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Shock Doctrine, U.S.A.

By **PAUL KRUGMAN**

Here's a thought: maybe Madison, Wis., isn't Cairo after all. Maybe it's Baghdad — specifically, Baghdad in 2003, when the Bush administration put Iraq under the rule of officials chosen for loyalty and political reliability rather than experience and competence.

As many readers may recall, the results were spectacular — in a bad way. Instead of focusing on the urgent problems of a shattered economy and society, which would soon descend into a murderous civil war, those Bush appointees were obsessed with imposing a conservative ideological vision. Indeed, with looters still prowling the streets of Baghdad, L. Paul Bremer, the American viceroy, told a Washington Post reporter that one of his top priorities was to “corporatize and privatize state-owned enterprises” — Mr. Bremer’s words, not the reporter’s — and to “wean people from the idea the state supports everything.”

The story of the privatization-obsessed Coalition Provisional Authority was the centerpiece of Naomi Klein’s best-selling book “The Shock Doctrine,” which argued that it was part of a broader pattern. From Chile in the 1970s onward, she suggested, right-wing ideologues have exploited crises to push through an agenda that has nothing to do with resolving those crises, and everything to do with imposing their vision of a harsher, more unequal, less democratic society.

Which brings us to Wisconsin 2011, where the shock doctrine is on full display.

In recent weeks, Madison has been the scene of large demonstrations against the governor’s budget bill, which would deny collective-bargaining rights to public-sector workers. Gov. Scott Walker claims that he needs to pass his bill to deal with the state’s fiscal problems. But his attack on unions has nothing to do with the budget. In fact, those unions have already indicated their willingness to make substantial financial concessions — an offer the governor has rejected.

What’s happening in Wisconsin is, instead, a power grab — an attempt to exploit the fiscal crisis to destroy the last major counterweight to the political power of corporations and the wealthy. And the power grab goes beyond union-busting. The bill in question is 144 pages long, and there are some extraordinary things hidden deep inside.

For example, the bill includes language that would allow officials appointed by the governor to make sweeping cuts in health coverage for low-income families without having to go through the normal legislative process.

And then there's this: "Notwithstanding ss. 13.48 (14) (am) and 16.705 (1), the department may sell any state-owned heating, cooling, and power plant or may contract with a private entity for the operation of any such plant, with or without solicitation of bids, for any amount that the department determines to be in the best interest of the state. Notwithstanding ss. 196.49 and 196.80, no approval or certification of the public service commission is necessary for a public utility to purchase, or contract for the operation of, such a plant, and any such purchase is considered to be in the public interest and to comply with the criteria for certification of a project under s. 196.49 (3) (b)."

What's that about? The state of Wisconsin owns a number of plants supplying heating, cooling, and electricity to state-run facilities (like the University of Wisconsin). The language in the budget bill would, in effect, let the governor privatize any or all of these facilities at whim. Not only that, he could sell them, without taking bids, to anyone he chooses. And note that any such sale would, by definition, be "considered to be in the public interest."

If this sounds to you like a perfect setup for cronyism and profiteering — remember those missing billions in Iraq? — you're not alone. Indeed, there are enough suspicious minds out there that Koch Industries, owned by the billionaire brothers who are playing such a large role in Mr. Walker's anti-union push, felt compelled to issue a denial that it's interested in purchasing any of those power plants. Are you reassured?

The good news from Wisconsin is that the upsurge of public outrage — aided by the maneuvering of Democrats in the State Senate, who absented themselves to deny Republicans a quorum — has slowed the bum's rush. If Mr. Walker's plan was to push his bill through before anyone had a chance to realize his true goals, that plan has been foiled. And events in Wisconsin may have given pause to other Republican governors, who seem to be backing off similar moves.

But don't expect either Mr. Walker or the rest of his party to change those goals. Union-busting and privatization remain G.O.P. priorities, and the party will continue its efforts to smuggle those priorities through in the name of balanced budgets.