

A SHOCKING IDEOLOGY

The Shock Doctrine: The Rise of Disaster Capitalism

Naomi Klein. Metropolitan Books, 576p, \$28

Curtis Melvin

In *Crisis and Leviathan*, Robert Higgs argues governments tend to grow rapidly in response to a crisis, such as a war or an economic depression. When the crisis subsides, the government shrinks—but not to the pre-crisis level. Thus, over time, the size of government “ratchets up” as it takes on more and more response capacities.

New York Times best-selling author Naomi Klein disagrees. In her book, *The Shock Doctrine: The Rise of Disaster Capitalism*, Klein argues that the most recent economic shocks and disasters have not increased the size and scope of government. Rather, they have precipitated a startling “hollowing out” of government’s core functions to international corporations and politically connected independent contractors. At the center of this transformation in public service is a small group of “free-market ideologues” who take advantage of political and economic crises to push privatization and deregulation onto unsuspecting populations “distracted” in the chaos.

Ms. Klein attempts to prove her “hollowing-out” theory through a series

of case studies that ambitiously span the last 30 years of economic change across the globe. What emerges from her narrative, however, is not a thoughtful, informed theory of social change, but a misguided ideological crusade against deregulation and privatization that ignores basic facts.

Ms. Klein’s factually-challenged crusade is on full display in her analysis of education reform in post-Katrina New Orleans. As she tells it, the story of education reform in the ravaged city is one of simple conspiracy. Hurricane Katrina devastates New Orleans, leaving the population scattered, distracted, and confused. Seeing this as a pivotal time to act, Milton Friedman pens a *Wall Street Journal* opinion piece suggesting that New Orleans should convert its public schools into voucher-funded charter schools. Following the op-ed, swarms of well-funded, right-wing policy advocates descend on the city to ensure the necessary legislation is passed over local opposition.

School reform passes, and the incumbent Orleans Parish School District is put on the chopping block. According

to Ms. Klein, the reforms reduce the district’s pre-Katrina portfolio of 123 schools to just four and decimate the teachers’ union through the firing of over 7,000 members.

This scenario sounds like validation of Ms. Klein’s “hollowing out” hypothesis, but the actual situation was far more democratic and complex than the conspiracy theory she peddles. First, the corrupt Orleans Parish School District, which was \$450 million in debt, had failed for years to educate students. Those parents who could pulled their children out of the system long before Katrina hit. The remaining parents, along with locally- and nationally-based organizations, lobbied to reform the system for years, but political pressure from the powerful teachers’ union repeatedly squashed their efforts.

Katrina scattered the teachers’ union. Grass-roots education reform efforts finally took hold. Far from being imposed immediately and undemocratically by outsiders, New Orleans’s education reform policies enjoyed widespread local support upon implementation, and they have delivered results.

In 2007, the first year in which meaningful comparative performance data is available, charter schools posted higher Louisiana Educational Assessment Program (LEAP) scores than traditional public schools at every grade level. Some even outperformed their pre-Katrina, pre-charter scores. In 2008, the number of fourth graders who passed the LEAP exam increased a further 12 percentage points over 2007, and eighth graders improved by 4 percentage points. Though students have a long way to go before they reach national averages, New Orleans is beating average state exam scores, a feat rarely accomplished. Improvements in English, math, science, social studies, and reading are a welcome change from decades of stagnation and decline. Ms. Klein's preference for a failed bureaucracy over these results demonstrates that she herself is guilty of the dangerous ideological purity she ascribes to her book's capitalist villains.

Ms. Klein's poor grasp of democratic decision-making, however, is only eclipsed by her abysmal knowledge of basic economics. Besides lamenting the destruction of New Orleans's failed public school system, she places the incompetent post-storm performance of FEMA and other government agencies firmly at the feet of capitalist contractors who have "hollowed out" the bureaucracies, leaving people with no social safety net when the storm hit.

Ms. Klein's diagnosis of this particular problem is not without merit. Government contracting is not particularly effective. First, the government typically hires contractors on a cost-plus basis, meaning the contractors can pass all of their costs onto the govern-

ment yet still be guaranteed a profit. Second, cost-plus financial management combined with weak oversight means the more contractors spend, the higher their profits will be, even if they exceed their budgets. Third, the government often awards contracts

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on a no-bid basis. This might expedite implementation, but as many recipients of federal contracts donate to political campaigns, this practice raises the fear that public officials are using contractors to shuffle public money into their own election campaigns.

But Ms. Klein's indictment of capitalism via government contracting condemns apples while examining oranges. The awarding of government contracts is an inherently political decision made by public officials with public funds for (ostensibly) public purposes. The conditions under which these decisions are made and executed bear little resemblance to the private, profit and loss, pay-for-performance characteristics of private sector contracting. In fact, what is needed to solve these problems is more capitalism in the political process: establishing goals in a contract rather than procedures, establishing penalties for not meeting delivery, transparency of awards, bonuses for coming in under

budget, and even giving agencies the flexibility to compete for contracts against private companies.

With her ideological blinders on, however, Ms. Klein never sees any of these solutions, just as she doesn't see the thousands of social entrepreneurs in New Orleans who struggle each day to improve their neighborhoods. Trapped in a world of conspiracy and ideology, Ms. Klein advocates policies that punish these entrepreneurs and those least able to protect themselves, and that is the most shocking aspect of her doctrine.

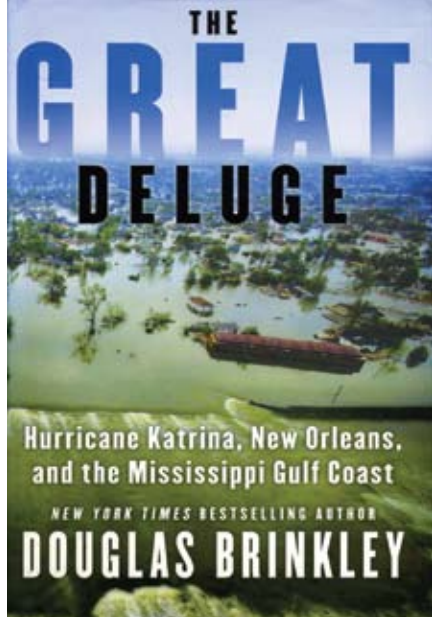
Curtis Melvin is a program developer for the Mercatus Center's Global Prosperity Initiative and *Enterprise Africa!* project.

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THE GREAT DEBACLE

The Great Deluge: Hurricane Katrina, New Orleans, and the Mississippi Gulf Coast

Douglas Brinkley. Harper Perennial, 768p, \$17.95

Daniel Sacks

"A HISTORY OF a single week in the summer of 2005: August 27 (Saturday) to September 3 (Saturday)," the week Hurricane Katrina struck New Orleans and the Mississippi Gulf Coast, causing massive amounts of damage and trapping thousands, is the focus of Douglas Brinkley's book, *The Great Deluge*. *The Great Deluge* tells the stories of many individuals in New Orleans and the Gulf Coast who struggled to prepare for and survive the storm and its aftermath.

Brinkley shows the devastating impact of the hurricane by tracing the stories of many different people, from all walks of life, living across the Gulf Coast. He highlights the different levels of apprehension that preceded the storm and the varied responses in the aftermath. The captivating individual narratives plunge readers into history and force us to consider how we would have handled such tumultuous circumstances.

Focusing on individuals also highlights how failures in planning, preparation, and action dramatically affected people's lives. Brinkley juxtaposes the decisions of the individuals who could have reduced the storm's human impact or hastened rescue efforts once the storm passed. He shows how many people—many of whom represented important organizations and bureaucracies—made poor decisions, ultimately failing the people of New Orleans. From New Orleans Mayor Ray Nagin's lack of leadership and forethought, to Louisiana Governor Kathleen Blanco's clashes with Nagin and President Bush, to the federal government's inability to recognize the problems on the ground, Brinkley makes a strong case that people at all levels of government did not heed significant warnings and failed to respond properly.

Though Brinkley does credit several government agencies for their commitment in responding to the crisis—particularly the Coast Guard, to whom he dedicates the book—many of the "success" stories on which he focuses come from civil society.

The "Cajun Navy" is one of these stories. In Cajun country, north of New

Orleans, R & R Construction owners Ronny and Ruth Lovett asked their employees to drive down to New Orleans and contribute their boats and time to helping stranded New Orleanians escape the flooded city. Out of their own pockets, the Lovetts paid all their employees triple-time for time spent in New Orleans with the "Navy."

Richard Zuschlag and his company, Acadian Ambulance Services (the nation's largest privately held ambulance service at the time), also played a key role in evacuating people and saving lives after the storm struck. Using the company's two hundred ambulances and seven helicopters, Zuschlag and Acadian employees evacuated people from hospitals before FEMA and the Department of Homeland Security even arrived. Acadian succeeded in part because it had tools many others lacked: thousands of satellite phones and its own communications tower. Though government agencies were not prepared for widespread communication failures despite simulations that had warned of the possibility, Acadian was.

Brinkley's strongest example of civil society's superior response to the storm, however, may be the Louisiana Society for the Prevention of Cruelty to Animals (LSPCA). Two days before the storm hit, the LSPCA safely evacuated all of the animals under its care to Houston. The LSPCA and its animals had left the city when Mayor Ray Nagin announced the possibility of a voluntary evacuation within the next 36 hours.

To be sure, the LSPCA is a miniscule entity compared to New Orleans. It's much easier to move 263 animals than

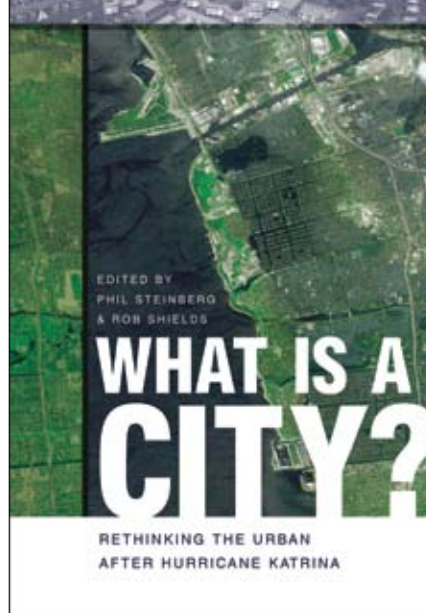
it is to relocate a city full of people. However, although they had the same or indeed superior information, city and state governments did not make the same decisions as the LSPCA. For example, the LSPCA had a standing policy to evacuate in the face of a possible Category 5 storm which it promptly heeded. Though New Orleans had survived hurricanes in the past, the LSPCA recognized it had a responsibility to the animals under its care.

In contrast, the city of New Orleans failed to recognize its responsibility to its citizens—particularly to the 112,000 residents who had no means to leave the city on their own. New Orleans “did not possess a realistic hurricane plan . . . [it] devoted about a page and a half to evacuation but backed away from substantive directives” (19).

Brinkley powerfully relates the stories of the heroism and bravery exhibited during the storm and its aftermath. He forces the reader to wonder what would one’s own response have been in a similar situation.

As one reads about people’s failure to act, lead, plan, or respond to such an enormous threat, it is only natural to be appalled and feel that someone must have been able to do better. By the end of the book, the reader cannot help but ask why 263 animals in the LSPCA were better protected and better cared for than thousands of people in New Orleans.

Daniel Sacks is a program associate with the Mercatus Center’s Global Prosperity Initiative and *Enterprise Africa!* project.



TALES OF THE CITY

What Is a City?: Rethinking the Urban after Hurricane Katrina

Phil Steinberg and Rob Shields.
University of Georgia Press,
233p, \$19.95

Randal O’Toole

WHEN TERRY GABRIEL lived in New Orleans, she had no car, minimal income, and two of her three children were statistically likely to drop out of high school before graduating. Now, as one of 90,000 Katrina evacuees who have permanently settled in Houston, she has a great job, a car, a two-story suburban home, and her children are going to good schools. “I feel like a million bucks,” she says.¹

As the nexus of French, Spanish, Caribbean, African, and Anglo-American cultures, pre-Katrina New Orleans was a unique and fascinating place. But it was also characterized by racism, corruption, and a more-or-less feudal society.

The twelve contributors to *What Is a City?* want New Orleans rebuilt as the cosmopolitan home of jazz and Creole culture that it once was. But, viewing the Katrina tragedy through the lenses of their professions—anthropology, architecture, geography, philosophy, political science, sociology, and urban planning (but not economics)—they fail to see that the institutions they would restore are often the very ones that led to the Crescent City’s downfall.

They blame not only the post-hurricane disaster but also the city’s pre-Katrina problems of poverty and racism on “the nation’s abandonment of New Orleans” (15). Yet, they celebrate New Orleanians’ “resistance” to outside ideas, such as better roads that would have helped more people escape the flooding (105) and school vouchers and charter schools that might have reduced the city’s high-school dropout rate from its pre-Katrina levels of more than 50 percent (41–44).

Nowhere is this contradiction more apparent than in the chapters on mobility. When Katrina hit, about 100,000 New Orleans residents lived in households that lacked an automobile, which, not coincidentally, is about equal to the number of people

1. Wade Goodwyn, “Houston Holds Hope, Despair for Katrina Evacuees,” *All Things Considered*, August 27, 2007, tinyurl.com/3tp3fy.

who failed to evacuate before the flooding. By comparison, when Hurricane Rita hit the Texas Gulf Coast a few weeks later, nearly three million people safely escaped, despite traffic congestion, by auto.²

Instead of lamenting New Orleans' lack of automobility, political scientist Hugh Bartlett rails against the "ideology of mobility" (99) that "privileges the automobile" over other forms of transportation (103). Knowing evacuation would be a problem because

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of low auto-ownership rates, Bartlett observes, the city wrote a detailed public transportation evacuation plan—which it almost completely ignored when Katrina hit (107).

The lesson Bartlett perversely learns is that we should make people even *more* dependent on public transport. He applauds the "New Urban" (i.e., anti-auto) planning taking place in Mississippi, and laments only that "it relies predominantly on voluntary compliance" rather than government

mandates (108–109). Yet, mobility is not an ideology; it is an economic fact that more mobility means greater wealth and less vulnerability to natural disasters.

The economist who wasn't asked to contribute to *What Is a City?* might have told the other authors that part of what makes a city work or not work is its institutions. New Orleans's institutions promoted a culture of dependency, partly because that culture served the oligarchies that ran the city. The book's authors recognize Louisiana has some of the nation's more corrupt governments, yet they miss the point that dependence on such governments might be a bad idea. For example,

- New Orleans families depended on government schools to educate their children, yet the schools were run more for the benefit of the teachers union—"perhaps the strongest in the city"—than the students (42).
- Tens of thousands of New Orleans workers depended on public transportation to get to work, but the city diverted most of its transit dollars into its tourist-oriented streetcar system (107).
- The entire city depended on the U.S. Army Corps of Engineers to maintain levees in case of floods, but Louisiana's congressional delegation diverted funds from

the levees to projects supporting the region's powerful shipping interests.³

- After the devastation, the government itself became an obstacle to reconstruction, delaying the process with endless plans.⁴

Several of the authors lambaste Barbara Bush for suggesting that the evacuation was "working very well for" many poor people displaced by the flood to Houston and other cities (38, 121, 143). While these remarks may have seemed callous at the time, the authors never ask how many Katrina evacuees really are, like Terry Gabriel and her family, better off today living in cities that are less racist, less corrupt, have better schools, and offer more economic opportunities.

It will be sad if the new New Orleans is not as culturally diverse and charming as the old one. But the authors of *What Is a City?* seem to want to restore the very institutions that led to the evils of the old New Orleans, including both government dependency and physical immobility. They have failed to learn the most important lesson of Katrina: that cities work best when they rely on individual initiative instead of government central planners.

Randal O'Toole is a senior fellow with the Cato Institute and author of *The Best-Laid Plans: How Government Planning Harms Your Quality of Life, Your Pocketbook, and Your Future*.

2. "Nearly Three Million Texans Evacuate Coastal Areas," *KWTX News*, September 23, 2005, tinyurl.com/3gaykq.

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4. Emily Chamlee-Wright, "The Long Road Back: Signal Noise in the Post-Katrina Context," *The Independent Review* 12 no.2 (Fall 2007): 235–259.



PICTURE THIS

Holding Out and Hanging on: Surviving Hurricane Katrina

Thomas Neff

University of Missouri Press,
128p, \$29.95

Erin Agemy and Rosemarie Fike

THOMAS NEFF'S BOOK *Holding Out and Hanging On* literally shows how the human spirit, when pushed to its limit, can and will endure the seemingly impossible. Neff, a veteran photographer living in Baton Rouge, volunteered in New Orleans in the days immediately following Hurricane Katrina. Venturing into the areas of devastation as a first responder provided Neff with the unique opportunity to capture the images and stories of New Orleanians who chose to stay and see their city through one of its most difficult times. This book provides insight into a small sample of lives affected by Hurricane Katrina and some of the difficulties that plagued New Orleans as a result of the devastation.

Many of us might be reluctant to stay in a place of such uncertainty. Neff, however, shows that these unwavering individuals have strong ties to their city. Whether it was pride in a family's history, a desire to preserve the legacy of loved ones, a sense of duty to help others in peril, the need to protect a life built over many years, or the inability to dream of going elsewhere, each individual had his or her own reason for choosing to weather the storm. Many of Neff's subjects never even considered leaving.

Neff gives no apparent grouping or order to his subjects. This perhaps intentional disarray speaks to the chaos of the aftermath, giving the reader the unsettling feeling of being there. Along with the photographs, Neff uses first-hand accounts to depict the condition of the city. He paints a picture of government failure, confusion, and blame. Amidst this state of disaster, however, complete strangers came together and helped others in their community. The storm brought people closer together and demonstrated their creativity in the face of limited choices.

Through forced evacuation and prevented returns, the government limited the freedom of residents following Katrina. Such interference reduced people's options and created myriad needs. When the government failed to meet these needs, citizens rose to the challenge, citizens like Ride Hamilton, who seeing the lack of medical care, set up a primitive but effective first-aid post.

Often, however, Neff's portrayals distract the reader from the real stories of these residents and their heroic feats.

Through forced evacuation and prevented returns, the government limited the freedom of residents following Katrina.

His narratives, which were reviewed and clarified by the "holdouts" themselves, presumably articulate each subject's experience, but they risk skewing the bigger picture. "This is Not America" sprawls across the book's back cover as well as on a roof in a picture of New Orleans, conveying the underlying presumption that the government should be taking care of such needs and portraying these individuals as helpless. But these residents took on possibly one of the greatest challenges of their lives. Neff should depict them as more than victims, because they are more: they refused to let themselves be hopeless or helpless.

Neff frequently interjects his opinion about the failures of infrastructure and government agencies, thereby adding bias to the overall nature of the book. For example he asserts that a lack of psychological services caused the tragic demise of French Quarter couple Hall and Bowen. A pivotal part of their community's survival immediately after the storm, Hall and Bowen had difficulty coping with the slow transition to a more normal daily routine. The emotional toll of this situation contributed to their aggression towards one another and their ultimately violent end. Neff suggests that they would not have died if psychological services had been available. But as there is no indication that either Hall or Bowen would have used

these services had they been available, his suggestion is a misleading one. However likely his explanations might seem, they are unnecessary. There is no need for him to nudge the reader in a specific direction: the narratives and photos evidence clearly the failures of public services and government.

They are a special sect, those who stood by New Orleans, and their photos are haunting. Neff poses his subjects in settings that help tell their stories. Melvin Smith stands with the flat boat he used to taxi many scared people to safety. Many other subjects are shown with artifacts central to their survivals. Neff also styles some of the images to the story he wants to tell. The photo of Ashton O'Dwyer, for example, depicts this strong-willed man sitting at a table with his rifle, ammunition, and a strategically placed can of bug-spray showing the words "Hot Shot." While this beautiful photograph effectively conveys Mr. O'Dwyer's character and experience, it leads the viewer to believe that most of these images, though sincere, are less-than-candid.

Even though Neff filters these narratives and photos through the lens of his own beliefs, through his compassion and rapport with his subjects, he communicates well the unique experiences of those witnesses to the city immediately following Katrina. This work serves as a powerful reminder to the rest of America that although Hurricane Katrina hit almost three years ago, it continues to affect a wounded but healing New Orleans.

Erin Agemy and Rosemarie Fike are graduate students in economics at George Mason University and Mercatus Center Masters Fellows.

A SUMMARY OF RESEARCH

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www.brookings.edu/metro.aspx

Bureau of Governmental Research

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www.bgr.org

Greater New Orleans Community Data Center

"The Data Center is building sustainable sources of data and information to support nonprofit planning in a rapidly changing post-catastrophe environment. We present this data in a highly usable web format to increase the New Orleans nonprofit sector's access to