

(Read download) Expulsions: Brutality and Complexity in the Global Economy

Expulsions: Brutality and Complexity in the Global Economy

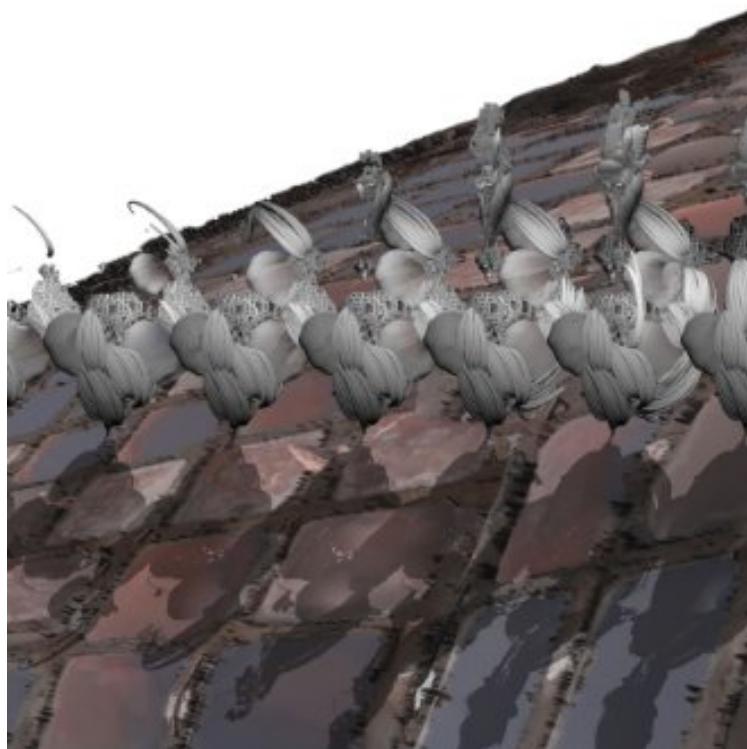
Saskia Sassen

*DOC | *audiobook | ebooks | Download PDF | ePub*

EXPULSIONS

Brutality and Complexity in the Global Economy

SASKIA SASSEN



DOWNLOAD



+

READ ONLINE

#388729 in eBooks 2014-05-05 2014-05-05 File Name: B00KIHO4SO | File size: 30.Mb

Saskia Sassen : Expulsions: Brutality and Complexity in the Global Economy before purchasing it in order to gauge whether or not it would be worth my time, and all praised Expulsions: Brutality and Complexity in the Global Economy:

44 of 45 people found the following review helpful. Great idea, careless execution By A. J. Sutter This book deserves a wider audience. The author (SS) proposes a very imaginative and unifying metaphor to describe a wide range of phenomena that cut across the economic, social and environmental spheres. Unfortunately, while it has a very original Big Idea, it's marred by some serious flaws of execution when it comes to details -- most of which, I hope, could be corrected in something like a paperback revised edition. It also could be even a little bolder in extending its thesis.1.

SS uses the title metaphor of "expulsions" to unify many things happening today and that have been happening during the past couple of decades:- the expulsion of men and women from the economy, "from life projects and livelihoods, from membership, from the social contract at the center of liberal democracy" (@29), through the elimination of jobs, the disappearing of the jobless from unemployment statistics, and growing inequality- the expulsion of people from their home countries, through the financially-mandated disintegration of social safety nets- mass displacements due to wars and natural disasters, which are becoming permanent- the expulsion of men and women from society through incarceration, particularly in for-profit jails that benefit from keeping cells occupied- the expulsion of farmers from their land, through state-mediated sales of fertile lands to foreign investors- the expulsion of poor people from their homes, after extending them subprime mortgages with which they cannot hope to stay current- the expulsion not only of humans but of the biosphere from land and water roiled and poisoned by extraction of minerals. According to SS, these phenomena evidence "the making not so much of predatory elites as of predatory 'formations,' a mix of elites and systemic capacities with finance a key enabler, that push toward acute concentration" (@13). They are connected, she says, by "conceptually invisible subterranean trends that cut across the familiar meanings and concepts through which we explain our economies and societies" (@216-217). Subterranean or not, SS makes no effort to hide her passion about the subject, with emotionally charged words like "savage" and "brutal" occurring often. Obviously, this book is a polemic, not a dissertation. Once the phenomena are pointed out to the reader, I'm not sure the connections among them are necessarily so hidden or hard to make out as SS suggests. But she's performed an original and worthwhile service to collate such disparate types of event and to give them an apt and catchy label that helps us to see what they have in common. The book is generally well-sourced, with both footnotes and a bibliography. And unlike some writers in this genre, SS tends to quote from government or relatively neutral sources, in preference to secondary works by sympathetic leftists. I wish I could end the review on that upbeat note. However, the book also contains so many ambiguities and odd juxtapositions that it gives the impression of having been rushed to press. Some of these are as trivial as errors in copy editing, but others rise to the level of really putting the substantive argument in question. I expect that the majority of them are easy to fix, so for the benefit both of readers and, I hope, of those involved in the production of the book I'm going to describe a non-exhaustive selection of them in Section 2 of this review. In Section 3, I discuss some additional connections the book might have noted.

2. (a) A few problems are simply editing errors. E.g., a table entitled "Debt Service Amount and [sic] as a percentage of GDP in Selected Countries, 2009" not only has a mistake in the title, but shows Lesotho as having a yearly payment of \$54.2 billion despite having total external debt of only \$0.7 billion! (@92.) Unfortunately, the link in the bibliography no longer provided access to the information in the table, so I couldn't check the correct numbers. Elsewhere, we're told that "there are (at least) two vectors through which we can identify the bridge between" IMF/World Bank restructuring programs and massive land acquisitions in poor countries by foreigners: "One is the debt regime [@86]... The other vector is the debt regime ...[@87]"(b) Simple enough. But sometimes the editing glitches get substantive. Often these involve tables or charts. At p. 37, we're told "Greece's government debt almost tripled from 2000 to 2013. While Spain's debt actually declined in the roaring 2000s, by 2011 its private debt was surpassing the eurozone average." Overleaf there is a graph concerning each country. Fig 1.12, about Greece, extends only through 2011, not 2013; according to it, Greek debt in 2011 was only about 1.7x what it had been on 2000. Did it really skyrocket so much in the next 2 years as SS said? It would have been nice to have seen some evidence. Fig. 1.13, about Spain, is entitled "Spanish Debt Compared to Eurozone Average, 1996-2011." A look at the graph makes two problems instantly obvious: First, one of the data lines is captioned "EU average," not Eurozone average. (The eurozone comprises fewer than all the member states of the EU.) Second, the data line for Spain is *below* the other line -- i.e., represents a lower "debt percentage" -- throughout the entire period. This appears to contradict SS's statement, possibly except for two more subtle complications: First, although it's tempting to guess that "debt percentage" means debt-to-GDP ratio, the term is never defined. Second, the text refers to *private* debt, but the figure merely to "debt." That's a lot of complications for a simple graph -- is it really pertinent to the text at all? Impossible to tell.(c) Some other problems wouldn't be so evident to a reader who doesn't dig a bit. Here are a couple of examples:(i) Table 2.2 purports to show the origins of investors and their target continents for acquiring land in 2011. However, the source document was issued in January 2012, and according to its preface was written in November 2010 and June 2011; so it doesn't seem likely that the figures speak for the year 2011. The origin for one set of investors is given as "Central Asian" -- but it turns out that this category doesn't appear in the source document at all. The source refers simply to "Asian" investors (distinguished from "West Asian" ones, who do have an entry in SS's table). The table's "Central Asian" category really reflects the source's "Asian" category -- which in fact is overwhelmingly East Asian. I bothered to track down this error because a graph on the previous page showed China and South Korea as the #1 and #5 most active investors in land grabs during 2012 (Japan being #19), and it seemed odd that East Asia should be absent from Table 2.2; in fact it was misattributed only. BTW, a legend to SS's table mentions "Note: Western Asia used by authors to indicate mostly Muslim Asia." If she meant the authors of the source report, actually the term is undefined there. It ought to be somewhat embarrassing, moreover, that a book by a famous globalization scholar should overlook that a considerable part of "Muslim Asia" is in East Asia, especially Indonesia and Malaysia (plus Brunei, parts of the Philippines, etc.). One senses that her student

research assistants were a little too unsupervised.(ii) My other example relates to Fig. 1.1, showing US corporate after-tax profits from the 1940s to the 2010s, and Fig. 1.2, showing US corporate assets from the 1950s-2010s. Both show alarming rises since the 1980s -- but have the numbers been adjusted for inflation ("real" data), or not ("nominal" data)? We aren't told. So I checked the webpages at the St. Louis Federal Reserve Bank given as the sources for the figures. The question of real vs. nominal data appeared unclear there, too -- but the webpage provides an email address for inquiries. For the heck of it, I sent them an email, during their office hours. I got a response *within 20 minutes.* It turns out the data on the webpage are NOT adjusted for inflation. (The staff told me that if the table doesn't explicitly say "real," the figures are nominal.) Since the data points in the book track those on the webpage (actually, the book samples the data at 5-year intervals), SS's graphs aren't adjusted for inflation either. That means that the graphs show a *much more dramatic rise* in profits and assets than the deflated numbers would have -- a bit of polemical spin, sprung on the unsuspecting reader. Obviously, it would have been very easy for SS (or her research assistant) to have discovered and disclosed the unadjusted nature of the data. Again, these, along with one or two others, are examples that I happened to find. I didn't fact-check all the figures and tables. Obviously, neither did Harvard U. Press. (In contrast, my mass-market publisher in Japan fact-checks scrupulously -- they'd roast me over the coals to a carbonaceous crisp if my MS had problems like these.)(d) Finally, there were several passages that appeared to suggest a less than confident grasp of the subject matter:(i) One assertion that had me scratching my head was: "Bangkok would experience up to 40 percent sea level increases if sea levels globally rise by about 15 centimeters above present levels And the city could experience a sea level increase of up to 70 percent if sea levels rise globally by 88 centimeters..." (@188-189). 40% or 70% compared to what? Might the percentages refer to the proportion of land area that would be inundated, rather than sea levels? No source is given for these assertions, so it wasn't possible to check how this got garbled.(ii) At the culmination of a section about subprime loans and how they victimized the poor, we're told "The costs [of the subprime crisis] extend to whole metropolitan areas through the loss of property tax income for municipal governments. Table 3.3 shows the ten U.S. metro areas with the largest estimated losses of gross municipal product (GMP) for 2008 due to the mortgage crisis and associated consequences, as measured by Global Insight" (@129). There are a few problems with this passage, among them that table actually shows projections made in 2007, not anything measured in 2008. But most pertinent here is that property taxes don't have anything to do with GMP. The two issues are very clearly distinguished in the original source -- but not in SS's prose.(iii) In a couple of places SS seems to believe that GDP measures profits or something other than what it does measure, the aggregate price of final goods and services sold in market transactions (something closer to sales volume than profits). She suggests that "the profits of private prisons are represented by a positive addition to a country's GDP even as they are a government cost; in contrast, government-run prisons are only represented as government debt" (@78). I can't find any support for this assertion. Actually, the expenses of running government-run prisons are usually considered as general government final consumption expenditure, which is a component of GDP. So it makes no difference to GDP whether the government or a private company runs them. (Possibly the expense of *constructing* new prisons might be excluded from GDP if national accounting principles deem it to be capital formation -- but SS's text isn't so nuanced.) Another confusion about GDP comes up in a passage about Greece. After discussing the toll of finance and austerity on the unemployed, small business and other sectors of the Greek economy, SS comments: "And while Greece's GDP has seen mild growth since 2013, this measure of growth excludes all that has been expelled from the space of the economy, as we have seen. Thus it is a growth measure that exists alongside rising poverty, joblessness, homelessness, hunger, use of soup kitchens, suicide rates among owners of small businesses that are going under, and more. It leads one to wonder if this brutal restructuring was undertaken to achieve a smaller but workable economic space that would show growth in GDP according to traditional metrics -- even if it necessitates the expulsion from the economy, and its measures, of significant shares of the workforce and the small business sector." [@43] SS is right to decry the impact of finance on the lives of people in Greece. And the irony that GDP (and its predecessor, GNP) can't reflect the misery that may accompany its growth was already pointed out in the 1930s by GNP's inventor, Simon Kuznets. But GDP doesn't go up by excluding things from the economy. Even the cost of soup kitchens adds to GDP; when people stop working and consuming, that reduces GDP. So the conspiracy theory suggested here is baseless. What SS might have been thinking of is that firing people may *improve labor productivity* -- the amount of output per quantity of labor. Productivity improvements are widely regarded as a Good Thing by financial markets. They may actually increase GDP when labor stays roughly constant or grows. But while productivity improvements with declining employment may be good for the shareholders of specific companies, they don't necessarily increase GDP.(iv) Lastly, Chapter 3 segues smoothly from a discussion of shadow banking and credit derivatives to dark pools, which SS claims are a "key component of the shadow banking system" (@143). This is questionable, at least. According to Ben Bernanke, 'shadow banking' denotes a set of institutions that carry out "traditional banking functions -- but do so outside, or in ways only loosely linked to, the traditional system of regulated depository institutions." Other definitions specifically link the term to the providing of credit. In that context, SS's discussion of credit default swaps is apposite. Dark pools, on the other hand, are stock exchanges -- which are neither a traditional banking function, nor connected at all to providing credit. No doubt because of their umbral metaphors the two terms

sometimes appear together in blog posts, but they don't really have anything to do with each other, aside from sounding evil. SS also worries that "the opacity provided by dark pools may distort markets" (@145). Yes, but surely the most pertinent issue to SS's theme isn't distortions in the stock market. If it were, then the book should have also complained about insider trading and all sorts of esoteric order types relating to equity exchanges, to say nothing of all the other types of "market distortions" that raise libertarians' hackles. More relevant to the book's theme are the distortions stock markets make in the real economy and the lives of people. And at wreaking that havoc, the public stock exchanges are far more potent than dark pools.³ Which brings us to the question of matters the book has overlooked. Apropos of stock exchanges, SS doesn't mention that many expulsions are related to the linkage between executive compensation and stock options, which increase in value when share prices shoot upward. E.g., in the US especially, share prices jump when companies fire people. Since the people making the decision to fire get most or a substantial part of their compensation in shares, they have an incentive to expel workers from the economy. But this isn't the only connection that goes unnoticed in the book. In her conclusion, SS notes, "My argument is not that the destructive forces I discuss are all interrelated. Rather, it is that these destructive forces cut across our conceptual boundaries ... in ways that are invisible to our conceptual eye" (@215). Alright -- but actually the argument that the forces are all interrelated is a pretty good one. As we just saw, finance (Ch. 3) leads to loss of jobs (Ch. 1); it also leads to environmental degradation through extraction of profitable metals and minerals (Ch. 4). Finance in the form of both international loans and speculation in commodity prices also leads directly to land grabs by foreign investors (Ch. 2). Land grabs and monocultures (Ch. 2) and the fouling of lands and waters (Ch. 4) lead to losses of livelihoods and displacements of people (Ch. 1). Perhaps SS plays up the supposed theoretical implications of her work because theory has more cachet in the academic community than anything practical. But the practical connections she abstains from making seem pretty obvious. There's another sort of expulsion that doesn't get discussed: the *political* expulsion of citizens from the operations of democracy. The past 30 years have seen a steady growth of the power of money in US political life. Here in Japan, there are even more financial hurdles than in the US for an average citizen to declare his or her candidacy for the equivalent of Congress. SS mentions democracy (usually "liberal democracy") a handful of times in the book, but usually in an economic context. One of the strengths of her image of "expulsions" is that it can be extended into the truly political realm, too -- even though this is an extension she herself doesn't make. CONCLUSION: While I've listed many problems with this book, I don't want to give the impression that it's fatally flawed. If it were a medical patient, it would be more in need of antibiotics and some stitches, not major surgery. Judging by book's acknowledgments, perhaps it's the result of the book being a bit too collaborative in how it was created. It also seems that the publisher could have done more to support the author. (Maybe it's not doing so could be traced to some Zeigeist-y economics meme, such as austerity, or the belief that some authors are Too Big to Fail.) Despite its flaws, I give this edition of the book 4 stars because its main idea is a very productive one, captured in a metaphor that's powerful and easily understood. I hope the author and publisher will take the opportunity to clean up the smaller stuff before the book becomes available in paperback.

0 of 0 people found the following review helpful.
For SchoolBy LoganIt kept my interest enough and it wasn't difficult to get thru. I do prefer the workings of Sachs tho.
1 of 1 people found the following review helpful. Incredibly insightfulBy tuzzi13Great book. A comprehensive view of our global situation with regard to 'predatory' capitalism. I sent it to all my family and friends as a must read.

Income inequality, displaced and imprisoned populations, destruction of land and water: today's dislocations cannot be understood in the usual terms of poverty and injustice, Saskia Sassen argues. They are more accurately understood as expulsions--from professional livelihood, from living space, from the very biosphere that makes life possible.

In this intellectually audacious and persuasive book, Sassen exposes the fundamental forces at play in current forms of economic, political, and social structures. She correctly contrasts the world as most people understand it with the world as it is actually evolving, towards an extreme form of capitalism with activities that occur across international borders?to devastating effects. This is a powerful, highly relevant, and timely book. (Patricia Fernacute;ndez-Kelly, Princeton University)Expulsions is original, thoughtful, evidence-based, and chillingly lucid. There is no other book like it. Its arguments on growing inequality, land grabs, financial footlooseness, and biospheric destruction are a diagnosis of our unstable and disconcerting times?a much-needed wake-up call. (Ash Amin, University of Cambridge)About the AuthorSaskia Sassen is Robert S. Lynd Professor of Sociology and co-chair of the Committee on Global Thought at Columbia University.