of lives, in that story, because history didn't end. There were alternatives. They were chosen, and then they were stolen. They were stolen by military coups. They were stolen by massacres. They stolen by trickery, by deception. They were stolen by terror.

We who say we believe in this other world need to know that we are not losers. We did not lose the battle of ideas. We were not outsmarted, and we were not out-argued. We lost because we were crushed. Sometimes we were crushed by army tanks, and sometimes we were crushed by think tanks. And by think tanks, I mean the people who are paid to think by

the makers of tanks. Now, most effective we have seen is when the army tanks and the think tanks team up. The quest to impose a single world market has casualties now in the millions, from Chile then to Iraq today. These blueprints for another world were crushed and disappeared because they are popular and because, when tried, they work. They're popular because they have the power to give millions of people lives with dignity, with the basics guaranteed. They are dangerous because they put real limits on the rich, who respond accordingly. Understanding this history, understanding that we never lost the battle of ideas, that we only lost a series of dirty wars, is key to building the confidence that we lack, to igniting the passionate intensity that we need.

AMY GOODMAN: Naomi Klein, author of the forthcoming book, *The Shock Doctrine: The Rise of Disaster Capitalism*.

This interview was broadcasted during Democracy Now! TV News Program. The text published here is a rush transcript.

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