SHOCK DOCTRINE INTERNATIONAL

In the middle of the debt ceiling debate yesterday, Naomi Klein tweeted a link to this article, describing how the sovereign debt crisis in Europe is eroding democratic and labor rights.

> The economic, and democratic, crisis in Europe raises questions. Why were policies that were bound to fail adopted and applied with exceptional ferocity in Ireland, Spain, Portugal and Greece? Are those responsible for pursuing these policies mad, doubling the dose every time their medicine predictably fails to work? How is it that in a democratic system, the people forced to accept cuts and austerity simply replace one failed government with another just as dedicated to the same shock treatment? Is there any alternative?
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> The answer to the first two questions is clear, once we forget the propaganda about the "public interest", Europe's "shared values" and being "all in this together". The policies are rational and on the whole are achieving their objective. But that objective is not to end the economic and financial crisis but to reap its rich rewards.
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> [snip]
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> The troika (European Commission, ECB and IMF) has decided to improve the mechanisms designed to favour capital at the expense of labour, by adding coercion, blackmail and ultimatum. States bled by their over-generous efforts to rescue the banks, and begging for loans to balance their monthly accounts, are told to choose between a market-led clean-up and bankruptcy. A

> swathe of Europe, where the dictatorships of António de Oliveira Salazar, Francisco Franco and the Greek colonels ended, has been reduced to the rank of a protectorate run by Brussels, Frankfurt and Washington, the main aim being to defend the financial sector.

After which, we had this exchange:

> Me: this entire year must feel like an awkward, sickening, "I told you so" for you.
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> Klein: if i had a magic riot wand, i would wave it now. #debtdeal
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> Klein: you did ask me how i felt earlier…

Because, after all, it's not just in Europe where debt is being used as a cudgel to roll back workers' and democratic rights. The big news of yesterday's debt deal—one the Administration is crowing about—is an entity that will sidestep democratic processes so as to make it possible to cut back on Social Security and Medicare. (As I was watching the vote yesterday, probably more than half the calls coming into CSPAN were from people talking about how worried they were that this debt debate might interrupt disability or Social Security checks; I think CSPAN was confused that many of these came in on the Republican line.)

And that fact—the fact that this colossal stupidity is somehow happening on both sides of the Atlantic gets too little attention. As I noted the other night on BlogTalkRadio, we can't attribute the debt deal just to the Tea Party. Not only has Obama been trying a variety of ways to set up a Catfood Commission that could cut Social Security since he got into office (as DDay points out, the Democrats were the first to try to hold the debt ceiling hostage to get a Catfood Commision), but Greece and France and the UK are all doing effectively the same thing, and they've got no Tea Party to blame. In fact, a week ago Saturday (July 23), in the middle of heated negotiations with the Republicans on the debt ceiling here, Obama checked in with Nicolas Sarkozy to see how austerity summer was going on his side of the pond.

> The President and President Sarkozy of France spoke by phone today as part of their ongoing consultations on shared U.S.-French strategic priorities. The two leaders reviewed the results of the July 21 meeting of the Heads of State or Government of the Euro area, agreeing that important steps had been taken to help ensure the stability of the Euro area and to sustain the economic recovery in Europe.

Obviously, there are international organizations where these conversations are designed to take place, all with a financial mandate that doesn't care about democracy or workers rights. (Though to some degree, it would be churlish for those of us in the developed world to complain that the IMF subverts sovereignty, since we've been benefiting from the way it has subverted the sovereignty of developing nations for years.)

Now, you might attribute this seemingly magical obsession of the developed world with austerity to the financial crash: in Europe, these cuts arise directly from the banks' unwillingness to eat the losses for the mistakes they made during the bubble. Except at the federal level, here in the US, that's not the false urgency used to justify these cuts: it was two unfunded wars, a set of absurd tax cuts (cutting taxes beyond what governments needed to survive is also one of the main factors driving state-level cuts), and the refusal to institute some kind of national health care system. Ultimately, in the US we need to cut our social safety net because the cost of running a world empire has gotten to be too much to sustain.

But the effect is the same: the elite,

particularly the financial elite, has used this crisis—a crisis that is either their own fault or artificially created—to roll back the social contract that has governed the developed world since World War II.