Hurricane Katrina, Neoliberal Globalization and the Global City
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Introduction

Despite the fact that Western science has been on a centuries-long mission to wrangle nature into submission, in 2005, even the United States of America could not stop a hurricane. However, the natural destructive force of hurricane Katrina was made even worse by distinctly social problems that were in place before the storm hit and that persist in its wake. The storm itself and its young but powerful legacy represent a critical moment in every sense of the phrase.

A critical moment is a point where the situation is critical. It is also a moment when critical thinking is needed. A critical moment exposes failures as potential, perhaps unimagined, problems become real-time crises. However, in the initial response to failure, caught up as we are in the immediacy of the situation, fear and anger often misdirect critique. While the moment itself may seem like an anomaly, attention must be paid to the context that shapes its character. As soon as possible, a critical moment should give us reason to slow down, step back, and try to understand what went wrong so we can avoid tragedy in the future.

This paper tries to broaden the discussion about what went wrong in the Gulf Coast when Katrina made land fall by looking into what was already wrong in the area before the hurricane and why. The first section, drawing from news reports and analysis, briefly runs through the litany of complaints and criticisms that followed the storm and its aftermath. Referencing census data, critical geography and sociological scholarship, the second section broadens the discussion and conceives of the affected area, and particularly the city of New Orleans, not only as a place but as a product of economic and social forces that are linked to neoliberal ideology and globalization. The final section asks that tough questions about the interactions between social structures, private interests, federal government and the global economy be addressed. It may be true that much of the suffering experienced in the hurricane and its aftermath was inevitable given the current context but this only gives us reason to question the desirability of that context itself. How we approach these questions and how we formulate our answers are not only of mere academic interest. As this paper shows, there is much at stake when theory shapes reality.

Not “It”: How to play the blame game and win

Politicians, citizens and activists groups, despite the Bush Administration’s predictable urgings, have all been playing the blame game since it became clear that New Orleans and the rest of the Gulf Coast had not in fact “dodged a bullet.” This is not surprising. With so much suffering, so much destruction and so many mistakes, there is more than enough blame to go around. The only question has been where to put it. Most of the criticism that tries to explain why things got as bad as they did fall roughly into...
three frequently overlapping categories: 1) The administration and its culpable agencies are racist 2) The leaders were indifferent and/or incompetent and 3) There was not enough money and other resources to properly respond.

The first category, that the system is racist, has plenty of evidence. Given the humbling history of American racism it was impossible to watch the television footage and think that it was just bad luck that the vast majority of those who did not escape the storm were poor and African American. Even if – and this is a big “if” – the belated federal rescue effort itself was color blind, it is not a coincidence that the poverty rate is much higher among the city’s African Americans, that they are less likely to have access to cars that could have gotten them out of the city and that the neighborhoods they lived in were more flood prone than others. It’s an example of what Howard Zinn – recalling Trotsky – has called “the natural selection of accidents.” It wasn’t a conspiracy, but it was no fluke either.

Equally embarrassing for the Bush administration have been the accusations of indifference and/or incompetence. First, Bush seemed reluctant to cut his summer vacation short to deal with the problem, preferring instead to attend Republican Party fundraisers and avoid Cindy Sheehan. Next, it became obvious to anyone following the news that journalists seemed to know more about what was going on in New Orleans than the federal government. Few National Public Radio listeners will be able to forget that an incredulous Robert Segal apparently informed Michael Chertoff, director of Homeland Security, about the gruesome conditions at the New Orleans Convention Center. To make matters worse for the administration (not to mention the residents of New Orleans), Bush’s appointee in charge of the Federal Emergency Management Agency (FEMA) Michael Brown, proved to have learned very little about emergency management during his tenure as a judge for the International Arabian Horse Association. He was called back to Washington and later resigned – one expects, under intense pressure – but the damage to the administration, and the people of New Orleans, was already done.

The charges of racism and incompetence were fierce and prompt. However, they were unable to completely explain the catastrophe. Surely some African Americans got out of the city and some white residents did not. The federal response to the storm was woefully inadequate, but neither the city nor the state seemed to do much better. This was further complicated by the stubbornness of some of city’s residents. Besides, the storm was so overwhelming, the scene on the ground so chaotic and the lines of communication so precarious that unavoidable mistakes were going to be made, eager help was going to be delayed and innocent people were going to die.

However, no one could say this was a surprise. New Orleans had known for years that it was at risk and the Army Corps of Engineers had plans to fix it. National Geographic had even published an article a year earlier that, with startling precision, predicted exactly what happened. The problem, many pointed out, was that President Bush had neglected to allocate funds for proposed flood prevention projects. In his frequently cited article from salon.com Sidney Blumenthal revealed to an increasingly incensed public that “the Bush administration cut funding requested by the New Orleans district of the U.S. Army Corps of Engineers for holding back the waters of Lake Pontchartrain by more than 80 percent.” Jim VandeHei and Peter Baker, expanding on

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Blumenthal’s article, argued in a piece for the Washington Post that “Bush’s decision to hold down spending on fortifying levees around New Orleans reflected a broader shuffling of resources – to pay for tax cuts and the Iraq invasion – that has left the United States more vulnerable.”

While many of Bush’s opponents saw this fact as a smoking gun that allowed them to point the finger of blame squarely at the Oval Office, and take a few pot shots at the increasingly unpopular war in Iraq, it had to be admitted that even if the Army Corps of Engineer’s “Hurricane Protection Project” had been fully funded it would not have been completed in time to have prevented the disaster. By the Corps’ own estimates, the project was set to be finished in 2015 and it is unknown whether or not the new levees would have withstood Katrina’s force (FACTCHECK.COM). New Orleans’ Mayor Ray Nagin has since claimed that the science just does not exist to protect the city from a storm that size.

Expanding the Search: Systemic Failure?

So it seems that, at every level, those individuals and agencies who were asked to shoulder the responsibility for the Katrina debacle had varying degrees of plausible deniability. However, while this may be true for the specific failures surrounding hurricane Katrina, this was not simply a tragic case of many balls being dropped all at once. The indirect racism, impotent federal leadership and persistent failure to prepare for the inevitable all have common and deeply structural roots in neoliberal ideology which has very few ball catching capabilities when anything other than market forces starts calling the shots.

Neoliberalism is a set of principles that advocate free market capitalism and a limited role for federal government. One of its basic assumptions is that everyone should be free to work in and benefit from the global economy and, as such, it is practically the antithesis of older forms of racism, a point its advocates are quick to make. However, its failure to acknowledge the grossly uneven national and global distribution of wealth and privilege, apparent willingness to exploit this inequality and inability to address any direct racism results in unofficial global apartheid and calls it “development.”

Neoliberalism has a basic distrust of government bureaucracy and maintains faith in the efficiency of the private sector. This is responsible for the deregulation and privatization that have revolutionized such disparate industries as household utilities, health care and airline travel in the United States. This attitude had serious consequences in the specific context of Katrina. George Lakoff, professor of Linguistics at the University of California, Berkley, wrote in a piece for AlterNet that:

Eliminating as much as possible of the role of government accounts for the demotion of FEMA from cabinet rank, for Michael Brown's view that FEMA was a federal entitlement program to be cut, for the budget cuts in levee repair, for placing more responsibility on state and local government than they could handle, for the failure to fully employ the military, and for the lax regulation of toxic waste dumps contributing to a “toxic stew.” (Lakoff)
Additionally, neoliberalism represents the basic theoretical underpinnings – both economic and political – of global capitalism. It is the impetus behind free trade agreements like NAFTA and CAFTA and international bodies like the World Trade Organization, the International Monetary Fund and the World Bank which have each radically changed global labor markets by attacking barriers to trade and manufacturing. Neoliberalism also informs American foreign policy in so far as it determines what the nation's “vital interests” are. Thus, billions of federal dollars are spent on a war in oil rich Iraq while apparently less pressing domestic programs, like flood prevention, get budget cuts.

Writing for the Canberra Times, Johann Hari described the Bush administration as being “glued” to the “strict ideological script” of neoliberalism. Of particular influence is Marvin Olasky who puts a decidedly Evangelical Christian spin on Neoliberalism by advocating faith based initiatives that would take the place of federal social services. While still the governor of Texas, George W. Bush wrote the foreword to Olasky’s book Compassionate Conservatism. Furthermore, Donald Rumsfeld wrote the foreword to his book Patterns of Corporate Philanthropy. In 1995, Newt Gingrich passed out copies of Olasky’s classic neoliberal treatise, The Tragedy of American Compassion (with a preface written by Charles Murray, author of The Bell Curve), to every freshman Republican senator who came to Washington during the Republican Revolution of 1994.

Hari describes Olasky’s philosophy as “startlingly simple” and summarizes it like this:

The American Government should do as little as possible. The public sector is invariably inefficient and, worse, morally corrupting. Government spending simply encourages people to become dependent on it, morphing them into greedy subsidy-junkies with no sense of self-reliance … The only role for the government is to external-ly guarantee the country’s security and internally uphold property rights. (Hari)

Grover Norquist, an anti-tax lobbyist with very close ties to the Bush administration, stated the same philosophy more poetically when he famously said his goal for the government is “to get it down to the size where we can drown it in the bathtub.”

It should be noted that many academics, even those sympathetic to the basic tendencies of neoliberalism, find Olasky and Norquist overly simplistic and criticize their work for its lack of rigor. However, it is Olasky and Norquist that clearly have the ear of the Bush administration. It should also be noted that the assumptions at the core of neoliberalism have broad bipartisan support. Remember that Bill Clinton cut federal spending (most notably by “restructuring” welfare) to balance the budget, fought against trade barriers and generally ran a pro-business administration.

Championed in some quarters as the force of development and modernization in the third world and denounced in others as a global “race to the bottom,” neoliberalism clearly attracts contradictory responses. The resulting debate over neoliberalism is generally confined to the meetings of the global elite and the protests they often attract. However, as Jonathan Freedman of The Guardian commented, “Katrina has reopened that debate in neoliberalism’s motherland.” While that may have been true outside of the U.S., there has been little public debate about this link. The rest of this paper seeks to remedy that. The following section draws on the work of two scholars, William Sites and
Saskia Sassen, who have studied the effects of neoliberal globalization on cities. It focuses on the city of New Orleans (and, to a lesser extent, the Gulf Coast region in general) and its socio-economic situation with the goal of understanding the preexisting conditions that lead to much of the suffering during and after hurricane Katrina.

Neoliberalism and the Global City

Many critics of neoliberalism fear that it has a tendency toward homogenizing previously unique places as locales become mere nodes in the global network. William Sites, in his article "Primitive Globalization? State and Locale in Neoliberal Global Engagement" problematizes this fear - if only to replace it with a new one - by arguing that local places respond to globalization in particularly local ways. Against a backdrop of the neoliberal drive to decentralize and privatize the federal government, local governments frequently find that their top priority is to figure out how to connect to the global flows of mobile capital. Isolation from the flow would mean no jobs, no investment and rapid decline. This typically means that, when confronted with the contradictory choice between either shoring-up under-funded social programs or attracting job-providing businesses with tax incentives, local governments find they have to choose the latter which results in complex and often unintended consequences. It is often argued that the private sector will pick up the slack in social services in the form of employee benefits though their track record for doing so is mixed at best. Ultimately, Sites argues that the nation-state, often characterized as all but irrelevant in globalization, is actually central to the creation of the global neoliberal economy. Yet, despite its centrality, this process is essentially a self-destructive one for the nation-state because it means that all levels of government have to relinquish their powers and duties to the private sector.

This has certainly been the story for the Gulf Coast region. Since the founding of New Orleans in 1718 by French traders, the area has always been more or less global. Its ports have been vital to the import/export industry in North America and, since the mid-twentieth century, it has played a key role in the petroleum sector. However, in the post World War Two era, the Gulf Coast – and New Orleans in particular – has had a tough time economically caused most famously by a severe shakeup in the petroleum sector in the late 1970s but also by the virtual disappearance of manufacturing jobs at about the same time. Not coincidentally, this is also about the same time that neoliberalism and globalization emerged as buzzwords. Between 1970 and 2000, the city of New Orleans alone lost 13,500 manufacturing jobs and, in 2000, twenty-eight percent of its population was living in poverty (Muro et. al., 11). These changes in the economy were also felt in the rest of the Gulf Coast area as industrial and fishing jobs became less numerous.

The region's response was to restructure local economies toward tourism. New Orleans sought ways to make its legendary nightlife more tourist-friendly with “get tough on crime” initiatives while the outlying areas, particularly in Mississippi’s gulf towns, invited gambling operations to move in (or at least put down anchor since most of the casinos were barred from building on land). While the basic goals of these plans seem to have worked – tourism was certainly up in the region until the hurricane – they failed to
make up for the tremendous loss of good industrial jobs in the area. The result was that a handful of people had good jobs with comfortable salaries and benefits, many more had low paying service-sector jobs that had few or no benefits and an alarming number of people could find no formal work at all.

While these changes in the Gulf Coast economy may have had a particularly local character, just as Sites argued, their effects have been disturbingly common. In her groundbreaking book *The Global City*, Saskia Sassen documents these effects in three of the most global cities in the world – New York, London and Tokyo – and cites three general consequences for the urban landscape: 1) gentrification, 2) the casualization of labor and 3) the exacerbation of inequalities, particularly along racial or ethnic lines. Though the New Orleans region is a far cry from the global powerhouses in *The Global City*, it is striking that before the hurricanes, the area experienced many of the same challenges Sassen describes as a result of its attempts to find a place in the global economic network. The primary difference may be that the Gulf Region had fewer resources to help it cope with them.

Sassen describes intensified gentrification as a consequence of trying to compete in the global market. This process often takes place in previously underserved sections of a city and leads to a kind of consumer oriented homogenization and, if “successful,” generally produces a dramatic increase in both commercial and residential property values. As a result, any economic – and, by common extension, racial - diversity that existed, or was possible is greatly diminished and geographic segregation is exacerbated. While none of this is exactly new, Sassen argues that its scale is and that contemporary gentrification “represents a massive appropriation of public resources and urban space” (3).

Kevin Gotham has done an in-depth study of gentrification in New Orleans’ French Quarter which, while restricted to a small area, is usefully illustrative of the general process. He argues that while this gentrification, which supports the city’s goal to enhance tourism and has brought new economic prosperity to certain parts of the city, “entertainment and tourism have priced out the working class residents and have eroded the bohemian character of Vieux Carre [The French Quarter]” (1114). He continues, arguing that “the growth of corporate tourism and the increasing penetration of global entertainment firms bespeaks a shift in property ownership away from many small groups towards a more transnational corporate influence in the Vieux Carre” (1114).

The changes in the labor market that are linked to the tourism lead gentrification give rise to Sassen’s second issue that global cities have to deal with which she describes as the casualization of labor. Because, as Gotham explains, New Orleans' tourism gentrification was lead by the economically and culturally privileged, and created many poor paying jobs (sales clerks, baristas, servers and cooks), extreme economic bifurcation was the result. One effect of this was the growth of a desperately poor segment of the population forced by soaring housing costs into increasingly squalid and overpopulated neighborhoods.

The Brookings Institute found that this was exactly the case in New Orleans before hurricane Katrina. They report that while New Orleans lost 23 percent of its manufacturing jobs between 1970 and 2000 (the national average during the same period was 3 percent), the city's retail sector grew by 76 percent and the service sector grew
by 136 percent (Muro et. al., 11). While this represents a net gain in total jobs, they point out that manufacturing jobs, on average pay approximately 63 percent more than service sector jobs. Furthermore, retail and service sector jobs rarely come with the same benefits - like health insurance - that manufacturing jobs traditionally offer.

During the same thirty year period, the socioeconomic geography of the city underwent radical changes. The overall rate of poverty remained high but roughly constant at 26 percent in 1970 and 28 percent in 2000. However, the number of census tracts in the city that reported extreme poverty levels (defined as 40 percent or more of the residence living at or below the poverty line) increased from 28 in 1970 to 47 in 2000 and these tracts tended to be clumped together creating massive blocks of concentrated poverty (Muro et. al., 6).

Socioeconomic context, it is well known, is often tied directly to racial context and this was certainly true in pre-Katrina New Orleans. Though the city has a relatively good reputation in terms of race relations and optimistic multiculturalists have often celebrated the city's “Cultural Gumbo,” census data suggests that, by 2000, the on-the-ground reality of race in New Orleans was far from a post-racism utopia. Even if the city was reasonably well integrated racially at one time, as reports suggest it was, the economic changes described above contained an undeniable racial – and even racist - element.

Of Global cities in general, Sassen writes that, “if blacks, Asians, and other immigrants had employment and earning distributions basically similar to those of whites and/or natives, then this would not be an issue. But they do not” (324). This seems to also be true of New Orleans. The Brookings Institute reports that “[n]o less than 85 percent of the city's poor population was black. Likewise, almost all of the extreme poverty neighborhoods in the city were predominately African-American (6). An equally revealing statistic shows that, in 2000, the median household income for black families was $21,461 as opposed to $40,390 for white families.

What all of these numbers mean is that changes in New Orleans' labor market drastically reduced the city's comfortable middle-class population. Furthermore, as a result of gentrification, large sections of the city became isolated from those sections, like the French Quarter, where there was economic activity. In addition to being physically isolated from more prosperous neighborhoods, the city's poor were also socially isolated from the cultural and psychological benefits that such prosperity often provides. Add to all of this a stark racial hierarchy that disenfranchised large numbers of the city's African Americans and the pitiful scenes that came out of New Orleans after the hurricane, while still unbearably sad, cease to be surprising. Though there is plenty of evidence that these neighborhoods, despite their economic poverty, had rich community solidarity, their informal techniques of mutual aid were no match for the challenges they faced when the levees failed.

Beyond Katrina

Hurricane Katrina caused levels of destruction that are barely comprehensible and even if the city had been in good shape structurally, economically and socially the city most likely would have still been devastated by the storm. However, as this paper has
shown, for large parts of the population, everyday life was precarious even on the most beautiful days. Good jobs were hard to find, many neighborhoods had pride but very little else to work with and segregation drawn on nearly parallel lines of class and race made the magnitude of the city's problems nearly invisible to anyone who might have been willing and able to offer relief. It is heart breaking that the suffering was allowed to happen and completely unacceptable that it took such a tragedy to make it visible.

Yet, too often the righteous anger at what happened has been focused solely on the immediate event of the storm and the botched federal response. While such righteous anger is needed, what is also needed is a complete reassessment of the commonly accepted assumptions about trade, labor and the role of the federal government. Katrina happened and it cannot be undone, but there are places all across the country, not to mention all around the world, that are just as fragile as New Orleans was before the storm and many are much worse. What would happen if a natural disaster hit Detroit, Michigan or Cleveland, Ohio or Charlestown, West Virginia ... or Anywhere, Small-Town America?

This paper has argued that there were historical and economic circumstances that exacerbated the problems the Gulf Region faced after the hurricane. After three decades of hollowing out the labor market and under-funding the already threadbare social safety net, New Orleans was fragile in every way. While none of this is explicitly the goal of neoliberalism, which can be innocently (though not easily) promoted as a progressive ideology for social improvement, these more or less unintended consequences are the norm and not the exception. While it could be argued that we are merely experiencing the unfortunate but temporary growing pains characteristic of any social transformation, it is unclear that such pain is justifiable and that another alternative would not be more attractive.

Unfortunately, the questions about neoliberalism raised by Katrina have been ignored by policy makers. In fact, the “relief effort” that followed the storm is rooted at almost every point in neoliberal principles. The domestically weak federal government, and the cash-strapped state and local governments could not meet the challenges that faced them. However, and to their credit, the private sector and faith based organizations stepped up in a big way by mobilizing volunteers and resources to help the victims. While FEMA was trying to find their trucks, Wal-Mart was already on the Gulf Coast passing out free water. While the nation is grateful for the generosity of the private sector, we have to wonder about the prudence of depending on it for emergency relief. Is it fair, and in the best interest of those affected by disaster, to ask businesses and churches to shoulder this responsibility? While it is certainly good PR for them to do so, a well funded federal agency that has emergency relief as its raison d'être and leaders who have to answer to voters, would be more dependable in times of need. FEMA is a good idea; it just needs strong leadership, full funding and independence from an agency – Homeland Security – that is preoccupied with the war on terrorism.

However, the Bush administration does not seem interested in buttressing government agencies. First, the Bush Administration suspended the Davis-Bacon act which requires federal contractors, including Halliburton, to pay workers at least the regional prevailing wage. This was a particularly telling move since the “prevailing wage” in the Gulf Coast was already among the lowest in the nation. Then legislation
was proposed by Jim Inhofe, Republican chair of the Senate Environment and Public Works Committee, which would have relaxed EPA standards in an effort to speed up reconstruction. At the same time, Bush proposed school vouchers for the hurricane affected region which would use tax money to send students to private, often religious, schools. While Republican politicians, showing some degree of shame, delayed voting on the proposed repeal of the estate tax one week after the hurricane, by the end of November, the House passed a budget that cut federal spending by $49.9 billion, largely on social services. However, taxes cuts for the wealthiest Americans were proposed the following week which, if approved, would result in a net increase in the federal deficit. Individually, each move marks a major step for the advocates of small government and taken as a whole, the post-Katrina Gulf Coast, if certain politicians get their way, will be the product of the neoliberal agenda just as much as the pre-Katrina Gulf Coast was. While the Bush administration continues to face angry criticism, their ineptitude only proves their own point. As the conservative humorist P.J. O'Rourke jokes, “The Republicans are the party that says government doesn't work and then they get elected and prove it.”

Mike Davis, the famed historian from the University of California, Irvine and Anthony Fortenot, a graduate student in architecture at Princeton, offer an all but impossible utopian description of a kind of alternative in an article they wrote for “The Nation” called “Hurricane Gumbo.” While visiting the small Cajun/Creeole town of Ville Platte in the days between hurricanes Katrina and Rita, they found themselves in the middle of one big shelter/Cajun pot-luck/slumber party. In a place where the average yearly income for a black family is a mere $5,300 and hunting is a way of life out of necessity rather than sport, 5,000 evacuees – though “company” was the locally preferred description – found all the gumbo and blankets they could ever need. A banner hung over the entrance to the shelter read “No Red Cross, No Salvation Army, No Federal Funds ... Just Friends” (Davis and Fortenot).

The worldly and cynical writers, while impressed with what they saw were suspicious; there must be a catch. They questioned Jennifer Vidrine, one of the local women helping at the shelter, who also happens to have a fellowship at Harvard's Kennedy School. She said, “Listen, my committee is my telephone. I call folks and they respond. Food, clothing, cots, medicine – it's all provided. Even poor people down here have some extra deer meat in the freezer or an old quilt or an extra bed” (Davis and Fortenot).

A bumper sticker that you are likely to see in Ville Platte reads, “Louisiana: Third World and Proud of It.” Some of the locals talk about secession. Mark Krasnoff, a local resident the writers describe as “the Che Guevara-cum-Huey Long of Evangeline Parish” said, “[l]et us keep our oil and gas revenues and we can preserve our way of life as well. We don't really belong to the same cultural system anyway,” (Davis and Fortenot). His idea may sound doomed to failure, but in his mind, the President's prevailing idea has proved to be a failure too.

Are succession fantasies, or at least individualistic isolationism, what it has to come to? What if the heroism of the people of Ville Platte had been complimented by federal funds (it is not the case that they refused funding, but that relief never showed up)? What if help was available, not just in times of media hyped crisis but whenever,
where ever it was needed? This would not just be throwing money at a problem – which is exactly what the humiliated and scrambling FEMA did with its debit cards – but rather the creation of a robust public support system. Would we all be “subsidy junkies,” as the neoliberals fear, or would we be a nation, even a world, of friends ... just friends?

Globalization is tying the world together, for better or worse, and it is now clear that the future is held in common, also for better or worse. The ideas of national interest, personal interest and public interest need to be expanded as a result; not in the sense of Reagan's “trickle down economics” but in a “bottom up” system where the public good is protected first so that everyone has the opportunity to thrive. Blind faith in profit motivation to cure all social problems is not only insulting and cynical, it is flat out dangerous. As with all disasters, natural or otherwise, Katrina gave people the chance to take care of one another, to be generous in the face of uncertainty and to work together even though the benefits of doing so were not necessarily tangible. Many people took that chance and now they are the heroes of the story. And who are the villains we should blame? If we, as global citizens fail to take advantage of the possibilities for a rich and dynamic world community by letting short sighted greed and old prejudices get in the way, we are all to blame.

Works Cited


