

# “Sh\*thole Countries,” The Fate Of Modernity, And The Case For Localization, Part 1

Donald Trump’s supposed remark about “sh\*thole countries” created outrage around the world and at home. I should begin by noting three important points: (1) Trump denies using the phrase, (2) there is no hard evidence that he said it (e.g., a video or audio recording), and (3) what those with him at the meeting in question claim to recall depends on whether they are his friends or his enemies.

The allegation originated with avowed Trump enemies: Sen. Dick Durbin (D-Ill.), and *The Washington Post* whose writers, Republican or Democrat, hated Trump’s guts from the get-go. Others present claimed Trump spoke bluntly, as he often does, but do not recall any such phrase. Sen. Tom Cotton (R-Ark.) stated that Trump was annoyed by immigration proposals based on where people were from instead of what skills they brought to the U.S. While conceding that Trump’s language was harsh, he called Durbin’s description a “gross misrepresentation.”

Be all this as it may, the controversy has kicked open doors for discussions worth having.

Before we go further, I recommend you go [here](#) and read alternative journalist and author Jon Rappoport’s observations on the subject. Read every word from start to finish. Take your time.

I’ll wait.

Have you read it? Good. If so, let’s ask with Rappoport: how many people in those countries even *begin* to care about a shouting match between folks all of whom take for granted that their water will be clean and their food safe (relatively

speaking), and who have ready access to medical care if a child gets sick?

People in these countries *know* they are living in “sh\*tholes” and – if they had the leisure to do so (they don’t) – would ask who we blame for that, and why no one is doing anything likely to make a real difference?

Sensible questions, and I don’t think many Westerners are going to like the answers.

Rappoport’s answer in a nutshell: once, long ago, most peoples in pre-industrialized countries were doing fine, or as well as common people in such places do. They labored in their fields and did not live in palaces by any means, but they lived mostly stable lives, and they had beliefs and traditions to give them meaning. Their countries were not “sh\*tholes.”

Their problems started at the top, and spread downward, as such problems usually do.

As industrialization came, Western corporations, first those of Great Britain but later of the U.S., with the full backing of their governments and governments abroad, began pillaging these countries. The pillaging continued for decades and in some cases centuries. The result destroyed local economies and often local environments with polluted water tables, poisoned soils, contaminated foodstuffs, etc. Local political arrangements were also destroyed, as trusted local leaders were replaced by corporate-backed sociopaths.

This is how a non-industrialized but stable country becomes a “sh\*thole”!

Problems mount if there is local footdragging against corporate-state predation. There might even be a political assassination or revolution, events not exactly conducive to stability, much less to prosperity.

Are we making this up?

Consider John Perkins's revelations in his now-classic *Confessions of an Economic Hit Man* (orig. 2004; there's a more recent edition but I've not read it; the first version was a huge wake-up call). Perkins offered stunning accounts of how the "consulting firm" he worked for sent him to leaders of "third world" countries with vivid promises of building up "first world" infrastructure: highways, bridges, dams, airports, skyscrapers filled with office cubicles, hospitals and clinics with Western-trained doctors dispensing pharmaceuticals and vaccines, and shopping malls to encourage Western-style mass consumption – paid for via massive loans from the IMF or another such global entity.

The loans would only nominally go to the country. Corporations such as Bechtel claimed the dough. In fairness, they did what they said they would do, and when they were finished, the country had one or more new economic hubs with skylines as "first world" as downtown Atlanta.

The countries, however, found themselves strapped with a massive and unrepayable debt which became a rope around their necks used to control them. As a condition of refinancing such a debt, a country would be forced to allow, e.g., a U.S. military base on its soil, or to vote with the U.S. in the UN on crucial matters.

Why was the debt unrepayable? Because most of the profits made by foreign corporations had been taken out of the country.

Empowered local elites could live like kings if they played ball, and some did, even though it meant turning their backs on their own people. (Think: House of Saud.) Others (e.g., Jacobo Arbenz of Guatemala, Jaime Roldós of Ecuador, and especially Omar Torrijos of Panama) realized their autonomy was gone and stood up to predatory corporations like United Fruit Company in the case of Guatemala.

Result: in 1954 a CIA-backed revolution, following a Western corporate media campaign demonizing Arbenz as a communist. A thug named Carlos Castillo Armas was placed in nominal power. United Fruit Company, which had run Guatemala for decades, was back on top.

This, by the way, is the origin of that colorful phrase *banana republic*.

In the cases of Ecuador's Roldós and Panama's Torrijos, the result was two very suspicious fatal plane crashes.

My wife and I were visiting friends in Panama during October 2016. Torrijos is still considered a national hero there. We met a tour guide in Panama City who opened up to us when he saw that my wife is Latin American and that although I'm a gringo I don't worship at the altar of the U.S. governmental / corporate oligarchy.

What I'd figured out on my own was reinforced: to this day there are Panamanians who don't believe for a minute that Torrijos's death was an accident. The fact that his death and the nearly identical one of Roldós were just two months apart back in 1981 only fuels suspicion. (Incidentally, the U.S. government and corporate media also lied about the number of Panamanians killed when the first George Bush ordered the military strike on Panama City that ousted Manuel Noriega in December 1989. The real figure was in the thousands, not a few hundred.)

Living and traveling overseas gives you a perspective you don't have if you've never been outside the U.S., especially if you've picked up enough Spanish to rub shoulders with the locals (e.g., taxi drivers, tour guides) instead of corporate bigwigs and academics.

I've not been to Haiti. I corresponded with a Haitian on Île de la Gonâve off the main island (was trying to help him raise money for a Christmas event for kids there), and also with a

few gringos who have been there. It's a country filled with impoverished, desperate people.

What we know: Haiti has had its share of sociopathic tyrants (think of the Duvaliers), and at present, Haitians who can muster the resources are leaving in droves. Some are coming to Chile and taking menial jobs (e.g., sweeping floors, cleaning bathrooms) that are better than anything they could find back home, which was typically nothing. They probably appreciate the political-economic stability that exists here. Incidentally, Chile has specific immigration laws and policies, and they are enforced. These are legal immigrants, and the immigration department here is literally overwhelmed, with lines wrapping around city blocks! Is Chile's opening its doors to these people a good thing? I honestly do not know yet.

Modernity has been a mixed bag. What do we mean, *modernity*? What scholars and historians tend to mean by that term are the systems of governance, economy, infrastructure, and overall mindset characteristic of "first world" civilization, based on promises inherent in the European Enlightenment. Modernity respects science and technology, develops institutions intended to promote stable mass democracies and capitalistic economies, typically with social safety nets and public education. What results are large, bureaucratic organizations. The economy becomes consumer-oriented, allows for upward mobility for those able to fill needs or satisfy demands, and eventually, ideally, creates and maintains a flourishing, financially independent middle class. Its educational systems are diverse and, at their best, serve both vocational needs and pure scientific and intellectual research in large universities. "Well-adjusted" citizens identify with such ideals as equal treatment of all citizens under the rule of law and come to regard departures from this as wrongs to be corrected. They thus believe in progress, are interested in new technology, and welcome social change when it is necessary

to correct a wrong such as racial or sexual discrimination.

There are, however, some major downsides. While their expressions often come from artists, poets, musicians, sociologists, a few philosophers, and other lefty-types, and are therefore easily mocked as products of those who just don't want to work at real jobs, they are not nothings.

Start with the fact that mass civilization breeds mass anonymity: the individual person becomes a cipher encircled by structures he/she did not personally sign off on or vote for. He/she exists as a name/number in government and corporate databases. Most of us complain at some point about inefficient and indifferent bureaucracy, but large and highly centralized, hierarchical organizations, laden with generalized rules and filled with people there primarily to collect a check every two weeks, are characteristic of modernity: career bureaucrats are also ciphers in the larger scheme of things. Since none of us is truly a cipher – each of us sees the world from a his/her own central point, the central character in his/her own extended narrative, as it were – prolonged meditation on the contrast between how we see ourselves and how we are supposed to see “our” mass democracy, versus the anonymity of the surrounding systems in which all but a tiny few of us are relatively powerless, soon breeds alienation and cynicism. That, of course, is only the start. Some speak of the rootless cosmopolitans of the “blue culture” of the big cities, whose loyalties are limited to some combination of pleasure (often sexual), whatever is trendy (political or technological), and especially money which can buy the others.

Capitalism\*, as economic historian Joseph Schumpeter observed in his classic *Capitalism, Socialism and Democracy* (orig. 1942), is always changing. He coined the phrase *creative destruction* for the constant, chronic churning at its core, driving it to create the new and obliterate the old. The problem: systems (of which the individual person is one type) tend towards equilibrium – stability within themselves and

with their immediate environment – not constant change. This basic truth of systems theory explains why we have had cultures that remained essentially unchanged for thousands of years (e.g., ancient China) and why we will eventually have tensions in any system based on constant change. Schumpeter believed – and what is interesting is how he worked this out in the early 1940s, not the 1960s – that capitalism would create conditions for its replacement by socialism: its masses would vote themselves into it. Mass democracy would legislate its way into socialism.

He got this largely wrong, of course. Although he'd doubtless been thinking of how New Deal measures were likely to expand, he didn't anticipate the rise of the Mont Pélerins who were just getting started in the 1940s. Thus he did not foresee how neoliberal political economy would carry its own brand of capitalism forward amidst spreading collectivism in the culture.

Schumpeter also did not imagine the world of financialization, made possible when Nixon killed the gold standard (1971) and the dollar became the world's reigning fiat currency. Financialization really got going in the 1990s as market speculation in an ocean of easy credit replaced actual production which was offshored, sometimes to a "sh\*thole country," because labor was cheap and environmental regulations were lax. The increased mobility of capital which creatively-destructive technological change made possible furthered this process. One important result: the steadily increasing concentration of wealth in the hands of an ever-smaller transnational billionaire class we have seen over the past three decades and even more since the financial crisis of 2008 (this is an economic lefty preoccupation, I know; but don't take my word for it, check the readily available data). This process slowly eliminates the jobs that made a rising middle class possible. Also eliminating jobs is automation, via AI and robotics – more Schumpeterian creative destruction,

as labor itself becomes expendable.

Of course, what's happened in modernity's "developed" world hardly holds a candle to what's occurred elsewhere, everywhere Western corporations (with the backing of all governments involved) have gotten their claws in. The tensions between rising expectations and economic realities are very real, not just in the U.S. and Europe but in every non-Western country globalization has touched, which is most of them.

There is also the invariable secularism inherent in modernity. Its systems' focus on money and other matters of *this* world invariably push religious institutions and believers to the margins, whatever their beliefs, whether planned or not. No one described this better than theologian Harvey Cox, who wrote in his major work *The Secular City* (orig. 1965) how secularization "bypasses and undercuts religion and goes on to other things.... It has relativized religious worldviews and thus rendered them innocuous.... The gods of traditional religions live on as private fetishes or the patrons of congenial groups, but they play no significant role in the public life of the secular city.... The [secular] world looks less and less to religious roles or rituals for its morality or its meanings."

It trends towards materialism, in other words, with (as I've noted previously) all this involves.

In *Age of Anger: A History of the Present* (2017), essayist Pankaj Mishra evaluates modernity from the standpoint of a thinker born and raised in rural India, educated in the West, but not losing touch with his non-Western roots. His thoughts are darker than Schumpeter's or even Perkins's. He tries to chart the clash between modernity's promises and its results. Modernity's expansion accelerated during the neoliberal-neoconservative era that began when the Soviet Union collapsed, "history ended" (Fukuyama), and its globalized advocates saw democratic capitalism as heralding a



technological Utopia. What is clear is that as modernity has expanded to cover the globe, it has been welcomed by secularized regional elites but eyed skeptically by deeply religious masses – and those who invariably rise to lead them (literary, philosophical, etc.).

Mishra draws on both Western philosophers (especially Rousseau, contrasted with Voltaire's enthusiastic embrace of what was coming), non-Western ones (Hindu, Buddhist, Muslim, etc.), and a few caught in deeply traditional orders that were modernizing (e.g., Dostoevsky). He offers a common-denominator explanation of Western "populism" (Brexit, Donald Trump / Trumpism, European nationalism), the rise of Islamist militancy, and Hindu nationalism in his native land, as resulting from this clash between expectations and reality: there are the promises of modernity, but only a small minority actually reaps its rewards. The masses experience only dislocation and upheaval, losing not only their traditions but their land – sold to the highest corporate bidder – as even the seemingly prosperous in the new cities experience the alienating rootlessness of modernized city life commuting between daytime work cubicles helping a corporation get richer and nighttime cramped apartments helping a landlord get richer (sometimes they are one and the same). Yes, there is economic mobility, but the fact that occupations and markets get saturated ensures that only a few will enjoy it. Creative destruction ensures turnover, but also guarantees that present-day successes are temporary; under developed modernity, like the system itself one cannot stand still. One must continually "reinvent oneself."

All of this creates and abets the "anger" of Mishra's title. It is a pushback against globalization and modernity as not only having failed to deliver on their promises but for having turned countries into impoverished, politically unstable "sh\*tholes."

[\*I know there are readers who will object that we have not

had “true capitalism” in the West for a long time. I use the term mainly because we are all familiar with it, and because as it turns out, there are valid reasons for doubting that the abstraction for which libertarian academics and other defenders of capitalism wish to reserve the term for can even exist in the world as it is. This is another article, however.]

Coming soon, Part two

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E-Mail Steven Yates: [freeyourmindinsc@yahoo.com](mailto:freeyourmindinsc@yahoo.com)