

Naomi Klein, *The Shock Doctrine: The Rise of Disaster Capitalism*
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THE VIOLENCE OF CAPITAL

Naomi Klein has a gift for grasping the essence of the current political situation and providing a rallying point for the Left. She did so in *No Logo*, her 2000 best-seller, and she does again in *The Shock Doctrine*. In both of these books, as in her journalism, she insists that our political challenge centres on the economy—and that you do not necessarily have to be an expert to understand how the global capitalist economy works. The appeal of her prose is sustained by her ability to explain the crux of economic relations in clear, even personal, terms for a general readership.

In *No Logo* Klein laid out the basic logics of neoliberal globalization and the role of multinational corporations, thereby supplying a useful framework for an entire generation of activists, what might be called ‘the generation of Seattle’. Her book provided activists with a rationale for why we fight. But generations pass quickly these days, and the cycle of movements that were associated with the 1999 Seattle WTO protests declined precipitously after the opening of the US’s global ‘war on terror’ and definitively came to a close with the occupation of Iraq. The economic arguments that had previously been the focus—about trade regimes, debt, poverty and corporate profits—no longer seemed as pressing in the face of the new horrors of violence and destruction. The globalization protest movements were forced by the new circumstances to transform into anti-war movements.

In *The Shock Doctrine* Klein offers a new rally-point for the Left, adequate to our current situation, by creating a bridge that links the analysis of war, violence and disaster to arguments about neoliberal globalization. Her book brings the focus back to economic relations, but now the analyses of capitalist profits and control are complemented by investigations of the

state and corporate apparatuses, which create and exploit various forms of large-scale destruction. Klein invents the concept of 'disaster capitalism' to name the regime of accumulation that not only treats disasters as economic opportunities—to privatize public goods, to expand markets, to restructure production schemes and so forth—but which may also require such disasters to keep functioning. In a bold conceptual move, she links together here disasters created by military violence, such as the 'war on terror' and the occupation of Iraq, and those resulting from 'natural' causes, including the tragic aftermaths of Hurricane Katrina and the 2004 Indian Ocean tsunami. To a certain extent, the argument goes, it does not matter to disaster capital what generates the disaster—only that such crises continually arrive, allowing capital to exploit the devastation and temporary disorientation that they bring in order to accomplish the principal goals of the neoliberal agenda: privatize public wealth, deregulate economic activity and reduce social-welfare spending. In a further move, however, she draws out the relation between violence and capital by tracing the concept of disaster capitalism back over thirty years. By articulating this concept Klein is naming the enemy, linking together its many disparate faces, and thus providing once again a figure against which to fight.

But whereas *No Logo* was published at a high-water mark of the globalization movements and was buoyed by their enthusiasm, *The Shock Doctrine* arrives in very different times, and is cast in a more sombre tone. The book is thus less oriented toward rallying the troops and more concerned with establishing an intellectual, ideological orientation. Klein approaches this task on three levels, each with its own style of writing, resulting in a hybrid, genre-mixing text. First of all, she employs the methods of investigative journalism to masterly effect in order to reveal some of the most nefarious events and personalities within the contemporary power structure, talking to evacuees in Baton Rouge, fishermen in post-tsunami Sri Lanka, Manila sweatshop workers in the throes of the Asian financial crisis. This generates both a sense of drama and powerful indignation against those currently in power. Klein uses a first-person voice in most of these parts of the book, putting herself at the centre of the narrative. These are probably the passages that most successfully draw the general reading public into the story. In the style of the genre, she provides readers with her own persona as a point of identification. But the project also requires her, secondly, to operate as a historian and trace the strong lines of continuity that extend from today's dominant economic and political power structures back over the last three or four decades through countries across the globe. She does not delve into archives like a professional historian, but she does reconstruct through careful research the central historical events of her story with remarkable detail and clarity. On a third level, finally, she adopts the tools of economic

and political theory to investigate the nature of contemporary capitalist production and control.

The fundamental idea of *The Shock Doctrine* is that there is an intrinsic link between capital (or at least one mode of capitalist activity) and violence. Her point of departure for exploring this link is Milton Friedman's metaphor of 'shock therapy', which he deemed necessary to impose free-market capitalist reforms; indeed she probably takes this metaphor more seriously than he did. The psychiatrists who experimented with electroshock therapy in the 1950s and 60s, she explains, sought to disorient patients and destroy their existing psychic structures. They imagined they could create a clean slate on which new, healthier structures could be formed. Friedman similarly dreamt of destroying existing social and economic structures, making of society a kind of clean slate, in order to push through his desired economic policies. Without some sort of traumatic event to destabilize social habits and institutions and disorient the population, Friedman knew his reforms would never be accepted. Klein then pursues this analogy and demonstrates how various traumatic events, whose effect on the social body is similar to that of electroshock therapy on the individual, have been repeatedly used in different national contexts to impose Friedman's free-market vision as well as neoliberal economic policies more broadly.

Klein also understands neoliberal economic reform as shock therapy more literally. Indeed, embedded in the argument of this book is an excellent brief history of the evolution of torture techniques over the last half century. That history begins, for Klein, in some of the very same laboratories at McGill University that were experimenting on patients with electroshock therapy in the 1950s. The CIA, recognizing the utility for interrogation of these and similar techniques that disorient subjects and break down their psychic structures, funded this psychological research and incorporated its results. Klein draws a continuous line from such experiments to the CIA's interrogation manuals, and from techniques used by Latin American dictatorships to those employed today by the US and its allies in the 'war on terror'. The use of such torture, Klein argues, is one element of the shock that is necessary in many cases for neoliberal economic transformation. Torture serves, in effect, to prolong the initial shock and finish clearing the social terrain so that the new economic structure can be built.

All of these elements come together in Pinochet's Chile, Klein's paradigmatic example of the shock doctrine to which all of her other historical examples conform to a greater or lesser extent. In Chile, of course, Milton Friedman's free-market ideas were already well established before the 1973 coup d'état, in part through the training programme for Chilean economics students in Friedman's department at the University of Chicago, the so-called Chicago Boys. Friedman himself acted as a kind of informal advisor

to Pinochet during the early period of his regime, during which time the General did impose a radical plan of privatization and economic transformation. Chile quickly became the beacon of neoliberalism for Latin America and the world. And the stubborn sectors of Chilean society that resisted the political and economic transformation—communists, trade unionists and various others—were dealt with through torture and various other brutal tactics. Pinochet's Chile thus brings into play all three elements that comprise the shock doctrine: military shock (the coup d'état); economic shock (Friedman's economic transformation); and physical, social shock (through torture, imprisonment, murder and the like). Think of the shock doctrine, then, as the mode of activating and implementing disaster capitalism.

It can easily appear that Klein's notion of disaster capitalism and the various shocks through which it works involves an elaborate conspiracy theory. This is largely because she does, in fact, focus on the actions of a relatively small cast of individuals and the connections among them, such as Friedman's personal relationship with Pinochet. Indeed the book is peppered with a host of deliciously scandalous, damning historical details about what these individuals said and did. We should recognize, however, that Klein's argument does not rely on a logic of conspiracy, either on the historical or the theoretical level. One of the central and fascinating points of Klein's narrative in historical terms is that the functioning of disaster capitalism requires an enormous amount of economic and political preparation before the shocks are administered. A detailed packet of economic strategy and policies has to be ready at hand so as to be implemented swiftly, all at once in the moment of disaster. This is not really conspiracy, in other words, it is planning. The question is a bit more complex on the theoretical level. The appearance of a conspiracy is due in large part to Klein's strategy of story-telling—and here the hybrid genre of the book runs up against a significant divide between journalistic methods and theoretical argument. Her focus on individual figures and personal connections allows readers to enter the story easily, but the processes she is analysing do not really depend on individuals. What is important on the theoretical level, in other words, is not that Pinochet and Friedman meet in person but that their ideas and projects complement each other, fitting together in a larger framework of violent capitalist transformation. In order to bring out most clearly Klein's theoretical argument, then, I suggest reading these individuals as something like bearers or personifications of economic or political ideas and categories.

After Klein establishes the conceptual bases of the shock doctrine and its paradigmatic implementation—primarily by coupling Friedman's economic thought and Pinochet's military dictatorship—she dedicates the central chapters of the book to a detailed historical analysis of how this model was

repeated and developed. From the early 1970s to the present she follows the simultaneous applications of shock and neoliberal policies in countries throughout the world like so many links in a chain or, better, like a string of volcanoes in which the explosion of one sets off the next in line. After Chile came Argentina, Thatcher's Britain, Bolivia, Poland under Solidarność, China, post-apartheid South Africa, Yeltsin's Russia, and the Southeast Asian economies hit by the 1997–98 Crisis; from there the narrative moves to the US after 9.11, Iraq, and the 'reconstruction' of Sri Lanka and New Orleans.

Klein's primary aim is to unmask the 'idyllic' fable of the origins of neoliberalism and establish the fact that these economic policies are never adopted democratically or peacefully. She also argues along the way that despite widely heralded and accepted claims of success, such neoliberal policies have consistently failed, even by their own economic criteria. In the process, what counts as shock gradually changes from military violence and torture to other forms of disaster, some intended and others not. The pivotal historical shift in this story comes with the economic shock imposed in Bolivia in 1985 by the newly elected government of Víctor Paz Estenssoro, under the advice of Jeffrey Sachs who, as Friedman fades from the scene, becomes the primary shock doctor in Klein's narrative. No coup d'état provided the trauma here, although there were, of course, relatively high levels of repression against opposing social sectors. Instead a secretly prepared economic package was imposed by the administration all at once without any sort of public discussion. 'Bolivia provided a blueprint for a new, more palatable kind of authoritarianism', Klein writes, 'a civilian coup d'état, one carried out by politicians and economists in business suits rather than soldiers in military uniforms'. Here political rather than military violence accomplishes the tasks her model requires: disorient the population, destabilize or destroy established social and economic relationships and institutions, and pave the way for neoliberal transformation. In all of Klein's examples of neoliberal shock therapy in subsequent years, from China and Poland in 1989 to South Africa and Russia in the early 1990s, doses of military and political violence combine to fill this role.

The culmination of this line of thought is Klein's recognition of the same shock logic at work in the aftermaths of the 2004 tsunami and Hurricane Katrina in 2005. Here what qualifies as a disaster adequate to the task is decisively broadened. These 'natural' disasters are not directly planned or implemented by political leaders, although, as has been well documented, government policies are centrally responsible for creating the conditions for such disasters and making certain populations more vulnerable than others. They arrive unexpected, and the agents of privatization and neoliberal transformation have to be ready when the opportunity presents itself.

Finally we arrive at Iraq, the centrepiece of Klein's argument. The entire book grows, in many respects, out of her excellent 2004 *Harper's* essay, 'Baghdad Year Zero', which is incorporated and expanded here. Klein interprets the US invasion and occupation of Iraq as being driven by economic interests, but not narrowly conceived in terms of control over oil or temporary profits for a small group of corporations. The US project in Iraq is instead the most thorough-going effort to date to apply the shock doctrine, reduce the society to a clean slate and construct from scratch a neoliberal economy. Here the shock and awe of military invasion, the various repressive apparatuses of the 'war on terror' and the policies of homeland security all come together with the project of neoliberal globalization. This is Klein's most complete example of disaster capitalism at work and thus serves as a bookend to Pinochet's Chile, bounding the entire historical development.

The failures of the US project in Iraq also bring us back in interesting ways to Klein's original guiding metaphor linking economic shock and electroshock therapy. The doctors experimenting with electroshock were repeatedly frustrated because they could never achieve their dream of a tabula rasa. The patient's old psychic structures, memories and mental habits kept reappearing despite the shock treatment. The US administrators in occupied Iraq, led by Paul Bremer, were similarly frustrated in their efforts to construct a neoliberal economy from the ground up. They privatized state industries, dismissed workers from a wide range of jobs, rewrote the legal framework for business and investment, but could not create a clean slate. Established social structures, expectations of employment and income, and public fears of the new economic regime kept stubbornly reappearing. Klein even gives fascinating evidence that identifies job losses and economic outrage in Iraq as one source of the growth of armed resistance to the occupation. Klein's point, finally, is that not only are the methods of the shock doctrine barbaric and cruel, they also do not work. The prophets of free-market revolutions and neoliberal transformations all preach that shock will create a blank canvas on which the new economic structures can be built from scratch—and inevitably their explanation for previous failures is that the shock was not sufficiently complete, the slate was not clean enough—but, in fact, this social tabula rasa can never be achieved, and all that is left behind is a society in ruins.

The Shock Doctrine raises a number of important questions. Some readers may ask, for example, what is the proportion of states in which full-scale neoliberal restructuring has been preceded or accompanied by shock, compared to those in which the authorities proceeded by stealth or 'third way' consensus? Others will question how, analytically, should we correlate the climatic and tidal forces that produce a hurricane or a tsunami with the long-term human planning that drove the invasion of Iraq? My interest, however,

centres on a theoretical argument about the contemporary forms of capitalist domination and control. Klein's theory fits well with a long theoretical tradition on the intimate link between capital and violence, and it may be helpful to situate her argument within that tradition in order both to give more solid foundation to some of its claims and to highlight its originality.

First of all, Klein's exploration of the dependence of capitalist development on violence corresponds to and in some respects extends Marxian notions of primitive accumulation. The creation of capitalist and proletarian classes were not peaceful, quasi-natural processes, resulting from the thrift and prudence of future capitalists or the profligacy of future proletarians: the birth of capital required extraordinary violence both in the conquest, genocide and enslavement of foreign populations, which brought home enormous wealth and offered new markets for goods; and internally, in the expropriation of common lands, the clearing of peasants from feudal estates and the creation of new laws that effectively herded the poor into the cities and provided available labour-power. But whereas Marx's history can lead one to think that the 'extra-economic' violence of primitive accumulation is needed only to set in motion the capitalist machine, whose own discipline and economic forms of violence can maintain its rule, Klein reminds us—as have many other authors, but it is an important point worth repeating—that primitive accumulation never comes to an end but continues as a constant complement and support to the functioning of capital.

Rosa Luxemburg's argument about the violence inherent in the accumulation of capital is a second obvious point of reference. Luxemburg explains that capital requires constant expansion for its very survival, adding new markets, more resources, additional labour-power and larger productive circuits. Expanding these capitalist circuits of reproduction, however, cannot be accomplished by economic means alone. Extra-economic force is required. Specifically, Luxemburg establishes the intrinsic relation between the great European imperialisms of her day, the early twentieth century, and the expanded reproduction of capital: if you want to oppose imperialism, you have to challenge capital. Klein likewise demonstrates a necessary and intimate relation between capital and violence, but she broadens the category of disasters that can serve in this role, well beyond the imperialist apparatuses that were Luxemburg's focus.

The third and perhaps most relevant theoretical reference point for Klein's argument is the long economic tradition of 'crisis theory', which has powerful currents in both Marxist and capitalist thought. In particular, the notion of 'creative destruction' developed by the decidedly non-Marxist economist Joseph Schumpeter resonates strongly here. It is a commonplace that economic cycles and crises provide opportunities for the concentration and development of capital; Schumpeter insists specifically on the need

for capital incessantly to revolutionize its economic and institutional structures from within. Crises, whether they result from purely economic causes or other sources, support capitalist development by clearing away the old structures of social institutions and economic practices. Such destruction is 'creative' only in the sense that it provides the space for innovation, the formation of new processes and institutions. Klein's notion of the shock doctrine shares many aspects of this; but she looks well beyond the economic realm, to recognize the potentially extra-economic sources of disasters and to reveal their profound social consequences.

Marx, Luxemburg and Schumpeter—this is excellent company and Klein's book can justifiably be discussed in relation to them; all argue, as she does, that capitalist development requires violence as support. There is a fundamental difference, though, that helps frame a further question regarding Klein's argument. The other theorists read this violence in the logic of capital as a whole, whereas Klein isolates it to one 'fundamentalist' mode or version of capitalist rule, with the assumption that other possible modes are less violent or even non-violent. Is disaster capitalism only an aberration, a moment of excess that has distorted a more virtuous form of capital or is it, in fact, the core of contemporary capital itself? Klein insists at several points in the book that it is the former, but her theoretical argument points more strongly toward the latter. The question is crucial because it has significant consequences for any effort to answer the other, larger question that has to be raised when reading a book like this—namely, what is our alternative to disaster capitalism? Do we imagine a return to a more equitable, regulated, peaceful arrangement of capitalist social and economic relations or are we forced to look beyond the rule of capital and invent some new social form? Klein's book is not compelled to answer such questions. The fact that it raises them is already an important contribution to a debate that must be the starting point to rally a new left.