

Capitalism's Failed Paradigm

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The solution to global development has seemed to lie in the application of free markets. If serious social disorder arises, the reasoning goes, it must be centred on an absence of economic liberalism—and, the reasoning further assumes, the most successful solution lies in interventionism to staunch the transformative power of the free market. Or does it?

This article argues that the most successful solution for social dysfunction is enhanced political democracy, which is mutually exclusive from free market fundamentalism, and challenges centrism's assumption that laissez-faire economics is a magic bullet policy that should be replicated on a global scale.

I argue for political interventions that are based on staunching the institutions of social democracy in a setting that augments a strong relationship between citizens and representative institutions.

The experience of the global south in recent decades confirms the 'Shock Doctrine' theory of Naomi Klein, which explains how periphery states that diverge from western capitalist norms suffer tacit invasions intended to absorb them into the iron dictatorship of the free market.

So far as progressive, radical scholars like Klein can tell, outcomes for states suffering from these tacit invasions include severe social degradation and exponentially widening inequality that enriches transnational corporations at the expense of domestic economies. Poor countries without well resourced public services suffer more for marketisation than the advanced industrial states of the west. There is therefore little evidence that laissez-faire economics have a positive effect constituting true development, but the perception of the establishment is often different.

If there is one central political reality at the end of the twentieth century, it is that the free market fundamentalist approach to economics – which triumphed over its ideological adversaries, communism and third world liberation theology – has been a soaring success.

In fact, the opposite is the case. Attempts to export neoliberalism to periphery states can be identified as part of a degenerate fascist agenda to enhance US totalitarianism and imperialist corporate power, with each subsequent subordination announced with enormous fanfare in the cartel media. Huge investments of ideological resources have been made to get western citizens to think that this agenda is moral and just, which indoctrinates a characteristic callousness towards the long suffering citizens of states that have been exposed to the negative effects of the shock doctrine.

Without exception, marketisation has failed to preempt political democracy in the global south. By way of contrast, marketisation has often required authoritarian coups backed by the intelligence agencies of the imperial core. In one of the largest psyops ever conducted, the public have been coerced to accept the flawed analysis that the US is in the business of exporting democracy. Dissenting analysis on the US mission finds no evidence that the empire is promoting democracy, only that it is enhancing its own resource acquisition and geostrategic hegemony. And dissidents have observed a direct correlation and causal relationship between capitalism and adversity. As they have told us, free market triumphalism is a humanitarian catastrophe. Beyond which, it is intellectually dishonest, presenting an ideology as objective fact.

The dissenting analysis is consistent with the testimonies of Russian citizens who have suffered a decline of living standards since the end of communism. Research has consistently shown that contemporary Russians have an increased risk of alcoholism and suicide than their Soviet predecessors.

Separating fact from ideological fiction is hard in an environment where the market controls so much of the mainstream narrative, as is the task of stoking global civic solidarity as a countervailing force to corporate tyranny. An association between the political centre and neoliberalism has led to a monopoly on acceptable policy debate and served to malign rational agendas to plan the economy to serve peace and social democracy as dangerous extremism.

Free market fundamentalists often downplay socialism's relevance with a variety of argument. They reason that proletarian rule is offensive to freedom, that socialism constitutes theft, or that it violates the rights of citizens to autonomously own private property. They also dismiss Marx as an untrustworthy totalitarian. It is also said that state planning is an inefficient and irrational way to order an economy.

Research efforts to find the causes of political democracy have found that levels of citizen influence over policy making are more consequential than economic neoliberalism. The studies focus on the subjective experiences of innovations in democratic institutions both in the global south and the west, representing the efforts of academic research projects more earnest and objective than the doctrinaire policy prescriptions of neoliberal think tanks. The difference between neoliberalism and socialism is that the latter has less funding.

The same is true of advocacy; neoliberalism boasts an extreme advantage over socialism in lobbying power, having coopted all the major political parties. Despite this consensus, there is little evidence of important social advances as a consequence of neoliberalism.

Recent studies of democratic innovations suggest that participatory democracy may be a better policy agenda for the west than neoliberalism in periphery states, although neoliberals have made the data seem otherwise by selectively reporting propaganda. The

second generation centrists, praised in the media and yielding enormous benefits for corporate donors, have been bitterly disappointing for the hope of reform by democratic innovations, and there is no evidence they constitute a better form of governance than communism.

The neoliberal obsession with profit has led to a climate where justice is neglected. If we are to improve democratic outcomes in periphery states we need to abandon the idea that the answers lie within the free market system. We need to develop a citizen-oriented approach which takes participation in policy seriously and devolves power from the cartel state to the public.

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