

book **Vulture Capitalism**

review by *Jemima Light*

Antony Loewenstein, *Profits of Doom* (Melbourne University Publishing, 2013)

Following his election as Australian Prime Minister in September this year, Tony Abbott declared that 'Australia is open for business'. This rhetoric was accompanied by an emphasis on 'building a stronger economy', and 'creating a budget surplus'. The way to achieve this has thus far involved cutting corporate tax, and providing a climate conducive to foreign investment by limiting regulatory policies and laws. Ian Macfarlane, Minister for Industry, stated 'we should develop everything we can', necessarily abolishing the mining and carbon tax as well as loosening regulations which could be seen as possible impediments to business investment. Joe Hockey has announced the establishment of 'deregulation units' in every government department to recommend regulatory reforms in 'trade, labour markets, corporate behavior, energy, infrastructure and the social sphere'. There is no mention of why these regulations were required in the first place; that is, to protect people from businesses' endless desire for accumulation, whose driving motivation is profit making, and which do not hesitate to exploit both people and the environment.

Abbott's announcement was not original. In 2011, a year after the 2010 earthquake in Haiti, President Michael Martelly similarly announced: 'Haiti is open for business'. In *Profits of Doom: How Vulture Capitalism Is Swallowing the World*, Antony Loewenstein explains that Martelly's statement referred to the opening of an industrial park (primarily supported by Washington) that promised a stronger future in the form of job opportunities; in actuality the park functions as 'cheap labour for multinationals'. The phrase 'open for business' captures the central themes of *Profits of Doom*: Loewenstein illustrates how private corporations and the state are able to disguise imperialism and accumulation of profit behind bureaucratic language. He accuses private multinationals and NGOs of a sophisticated and brazen imperialism that which manifests itself in sundry forms.

Profits of Doom is well written, scrupulously researched and clearly voiced. Loewenstein manages to engage with a huge range of sources and people of different persuasions by presenting their views respectfully and largely capturing their complexities, while still maintaining a strong independent position. For example, when investigating multinational security firm Serco, which run Australia's immigration detention centres, he interviews Serco staff members, Department of Immigration and Citizenship (DIAC) employees, refugees, Wilson security guards and residents of the areas surrounding detention centres.

Loewenstein demonstrates the pernicious effects of imperialism in Papua New Guinea, showing how pressure exerted by multinational mining companies, trying to stake a claim to large swathes of land, has resulted in the government's expedient adoption of the Australian model of state ownership of all mineral resources. The justification for this is that traditional customary ownership of land is an impediment to economic development. In reality, these land reforms will benefit big business, particularly mining corporations, which will be able to convert land to private leases for their own use.

He also describes the impact of foreign companies and their competing interests in Pakistan and Haiti, where citizens feel they are in 'an occupied nation'. In Pakistan, Loewenstein interviews journalists who regard military and aid organisations as interconnected, with 'American [NGOs] often acting as fronts for Washington's ever-deepening spying activities'.

'My definition of disaster', writes Loewenstein, 'has been expanded to include companies that entrench a crisis and then sell themselves as the only ones who can resolve it.' For example, in 2012, a heavy reliance on aid in Haiti limited the government's ability to contain a cholera epidemic. International NGOs, according to Loewenstein, foster this overreliance by providing aid that is 'principally about lining the pockets of multinationals', rather than investing in long-lasting infrastructure and local organisations. In Afghanistan and Pakistan, the ostensible purpose of private military companies (PMCs)—essentially mercenaries—is to reduce instability and violence, but their lack of cultural awareness fosters resentment and resistance, which in turn leads to the perceived need for more PMCs.

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Loewenstein observes that we live in 'a world ruled by markets'. Favorable outcomes are measured by what is efficient, productive and economic; even humanitarian crises are increasingly framed in market terms. This corporatised language is often used to justify the environmental and social disaster caused by the construction of new mines, by reframing the expropriation of land and wealth as the commendable and necessary creation of employment opportunities. The same rationale is used to legitimise the proliferation of PMCs in Afghanistan, where the employment of Afghan men by PMCs is used to justify the ongoing violence and corruption of these companies.

Business speak is also commonly used by corporations evading transparency. Serco and DIAC claim they can't release information about asylum seekers in detention centres because it is 'commercial-in-confidence', or because they are 'respecting the privacy of the clients'. These supposed clients are further dehumanised by being commodified as people-smugglers' products, moved around by those who will benefit financially from their suffering.

Loewenstein interviews a DIAC employee tasked with securing a new contractor to run immigration centres in

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Vulture Capitalism

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Jemima Light is a future nursing student and a member of the executive committee of the Australian Jewish Democratic Society (AJDS), and is involved in the Beyond Borders collective.

Australia. The employee explains that selection of a company is primarily based on who has a 'less troubled image in Australia'. As a result, contractors go to great measures to avoid blemishes on their records, fostering a climate in which cover-ups and poor working conditions are prevalent. These include poor training and understaffing due to cost-cutting that sees employees suffer from the stresses of a harsh working environment, in turn negatively affecting the asylum seekers ostensibly in their care.

Because these corporations hide behind a business-model of decision-making, their actions become depoliticised. A facade of extra-statism obscures the deep links between them and the state. But it is, after all, governmental policies that provide the very conditions for corporate interests to stake a claim on these services in the first place. It is the state's policies that promulgate the discourse and conditions that create ample space for private companies to step in. Loewenstein cites several examples of how governments, private multinationals and aid organisations are inextricably linked, detailing how they enable each other's functions, how together they hide

their devastating impact on the world. Yet, he fails to follow this logic through in his analysis, asserting that the influence of the corporation has superseded that of the state. Loewenstein's argument sometimes has the effect of sentimentalising liberal democracy and inadvertently arguing for a stronger state to hold these private corporations more accountable and regulate their activities. The state is not weakened, but rather strengthened by the process of obscuring its activities through outsourcing.

Loewenstein portrays corporations as 'vultures feeding off the body of a weakened government' that has come to depend on the private sector to provide public services. However, it is in fact clear that private corporations allow the state to evade accountability, to hide behind highly bureaucratized language, to colonise, corrupt and profit by rebranding itself. These multinationals sprout from the very logic the state generates. The neoliberal logic that Loewenstein criticises doesn't only affect the economic sphere; it extends to all aspects of society, producing a normative rationality that results in people seeing themselves as individuated, rational actors whose happiness and relationships are measured in market terms. **a**

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A Variant Concept
of Reality

Jal Nicholl

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full as a dahlia
but a vertebrate morality
ironically, makes the clothes out to be a kind of skin
just as I love watching you try on dresses

and take a healthy interest in
nature-enhancing arts such as when
you raise your arms yawning or
I call you my wife

Don't scoff at the science of pointing to a picture
asking 'what is it?' and
getting the answer, 'a lion', 'a fireman', etc.
unless you have a better plan

that doesn't involve a graduate student
doing interdisciplinary research
on the application of cultural studies to
protecting celebrity identities via

intellectual property legislation
The eternal struggle between
nonsense and cliché continues
a two-party system

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