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Jeffrey Sachs: Useful Idiot

Kevin Carson

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Great profile at *Left Business Observer* of Jeffrey Sachs, the brains behind the Great “Progressive” Bono and Geldorf Travelling Dog and Pony Show.

Sachs was a key adviser to Yeltsin, during the neoliberal transformation of the Russian economy.

In Poland, like Russia, Sachs wanted to establish corporate capitalism on the American model.

In Poland, Sachs was firmly on the side of rapid transition to “normal” capitalism. At first he proposed U.S.-style corporate structures, with professional managers answering to many shareholders and a large economic role for stock markets. That didn’t fly with the Polish authorities, so Sachs came back with a Germanic idea — large blocks of the shares of privatized companies would be placed in the hands of big banks. (As Ellerman recounts it, “Wherever the parade was going, [Sachs] had to be in front.”) In both versions the point was to end any hints of worker

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or social control and institute a conventional capitalist class hierarchy.

In Slovenia, likewise, he had nothing but contempt for “idiots” and “self-management imbeciles.”

Of course, it was a foregone conclusion that “any rapid privatization would immediately lead to the creation of a new corrupt elite through massive theft of state property.” Post-Soviet elites have acted through the state to accumulate capital in a manner reminiscent of England’s primitive accumulation process a few centuries ago (see, for example, this excellent article by Nancy Holmstrom and Richard Smith comparing Russian gangster capitalism to the enclosures and other land thefts in England). And Sachs acted as their useful idiot; of course, he denies any share of the guilt, since he technically didn’t actually *tell* them to steal everything that wasn’t nailed down.

Alternative models of market transformation based on “hybrid forms of ownership,” like worker self-management of former state enterprises, were advocated by leftish figures like David Ellerman, among others. But right-wingers like Murray Rothbard and Hans-Hermann Hoppe were also numbered among the “idiots” and “self-management imbeciles,” arguing that the best way to privatize state industry in the former Soviet bloc was to treat it as unowned property, to be homesteaded by those actually occupying and using it—the labor force. As usual, the libertarian left and right have more in common with each other than with the kind of so-called “liberals” and “conservatives” who appear on *Crossfire*, half and inch to the left and right, respectively, of the corporate center.