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Chomsky: Neoliberalism as Statism

Kevin Carson

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I just happened on Chomsky's new blog. His old one, Turning the Tide, had been defunct for over a year, and I didn't know he'd relocated. From the Chomsky blog at Znet:

The rules of the game were more or less formalized in the Uruguay round that set up the WTO, in NAFTA, and other such mislabelled "free trade agreements." They are a mixture of liberalization and protectionism, designed—not surprisingly—in the interests of the designers: mainly MNCs, financial institutions, the investor/lender class generally, the powerful states that cater to their interests, etc. The rights and interests of people are incidental. The extreme protectionism of the WTO and NAFTA goes far beyond earlier forms of protectionism. The outrageous patent principles, for example, designed to grant monopoly pricing privileges to immense private tyrannies, far in the future, and to stifle innovation and development, in their interests.

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Concentrated private power strongly resists exposure to market forces, unless it's confident it can win in the competition. That goes back centuries... Protectionist devices, such as those of NAFTA and the WTO, are only a fraction of the means by which the wealthy and powerful protect themselves from market forces. In fact, the core of the "new economy" is based on the principle that cost and risk should be socialized, and profit privatized (often after decades in the dynamic state sector).

Chomsky had a big effect on the development of my thought. Many of the most important books I've read on the history of U.S. foreign policy, the early history of capitalism, and the present government role in the corporate system, I was originally referred to by his endnotes in *Deterring Democracy* or *World Orders, Old and New*.

And his approach to politics: 1) that you'd *expect* the policies of a government to reflect the dominant class interests in that society; and 2) that you'd *expect* the structure of world politics and economics to reflect the class interests controlling the dominant government—seem pretty common-sense to me. As Chomsky says, a neutral observer from Mars would be astonished that people put so much effort into not drawing the obvious conclusion. Contrary to the folks who keep squealing about "blame America first," it only *makes sense* that when a country is the most powerful in the history of the world, has played the dominant role in shaping global political and economic institutions since 1945, and has probably overthrown more governments than any other country in history, it can take a major share of the responsibility for what's wrong in the world. And Jeanne Kirkpatrick can take her "arsonist vs. fireman" analogy and shove it; the framers of the postwar Pax Americana themselves admitted that their world order would have been substantially the same, even without the USSR as a fly in the ointment.

All the USSR did was prevent total consolidation of the “Grand Area,” make it a little harder for the World Bank and IMF to run things, and stop the UN Security Council from operating quite as smoothly as a vehicle for American military power.

But what I’ve never been able to understand is Chomsky’s failure to draw the logical conclusions from his own arguments. His books are packed with endless documentation of the ways in which big business externalizes its costs on the taxpayer, and is protected from competition by government. As Chomsky himself said somewhere (one of his by-the-numbers jobs with Barsamian, I think), most of the big corporations would be bankrupt in a few months without corporate welfare. But at the same time, he argues that eliminating government would leave us in the grip of private corporate tyrannies, and that it’s necessary to *strengthen* the state to break up such “private concentrations of power.”

Now, if big business can’t survive without ongoing state intervention in the economy, why is further state intervention necessary to break corporate power? That makes absolutely no sense to me. If “concentrated private power strongly resists exposure to market forces,” then why not rub their noses in it?

As Friedrich Engels put it over a century ago: anarchists say eliminate the state and capital will go to the devil; Marxists say the reverse. Exactly!

Chomsky’s position, it seems to me, is essentially Marxian (albeit of the SocDem, not the Leninoid kind): the state has to be used to break the power of the capitalists, before it can be allowed to wither away.

I’m also extremely leery of Chomsky’s claim that the state is potentially amenable to popular control. I don’t think it’s possible, myself. The state is the vehicle of a ruling class; and by the nature of things, a popular majority can’t be that ruling class. The reasons were explained decades ago by Robert Michels, Vilfredo Pareto, and Max Nomad, among others: regardless of the formally democratic means of control, those on the inside of the state will always

have an advantage in interest, attention, information, and agenda control over those they allegedly “represent.” Even on Anarres, the libertarian socialist world of LeGuin’s *The Dispossessed*, all those syndicates (made up of recallable delegates from democratic workplaces) wound up rubber-stamping the economic plans of the permanent staffs of experts.

The only way to prevent centralized machinery from being taken over by a ruling class is not to have centralized machinery. The state sometimes responds to intense public pressure, but it cannot be directly or sustainably controlled by the public. Therefore, we should take advantage of whatever mass pressure can be put on the state to roll back its intervention in the economy on behalf of big business, and dismantle the taxing mechanism by which the corporate economy is able to externalize its costs. In an economy of producers’ co-ops, worker-controlled large enterprises, family farms and businesses, and voluntary mutual aid associations, all interacting entirely through the free market, there won’t *be* any coercive mechanism to enable big business to profit at the expense of the rest of us.