

The Great October Revolution: A Nightmare Dressed Like A Daydream?*



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10-23-2024 ~ This year marks the 107th anniversary of the Bolshevik revolution of 1917. In the evening of October 25, 1917, the Winter Palace in Petrograd (today's St. Petersburg) was stormed.

This event marked the beginning of the Great October Revolution, one of the most significant political events of the twentieth century that shaped the course of history for decades ahead.

Leading up to the events of October 25 was another revolution in late February 1917, which brought to power a group of leaders from bourgeois political parties that formed a provisional government headed initially by Georgy Lvov, a liberal reformer, and then by Aleksander Kerensky, a social democrat who as Prime Minister from July to October 1917 continued Russia's involvement in World War I despite that being very unpopular among the soldiers and with the masses in general. In early March of that year Tsar Nicholas II, who had ruled imperial Russia since 1894 but had managed to make autocracy the most unpopular it had ever been, abdicated. Five months later, Russia was pronounced a republic.

Although the provisional government did introduce some reforms on the political front, prompting even Bolshevik leader Vladimir Lenin to declare Russia in April 1917 "the freest country in the world," it was the Red October Revolution that turned the old order completely upside down by inaugurating a socialist regime

and making Soviet-style communism a global ideological and political force that lasted until the fall of the Berlin Wall in 1989 and the subsequent collapse of the Soviet Union at the end of 1991.

Still, more than one hundred years later, the rise of the Bolsheviks to power continues to divide scholars, the chattering classes and even the educated public. There are several issues that are particularly divisive, such as whether the October Revolution was a popular insurgency or essentially a coup, and whether Stalinism evolved naturally from the basic principles and political strategies of Lenin or was an unexpected development.

Likewise, there is still a great deal of ambiguity, disagreement and confusion over the nature of the regime that flourished in the Soviet Union after Lenin's death in 1924. For example, did the Soviet Union represent an "actual socialist society," a "degenerated workers' state," or simply a "totalitarian state economy" in which the communist ideology functioned as a mere instrument of political legitimization and imperial rule?

When it happened, the Great October Revolution produced global hysteria, untamed enthusiasm and hope about the possibility of the creation of heaven on earth (a new utopia) in equal measures. For the bourgeois classes everywhere, the inauguration of the Soviet regime was anathema to core values of the "western civilization," while for radicals and communists it signified a natural culmination of the inevitable march of history towards human freedom and a social order devoid of exploitation.

However, an objective evaluation on socialism and the legacy of Soviet communism gives no room for mourning or celebration. It was essentially the epic story of an impossible dream that turned in due time into a political and historical nightmare because of the interplay of a vast array of factors that included "backward" socioeconomic conditions, outside intervention, an absence of democratic traditions, and misconceived notions about socialism and democracy. Hence, while one can easily romanticize about the October Revolution, the cold reality of history smacks you in the face.

For starters, the Great October Revolution was unlike the February Revolution which erupted as a result of spontaneous action by hundreds of thousands of hungry and angry men and women workers and militant troops. What happened

in October 1917 was the outcome of a well-designed strategy on the part of the leader (Lenin) of a minority party (the Bolsheviks) to wrest control from the provisional government because of a strong ideological aversion to “bourgeois democracy” and desire for power. Unsurprisingly Lenin’s call for “all power to the Soviets” ended up being something entirely different: all power went to the party and its politburo.

The October Revolution was not a coup in itself, but neither was it a popular uprising that enjoyed the kind of mass support that the February Revolution had. In fact, it was not until the autumn of 1917 that Lenin’s “land, peace, bread” slogan had been embraced by some workers in St. Petersburg and Moscow.

Yet, even this does not mean that the Bolshevik program and Lenin’s ideas of rule were accepted by the majority of the Russian people: In the November 1917 elections, the first truly free election in Russian history, Lenin’s party received only one quarter of the vote, while the Social Revolutionaries managed to receive over 60 percent.

Lenin had stomach neither for parliamentary democracy nor for sharing power with any other political organization. His unwavering intent to establish socialism in Russia, regardless of the ripeness of the social and economic conditions, and his firm conviction that only the Bolsheviks represented the true interests of the workers, would compel him to adopt strategies and policies that would soon deprive the Revolution of whatever potential it had originally had for the establishment of a new social order based on workers’ control of the means of production and democracy (which Lenin, sadly enough, associated with the “dictatorship of the proletariat”).

Indeed, not long after the November elections, Lenin would ban several opposition newspapers and unleash a campaign of “Red Terror” against all class enemies (with the Social Revolutionaries being the first victims following their uprising in Moscow in early July 1918). The orchestration of the “Red Terror,” which lasted until the end of the Russian civil war, was assigned to Cheka (a Bolshevik police organization that reported to Lenin himself on all anti-communist activities), thereby laying the foundations for the emergence of a full-fledged police state under Stalinism.

The clearest illustration of how far to the “right” the Bolsheviks had moved

following the outbreak of the October Revolution is the brutal repression of the Kronstadt rebellion in 1921 by Red Army troops. Disheartened by the Bolsheviks' dictatorial tendencies, a garrison of the key fortress of Kronstadt revolted in March 1921 against the communist government and the ideas of "war communism" – even though the Kronstadt sailors had been, back in 1917, among the strongest supporters of the October Revolution and the idea of "Soviet power." To be sure, they were, until then, in Lev Trotsky's own words, "the pride and joy of the revolution."

With the suppression of the Kronstadt rebellion, it became clear that Lenin's concept of the "vanguard party" and his understanding of the "dictatorship of the proletariat" did not permit dissent of any kind and that a socialist political order was to be based on one-party rule.

As for the policy of "war communism," it ended a complete disaster. Lenin himself admitted as much in a speech on October 17, 1921, when he said, "we made the mistake of deciding to go over directly to communist production and distribution."

But this did not mean that all Bolsheviks shared Lenin's views on "war communism" or that they embraced the policy that was followed in the 1920s by a partial return to the market system of production and distribution. The soon-to-be "new Tzar" Joseph Vissarionovich Stalin, regarded the New Economic Policy as the betrayal of the October Revolution. His "revolution from above," launched in 1928 with the policy of collectivization and dekulakization (a campaign of political repressions, including arrests, deportations, and executions of millions of the more "well-to-do" peasants) reopened the gates of hell and converted Soviet socialism once and for all into a barbarous and murderous regime.

Stalinism did not merely formalize the worst aspects of Leninism but became, in reality, an actual stumbling block for the transition into socialism both inside the Soviet Union and throughout the rest of the world where the ideas of social justice and equality continued to move the minds and hearts of millions of decent people.

Hence, the end of Stalinism and the collapse of Soviet communism (which in the course of its 74 years did manage to turn a "backward" country into an industrialized nation that was able to defeat Nazism and make undeniable advances on several economic, cultural, and social fronts) mark simply the end of

a dream turned into a nightmare.

In this context, the legacy of the Russian Revolution obliges, one hundred and seven years later, neither celebration nor mourning. Dreams are surely renewable, and a new world is waiting to be born as neoliberalism, militarism, and the climate crisis are wreaking havoc on the planet, but the possibilities available to create an egalitarian, socially just, ecologically friendly, and decent society lie today outside the ideas, practices and policies of the October Revolution.

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U.S. And China Why Not A Deal?



Richard D. Wolff

21-10-2024 ~ An old theme within social theory holds that societies with very unequal distributions of wealth can sustain their social cohesion so long as total wealth is growing. Such total growth enables all who get a distributed share of that wealth—even those with the smallest shares—to experience at least some increase. The rich with the biggest shares can grab most of the growth so long as some is provided to those with small shares. The pie analogy works well: so long as the pie is growing all distributed shares of it can also grow. Some will grow more, others less, but all can grow. If all do grow, social stability is facilitated (assuming the society's population accepts unequal shares). Modern capitalism's prioritization of economic growth as urgently necessary reflects such social theory (much as economic growth has reinforced it).

Of course, if instead, a society's population prioritizes movement toward less unequal shares, economic growth becomes relatively less important. If a society's population seriously accommodates climate change, economic growth can become still less important. Were social movements endorsing such priorities to grow and ally, they could well alter societies' attitudes toward and commitments to economic growth.

U.S. capitalism from 1820 to 1980 favored and fostered rising total wealth. The share going to wages grew while the share going to capital grew more. Notwithstanding many bitter capital/labor struggles, the United States as a whole exhibited considerable social cohesion. This was because, in part, a growing pie allowed nearly all to experience some growth in their real income. "Nearly all" could be rewritten as "whites."

In contrast, the last 40 years, 1980–2020, represent an inflection point inside the United States. The growth of total wealth slowed while corporations and the rich took greater relative shares. Therefore, middle-income people and the poor found their wealth either not growing much or not at all.

The reasons for slowing U.S. wealth growth include chiefly the profit-driven relocations of capitalism's dynamic centers. Industrial production moved from Western Europe, North America, and Japan to China, India, Brazil, and others. Financialization prevailed in the capitalism left behind. China and its BRICS allies increasingly match or exceed the United States and its G7 allies in levels of production, technical innovation, and foreign trade. The U.S. response to their competition—growing protectionism expressed by imposing tariffs, trade wars, and sanctions—mobilizes increasing retaliation that worsens the U.S. situation. This process is continuing with no end now visible. The U.S. dollar's role in the world economy declines. Geopolitically, the United States sees former allies such as Brazil, India, and Egypt shift loyalties toward China or else toward a more neutral position relative to the United States and China.

The combination of slowing total wealth growth with a larger share going to corporations and those they enrich undercuts the United States' internal social cohesion. Political and cultural divisions inside the United States, exposed sharply in the Trump-Harris contest, have become social hostilities that further undermine the global position of the United States. Empires' declines and their internal social divisions often accelerate each other. For example, consider the scapegoating of immigrants in the United States that now includes charging Haitians with eating pets and ignoring data showing the greater criminality of citizens relative to immigrants. White supremacy resurged to become more public and fuel increasingly divisive regionalism and racism. Struggles over the issues of patriarchy, sexuality, and gender are sharper than they have perhaps ever been. Long deferred protests over social conditions proliferate when empires decline, growth slows, and social cohesion unravels.

Via a parallel logic, matters in China differ very significantly. For the last several decades, China's GDP growth has been two to three times faster than that of the United States. The growth of average real wages in China has been faster than that in the United States by much larger multiples. These differences are stark and have been sustained for a generation. The Chinese leadership—its Communist Party and government—was thereby enabled to distribute the fruits of its rapid economic growth—its rising wealth—to support internal social cohesion. It did so by its policies of raising real wages and moving hundreds of millions from rural and agricultural to urban and industrial positions. For those Chinese people, this was a historic transition from poverty to middle-income status.

China's growth plus that of its BRICS allies produced a major competitor for the United States and the G7 by 2010. Both blocs now scour the globe looking for secure, cheap sources of food, raw materials, and energy. Both likewise seek access to markets, secure transport routes and supply chains, and friendly governments. Both subsidize cutting-edge technological advances such that the United States and China now virtually monopolize their achievement (relative to what Europe or Japan once did).

U.S. policy-makers portray China's global efforts as aggressive, threatening the U.S. empire and thereby potentially U.S. capitalism itself. Chinese policymakers see U.S. efforts (protectionist tariffs and trade restrictions, South China Sea maneuvers, foreign military bases and wars) as aimed to slow or stop China's economic development. For them, the United States is blocking China's growth opportunities and dynamism, possibly foreshadowing a resumption of years of China's humiliation that it finds totally unacceptable. National security anxieties haunt both sides' rhetoric. Predictions spread of imminent military conflicts and even another world war.

At a time when the wars in Ukraine and the Middle East lead many to call for immediate ceasefires and negotiated settlements, might history suggest something similar for the United States and China now? Britain tried twice (1776 and 1812) to use war to slow or stop the independence and growth of its North American colony. After failing twice, Britain changed its policies. Negotiations enabled the new United States and Britain increasingly to trade with and economically develop one another. Britain focused on retaining, profiting from, and building up the rest of its empire. The United States declared that its imperial focus would henceforth be South America (the "Monroe Doctrine"). This remained the deal until World War II ended Britain's empire and allowed the United States to extend its own.

Why not a comparable deal between the United States and China, bringing in the G7, BRICS, and the Global South? With genuine global participation, might such a deal finally end empires? The very real dangers—ecological as well as geopolitical—that the world now faces encourage finding some kind of negotiated agreement on a multipolar world. After World War I, such goals inspired the League of Nations. After World War II, they inspired the United Nations. The realism of those goals was challenged then. It cannot suffer that indignity again now. Might we manage to achieve those goals now without World War III?

By Richard D. Wolff

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The Corporate Vehicles Changing International Commerce



*John P. Ruehl –
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10-20-2024 ~ The unchecked rise of financial entities designed to conceal wealth and questionable activity has created a global, collaborative ecosystem. It is fueling corruption and crime while allowing those involved to escape

accountability.

On September 17, 2024, thousands of pagers belonging to Hezbollah members simultaneously exploded across Lebanon, killing dozens and wounding thousands, including civilians. The pagers were licensed by Taiwanese company Gold Apollo from the manufacturer [BAC Consulting](#), a Hungary-based company registered in 2022. BAC Consulting is suspected of being an Israeli front company, working alongside Israeli shell companies that facilitated transactions with Gold Apollo and Hezbollah entities. The operation shows Israel's use of "[corporate vehicles](#)" to launch the attack and obscure responsibility.

After growing in use during the Cold War, the rise of the internet and global finance has made corporate vehicles easier to establish and operate. Though some serve legitimate purposes, the [massive growth in new companies](#) over the past two decades has masked the growing use of entities used for questionable purposes. Governments, corporations, ultra-wealthy individuals, organized crime, and militant groups use them to obscure their activities and assets. Their sophistication continues to evolve in an increasingly interconnected ecosystem.

The success of a front company hinges on its ability to appear legitimate. They engage in genuine business activities to blend in, making them particularly useful for intelligence operations. In the 1980s, for instance, Israeli intelligence established a [resort and scuba business](#) on the Sudanese coast to secretly smuggle Ethiopian Jews to Israel. But while this was a rare case with a humanitarian goal, intelligence agencies more often rely on corporate vehicles for less altruistic reasons.

In the 1960s, the CIA [created several front companies](#) to acquire Soviet titanium for the SR-71 Blackbird program. Later, in the 1980s, it used front companies to hide [its role](#) in the Iran-Contra affair, during which the U.S. sold weapons to Iran and funneled the profits to Nicaraguan rebels. The CIA then [used a front company](#) to quietly purchase the screen rights to the scandal to prevent a movie from being made about it. The role of CIA front companies in [building black sites in Europe](#) in the aftermath of 9/11 also raised concerns.

In 2020, Swiss authorities launched an investigation into the Swiss-based global encryption company Crypto AG after it was revealed that U.S. and (West) German intelligence [had operated it for 50 years](#). [More than 120 governments](#) were spied

on. The U.S. sold its remaining shares in 2018.

Other front companies are created for more short-term operations. [In 2018](#), the FBI and the Australian police launched an encrypted messaging platform, ANOM. [Marketed to criminal groups](#), it allowed international law enforcement to monitor communications and arrest 800 people across more than a dozen countries before being dismantled in 2021.

Conversely, criminal groups [frequently establish](#) front companies of their own to launder money and evade law enforcement. Common examples include construction companies, dock-loading enterprises, casinos, restaurants, and car washes. [Throughout 2024](#), for example, thousands of pounds of cocaine have been discovered hidden in shipments of bananas throughout Europe.

U.S. adversaries also utilize front companies, with China increasingly [employing them](#) to access sensitive technologies and intellectual property in sectors like computers, aerospace, AI, semiconductors, and telecommunications. These front companies can also gather economic and industrial data and embed themselves into critical supply chains.

Western sanctions have also increased the use of front companies. Since 2022, Russian front companies have been used to [transport natural resources](#) and [obtain Western technologies](#), similar to strategies long used by countries like North Korea, Syria, and Iran. Iran's and Hezbollah's use of [front companies](#) has often come with assistance from major Western financial institutions. Reports from 2024 indicated that two of the UK's largest lenders, Santander UK and Lloyds Banking Group, provided bank [accounts for Iranian front companies](#).

Front companies are commonly used by other companies as well. The Coca-Cola Company has employed front companies such as the Center for Consumer Freedom (CCF) and Global Energy Balance Network (GEBN) [to lobby](#) for its interests while minimizing the appearance of any connections. Pharmaceutical companies have similarly [set up front companies](#) to pressure health care providers and legislators to adopt their products.

In contrast to the more open nature of front companies, shell companies thrive on their subtlety. Typically registered in tax havens like the British Virgin Islands, Cyprus, or U.S. states like Delaware, these entities lack any assets or operations and exist solely on paper to store wealth and facilitate financial transactions. They

can be established in lawyers' names, with figureheads serving in official positions to mask true ownership.

Shell companies are easy and inexpensive to create, and are useful tools for tax evasion, generating false invoices and consultancy fees, and money laundering. Non-publicly traded companies often serve as shell companies, but the introduction of limited liability companies (LLCs) in the U.S. in 1977 expanded their use by offering greater anonymity, limited liability, and fewer regulatory burdens. Similar entities [exist in Europe](#), and according to 2024 data from Moody's, the UK leads globally, with nearly [5 million "suspect companies."](#) Meanwhile, the EU accounts for 4 million, largely in France and Cyprus.

The role of shell companies has been increasingly exposed over the last decade through leaks and whistleblowers. The [Panama Papers](#), released by the International Consortium of Investigative Journalists in 2016, unveiled years of records from Panamanian law firm Mossack Fonseca, which created shell companies for various clients. [Little attention](#) was paid to who its clients were, which [included Mexican drug cartels](#).

Politicians lack the will to combat this issue, as many are complicit. The fallout from the Panama Papers led to the resignation of Icelandic Prime Minister [Sigmundur Davíð Gunnlaugsson](#), who had hidden millions of dollars in an offshore shell company despite campaigning on financial justice. The [Paradise Papers](#), released in 2017 and primarily sourced from Bermuda law firm Appleby, similarly implicated corporations, government officials, and other high-profile individuals from around the world.

This data highlights only two firms, but the globalization of finance has spread the issue worldwide. Former Pakistani Prime Minister [Nawaz Sharif](#) also resigned due to revelations from the Panama Papers. The [Pandora Papers, published in 2021](#), meanwhile exposed secret offshore accounts held by dozens of former and current world leaders. Additionally, an [ongoing scandal in India](#) has revealed how the current Chairperson for the Securities and Exchange Board of India (SEBI) and her husband had hidden assets in Bermuda and Mauritius. These funds were also used by Vinod Adani, India's richest person, raising concerns over a conflict of interest in the prosecution of Adani Group for financial crimes.

While personal use of shell companies is common, corporations remain the main

driver behind them. [A 2017](#) report by the U.S. PIRG advocacy group revealed that 366 of the Fortune 500 companies have subsidiaries in offshore tax havens, largely in the form of shell companies. These corporations held over \$2.6 trillion in offshore profits and owed an estimated \$752 billion in back federal taxes.

Fearing financial and legal repercussions stemming from its role in the opioid crisis, Purdue Pharma family members began shifting billions of dollars out of the U.S. [in 2007](#), much of it funneled through shell companies to hide the money's trail. Many of these funds were then placed into trusts, another corporate vehicle where assets are held by a trustee, making them harder to seize as they are no longer considered part of the settlor's personal estate. A trial began in 2019, and [by 2022](#), they were ordered to pay \$6 billion, [though legal battles continue](#).

Financial misconduct aided by shell companies can be difficult to prove. [A 2019 whistleblower report](#) by Harry Markopolos, who previously had exposed Bernie Madoff's Ponzi scheme, claimed that General Electric has underfunded its long-term care insurance reserves and established shell companies to take on its losses and lie about its true financial health. The year before, British defense company BAE Systems was reported to have used shell companies in the British Virgin Islands to send more than [£135 million](#) in bribes to public officials in Saudi Arabia and elsewhere. Both companies denied the allegations.

The 2020 FinCEN files meanwhile exposed how banks globally have been complicit in enabling the abuse of shell companies, despite consistent warnings and red flags. Political action targeting this problem is likely to remain slow—[in 2023](#), Representative James Comer, who led an investigation into Hunter Biden's alleged financial irregularities, including the use of shell companies, was himself implicated in using a shell company.

Front and shell companies are often set up quickly for specific purposes, but growing scrutiny has increased the appeal of [shelf companies](#). These pre-registered, inactive companies can be sold or used immediately, allowing owners to bypass the registration process. Some even come with bank accounts, websites, and credit cards. Shelf companies can also be "[warmed up](#)" by conducting business with other shelf companies, building [a transaction and credit history](#), and can function as both front and shell companies.

Though available globally, [the UK and the U.S. lead in shelf company offerings](#).

Ownership transfer can happen in a day, allowing immediate movement of money or assets. Selling shelf companies in itself is a huge business—new shelf corporations can sell for a few hundred dollars, while “[aged corporations](#)” can cost up to \$10,000. In September 2024, a U.S. man was fined \$75,000 [for creating nearly 16,000 shelf companies](#) in Colorado, exploiting the state’s discounted filing fees.

The long-term use of front companies, often in tandem with other corporate vehicles has become evident in high profile cases. [In 1998](#), Nigeria’s oil minister, Dan Etete, awarded the rights to a large offshore oil block, OPL 245, to a shelf company he owned called Malabu. In 2011, Western energy firms Shell and Eni purchased the rights for \$1.3 billion from Malabu, sparking a major anti-corruption investigation.

The case gained further attention in 2018, when Drumcliffe Partners, a Delaware-incorporated investment fund based in Washington, D.C., became involved. Through its shell company, Poplar Falls LLC, Drumcliffe Partners was poised to receive 35 percent of recovered assets, well above Nigeria’s traditional 5 percent limit. The fallout from the deal [remains ongoing](#).

Other corporate structures have also become common. Holding companies, for example, own shares of assets of other businesses. The International Holding Company (IHC), based in the United Arab Emirates, saw its market capitalization grow from \$215 million in 2018 [to \\$240 billion by 2023](#). While rapid growth isn’t inherently controversial, the lack of transparency around IHC’s financial practices and its political connections to the Abu Dhabi royal family have brought attention to how holding companies can quickly accumulate value and serve as a vehicle for market manipulation and potential corruption. [Charities and other types of nonprofits](#) are also convenient vehicles for money laundering, hiding assets, and political influence, all while maintaining an air of legitimacy and goodwill.

International finance is now characterized by corporate vehicles, used by powerful individuals and corporations in ways that most can’t. The problem is institutional, with politicians often looking the other way or directly benefiting from these entities. Previous legislation, such as the U.S. Foreign Account Tax Compliance Act, the Corporate Transparency Act, and the EU’s 5th Anti-Money Laundering Directive have all failed to stem the problem. The United States’ refusal to sign the [OECD Common Reporting Standard](#), designed to give

automatic exchange of tax data, highlights the lack of real political commitment. Until that changes, corporate vehicles will remain an increasingly useful tool for hiding wealth, wielding influence, and dodging accountability.

By John P. Ruehl

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The 'Blue Economy' Myth: We Have To Stop Thinking The Ocean Can Be Run Like A Business



Nnimmo Bassey - Photo:
<https://nnimmobassey.africa/blog/>

10-13-2024 ~ *Protecting the Earth's oceans is problematic when profit is the leading concern.*

In response to the [increasing global demand for resources](#) and the economic pursuits that come with it, [attention on the world's oceans continues to grow](#). But how should marine resources be properly managed? The [blue economy](#) is the umbrella term that looks at the planet's oceans from an economic perspective and refers to the sustainable use of ocean resources for economic growth, improved livelihoods, and jobs while preserving the health of ocean ecosystems.

On one side of the coin are the exploitative activities and economic sectors, including fisheries, aquaculture, maritime transport, tourism, offshore renewable energy like wind and tidal power, and biotechnology. On the other side are marine conservation efforts.

Global platforms like the United Nations, the World Bank, the European Commission, the Commonwealth of Nations, and the Center for the Blue Economy have called for oceanic sustainability efforts.

In March 2024, the United Nations Environmental Assembly [adopted](#) a resolution on “strengthening ocean efforts to tackle climate change, marine biodiversity loss and pollution.” A [press release](#) issued by the European Commission after the session stated, “By submitting and negotiating the resolution, the European Union and its Member States reiterated their determination to play a leading role in protecting, conserving, restoring, and sustainably utilizing the world's oceans.”

The concept of the blue economy is rooted in the recognition that the oceans are vital to human well-being and the global economy. Still, they are also threatened by overexploitation, pollution, and climate change. Therefore, the blue economy seeks to balance economic development with the need to protect and restore the ocean environment, ensuring that future generations can enjoy marine resources.

Fundamental principles of the blue economy include:

Sustainability: Ensuring ocean-related activities do not deplete resources or harm the environment.

Inclusive Growth: Promoting economic activities that benefit local communities and alleviate poverty.

Innovation: Encouraging the development of new technologies and practices that enhance productivity and sustainability in using ocean resources.

Governance: Implementing effective policies, regulations, and international cooperation to manage ocean resources responsibly.

The blue economy is increasingly seen as a crucial component of global efforts to achieve sustainable development and address climate change, particularly in coastal and island nations heavily dependent on marine resources.

Challenges in Defining the Blue Economy

There is no consensus on the definition of “blue economy.” The term generally refers to the purportedly “sustainable” economic activities associated with oceans, seas, and coastal waters. Yet, that’s where consensus on the concept breaks down. The blue economy requires a clear, widely agreed-upon definition before it can be applied appropriately.

The World Bank [defines](#) the blue economy as the “sustainable use of ocean resources for economic growth, improved livelihoods and jobs, and ocean ecosystem health.” The European Commission [defines](#) it as “[a]ll economic activities related to oceans, seas, and coasts. [It] covers a wide range of interlinked established and emerging sectors.”

[According to](#) the United Nations, the blue economy “comprises a range of economic sectors and related policies that together determine whether the use of ocean resources is sustainable” while emphasizing the need to protect life below the water. The Organization for Economic Co-operation and Development (OECD) [stated that](#) the blue economy applies to industries with “a direct or indirect link to the ocean, such as marine energy, ports, shipping, coastal protection, and seafood production.” The [World Wildlife Fund](#) acknowledges that there is [no widely accepted](#) definition.

Defining the blue economy is much more than semantics. Some people mistakenly believe that it has been intended to benefit capitalism. This is a widespread phenomenon and is not just limited to corporations. In some ways, it is similar to the [misconceptions that arose from using the term green economy](#).

People who live far from the ocean may not fully grasp how much humans rely on the ocean for survival, including regulating climate, providing food sources, and

generating oxygen, even if they don't directly access it for daily needs. This can lead to a view of the blue economy as simply supporting coastal transportation, recreational activities, or ecotourism. However, the U.S. Environmental Protection Agency [states](#), "Approximately half a billion people globally depend on coral reef ecosystems for food, coastal protection, and income from tourism and fisheries." And yet, [coral reefs are dying at an alarming rate](#) due to ocean acidification fueled by the climate crisis. They are also being [destroyed by harmful coastal development](#)—development that could be part of the blue economy.

Development or Destruction?

The United Nations affirmed that the blue economy would assist in achieving the Sustainable Development Goals—especially Goal 14, "[Life Below Water](#)." This triggered a rapid expansion across all facets of the blue economy, with [projections suggesting this trend would persist](#).

Marine economic activities include fisheries, aquaculture, maritime transport, coastal renewable energy, [seabed mining](#), [bioprospecting](#), [marine biotechnology](#), and waterborne tourism. These activities harm marine health to some degree and contribute to many problems, including biodiversity erosion, ocean acidification, climate change, water and air pollution, and even noise pollution that threatens marine life, including [whales and dolphins](#).

The corporate extractive sector, in particular, has been looking for new territories to extract minerals such as manganese, cobalt, copper, nickel, and rare earth elements. This has become increasingly problematic due to the risks involved in resource extraction. Though the ocean may seem like an unlimited expanse that profiteers exploit purely for financial gain, it has natural limits.

"[A]lthough scientists and campaigners have been warning of the consequences of our rampant exploitation for decades, time is now running out to protect our oceans," Hugo Tagholm, executive director of Oceana in the UK, and Callum Roberts, a professor of marine conservation at the Center for Ecology and Conservation at the University of Exeter, [wrote](#) in EuroNews in November 2023. "We like to think of our ocean as infinite, but the truth is, it cannot stand this industrial-scale exploitation."

The Earth's marine ecosystems are extremely valuable to the global economy.

They deliver [essential ecosystem services](#) to life on the planet and provide sustenance for billions of people. More than [3 billion](#) individuals depend on the ocean for their livelihoods. Most live in developing nations; humans and countless other species rely on healthy, thriving oceans.

Bluwashing: Covering Up Bad Behavior

Terminologies such as “[green economy](#)” and “[blue economy](#)” might seem promising but are often noted as cover-ups for harmful activities. “[T]he blue economy is not a benign concept offering a win-win for the economy and the environment,” [said](#) John Childs, a senior lecturer at the Lancaster Environment Center at Lancaster University, United Kingdom, and the co-editor of a [special section in the Journal of Political Ecology](#) that presented several papers on the blue economy.

Childs said the papers he reviewed suggest that the blue economy is “another capitalist fix in which global capital is seeking to reproduce itself, to keep making money and create a surplus. This is happening as we get to the point where much of the planet’s landmass [has] been appropriated.”

“If ‘greenwashing’ is the practice of making unsubstantiated or misleading claims about the environmental benefits of an action, then perhaps we need a new term—‘bluwashing’—to cover coastal and marine development initiatives which fail to deliver on their environmental and social promises,” [wrote](#) Nicole Leotaud, the executive director of the Caribbean Natural Resources Institute, in 2017. “Personally, I’m tired of labels that confuse and mask the development principles we are seeking,” she added.

Threats to the Marine Ecosystem

Some protections benefit the oceans, such as the [United Nations Convention on the Law of the Sea](#) (UNCLOS), established in 1982 to provide an international legal framework for using and protecting the marine environment. However, not all nations agree to these protections. Additionally, ocean-bordering countries have their own laws, creating a patchwork of often poorly enforced rules. Contested waters regularly result in [tumultuous situations](#).

Many [maritime crimes](#) negatively impact oceanic health, such as illegal fishing or harvesting, ocean dumping, and polluting. In addition to overfishing, where necessary species are removed from the food chain, and accelerating biodiversity

loss, [unsustainable industrial development](#) along coastlines has also contributed to ocean pollution. “All of these threats erode the capacity of the ocean to provide nutritious food, jobs, medicines, and pharmaceuticals as well as regulate the climate,” [stated](#) a 2020 article in the journal Nature. “Women, poor people, Indigenous communities, and young people are most affected.”

Climate change is another serious threat to our oceans. “[I]ncreasing sea levels and making the ocean warmer, more acidic, and depleted in oxygen,” the Nature article pointed out. The ocean has absorbed more than [90 percent of excess gas](#) trapped by greenhouse gas emissions, but that is only a portion of the damage. “Unsustainable development along coastlines destroys coral reefs, seagrass beds, salt marshes, and mangrove forests,” which provide vital biodiversity reservoirs, sequester carbon, and buffer coasts against storm surges,” the article added. Because of human intervention, plastics, and nutrient runoff pollute the water and kill sea life.

We must not ignore the hazards of shipping. Sea vessels use heavy fuel oils that release soot, sulfur, and carbon dioxide, amounting to substantial [emissions of some air pollutants](#) and [3 percent](#) of carbon dioxide emissions.

There are many parts of the ocean where life has died. These sections have layers of crude oil and have been contaminated to outlandishly unsafe levels.

A Bayelsa State Oil and Environment Commission [report](#) reveals that the “concentration of noxious chemicals, such as Total Petroleum Hydrocarbons, exceed safe levels by a factor of 1 million according to some of the samples taken,” pointing to the impact of oil extraction in Bayelsa in the Nigerian Delta.

Even though significant oil spills receive much media attention, the ongoing oil flow into the sea represents the bulk of the problem. “Hundreds of millions of gallons” of oil enter our oceans yearly, but most evade media attention. According to the National Oceanic and Atmospheric Administration, only a fraction of that—[5 percent](#)—comes from what the U.S. Department of Commerce labels as “significant” oil spills.

Some of the most prominent damage to ocean ecosystems appears to come from deep-sea mining on a massive level, which [destroys](#) the seabed. It harms marine and aquatic ecosystems while impoverishing coastal communities that depend on fisheries and other resources. The kind of damage that it could cause is almost

impossible to calculate, especially since deep-sea mining is a relatively new endeavor.

In a press statement in August 2024, [Dr. Enric Sala](#), the National Geographic Explorer in Residence and Pristine Seas founder, said:

“Giving the greenlight to deep sea mining would open a Pandora’s box of unknown impacts. Mining the seabed will inevitably affect fragile sea life that we barely know. And a [July 2024] [study](#) ... showed that deep-sea polymetallic nodules produce oxygen in total darkness, which may be key to ocean health. The more we look in the deep sea, the more we discover. Rushing to mine the seabed will surely go down in history as an environmental disaster we should have stopped before it started. It is short-sighted to destroy, in minutes, ecosystems that have taken millennia to develop. Countries worldwide have so much more to gain by protecting vital parts of the ocean than signing them away for short-term profit.”

The Blue Economy in African Coastal Waters

Just as vast tracts of global land have been acquired to extract fossil fuels (in the United States alone, Earthjustice, a nonprofit public interest environmental law organization, reports that “[t]he oil and gas industry has over [26 million acres](#) of land under lease.” The same phenomenon is being duplicated in the sea. The well-being of more than [200 million Africans](#) who depend on fisheries for food and nutritional security is at risk, CEO of WWF Kenya Mohammed Awer said in July 2023. Once corporate interests claim bodies of water as their own, they will likely become inaccessible to those who make their living from the sea and nearby coastal communities.

Industrial installations, such as crude oil platforms, establish control over the surrounding waters, ostensibly as security buffers. Fishermen who have tried to find more sea life in the high seas have reported that large parts of the continental shelf and beyond are [off-limits because extractive industries](#) have claimed and cordoned them off with controlled installations.

Unregulated industrial fishing in West African coastal waters, often carried out by foreign fleets, threatens fishermen’s livelihoods. According to “[Fishy Networks: Uncovering the companies and individuals behind illegal fishing globally](#),” a 2022 report by the Financial Transparency Coalition, more than 40 percent of cases

involving illegal, unreported, and unregulated ([IUU](#)) fishing by industrial vessels from January 2010 to May 2022 occurred in West Africa. More than [one-third](#) of global fisheries were overfished in 2019, mainly due to illegal fishing.

Access to healthy water bodies is becoming increasingly difficult by the day due to industrial installations and related pollution. Massive oil spills have been the result of different security forces at work, including [blowouts at wellheads at Santa Barbara River](#), a fire at the [Ororo-1 well](#) (which erupted in 2020 in Nigeria and was still raging nearly a year later), [explosions of floating production storage and offloading \(FSPO\) units](#); the [blowing up of oil-laden vessels](#); and [burning of bush refineries](#).

Paying to Pollute

In the current [blue economy paradigm](#), privatization prioritizes profit above ecosystem health. Water is not viewed as a commodity in this construct, and the buying and selling of oceanic water and aquatic resources would be prioritized over other considerations.

The blue economy could allow polluters to pay to pollute by allowing bodies of water to be used as dumps for mine tailings and other pollutants. It could also open the space for speculators on water futures, thus raising the stakes against access to clean and safe water for the [4 billion people](#) worldwide facing extreme water scarcity for at least one month every year.

Promise and Peril for Ocean Economy

An OECD [report](#) indicated a significant increase in ocean-related economic activities by 2030, saying that “[t]he new ‘ocean economy’ is driven by a combination of population growth, rising incomes, dwindling natural resources, responses to climate change and pioneering technologies.” The projections show that the global value added by ocean-based industries could grow from \$1.5 trillion in 2010 to more than \$3 trillion by 2030.

While the growth of the ocean economy does offer potential advantages for coastal communities, it’s essential to monitor the adverse outcomes that ocean-based economic development can also yield. These challenges can include the growth of existing economic disparities, the displacement of local communities and their means of livelihood, pollution, harm to environmental sustainability and biodiversity, and an infringement on human rights.

With all of these stressors connected to the exploitation of the oceanic ecosystem, safeguards must be implemented.

[Physical capital](#) and technology have been given such priority in the world economy that other critical factors like human resources and natural resources are ignored or reduced in significance, and there is no longer any real balance in sustainability.

The drive for profit above the health of the planet and its people leads to the transformation and, often, the destruction of environmental resources without regard to planetary or social limits.

For coastal communities, the ocean is not just an arena for economic activities but a space for culture, spirituality, and interactions with nature. Connections to the ocean are a way of life. The prevailing capitalist bent may dismiss this reality as an inefficient use of aquatic ecosystems. Yet, it highlights the origins of the [polycrisis](#) in our world today.

When governments and corporations decide what should be done, they often ignore the people closest to the water and the fact that they know more about what is necessary to protect it. It gets more troubling when the uninhabited deep sea is discussed. For example, [in Nigeria, Shell Oil](#) is selling off its onshore oil fields and moving operations to the deep sea, where there is limited oversight on the damage being done. Even if the harm being done in the deep sea stays out of sight, its results still affect everyone onshore. This is a major reason for the concern anywhere in the world that is near the water.

While some countries believe that opening their maritime territories to investment will improve their economies, they invite the destruction of irreplaceable resources.

Norway Explores Deep Mining in the Seas

In January 2024, [Norway's Parliament](#) voted to allow mining companies to search a large area of the country's waters, approximately the size of Italy, for the minerals needed to build electric cars, mobile phones, and solar panels. "If you find the resources, and if you have the technology that shows that you can develop this with acceptable [environmental] impact, then you will have your green light," said Walter Sognnes, CEO of the startup mining company Loke Marine Minerals, [according](#) to a January 2024 Wired article.

Other companies are also looking to exploit the Norwegian waters, with the startup Green Minerals expected to “extract copper from what’s known as seafloor massive sulfide (SMS) deposits, according to its CEO, Ståle Monstad,” added the [article](#). Test mining is supposed to begin in 2028, but several technical challenges must be resolved. Deep-sea mining companies must transport mineral deposits 3 kilometers (approximately 1.9 miles) from the seabed to the surface. How the maritime ecosystem—corals, sponge grounds, and other sea life—will respond to the mining is unknown. Yet, on a positive note, mining companies are required to study the environmental impact before they are permitted to begin exploration.

Norway has changed its position on this issue in recent years. As co-chair of the [Ocean Panel](#), it pledged to sustainably manage the world’s coastline by decarbonizing the shipping industry and regulating seafood production. The Ocean Panel, formed in 2018, comprised 14 governments responsible for 40 percent of the world’s coastlines.

Norway’s shift in allowing deep-sea mining occurred because a new government was elected in 2021. Outraged researchers have said that not enough is known about the deep-sea ecosystem to risk mining for minerals such as manganese and cobalt, used in batteries and other electronics. “In marine biology, our knowledge about the existence, function, and distribution of many species is either too poor or non-existent,” [warned](#) a group of scientists from the Norwegian University of Science and Technology and NTNU University Museum, both located in Trondheim, Norway.

When a relatively forward-thinking country like Norway promotes deep-sea mining, it raises concerns due to the region’s history of [resistance](#) to expanded offshore oil extraction. The damage to local economies, fisheries, and Indigenous peoples of the region has been demonstrated before, so it is worrisome that support for deep-sea mining seems to be increasing once again.

Deep Mining in U.S. Seas

According to the Nature article, “Five Priorities for a Sustainable Ocean Economy,” “[b]lue carbon” ecosystems of mangroves, seagrass beds, and salt marshes store carbon at up to 10 times the rate of terrestrial ecosystems.” For example, the article’s authors [cite](#) the successful restoration of 3,000 hectares (approximately 1,500 acres) of seagrass beds in Virginia lagoons along the U.S.

eastern seaboard, sequestering about 3,000 tons of carbon annually.

However, there are proposals to rely on seaweed to capture carbon or iron filings, which could lead to enormous damage. Yet, most people are unaware of these initiatives or the potential disasters they can cause. The concept appears benign, but the [unsustainable aspects](#) aren't adequately addressed in the public sphere. Moreover, the pursuit of blue carbon through mangrove protection or restoration portends the danger of sea grabbing, displacement of communities, or disruption of their livelihoods.

Assessing the Value of the Marine Ecosystem

Some argue that putting a price on the oceans' value distorts the meaning of the blue economy as the right path forward. According to a 2023 [report](#) by the World Resources Institute, the blue economy is responsible for more than \$1.5 trillion of the annual global economy.

Although a blue economy is often conceptualized as the "sustainable" management of aquatic and marine resources and ecosystems, actions other than economic profit or power are usually seen as unreasonable or not viable.

A 2015 [report](#) published by Nature estimated that the assets found in the global marine ecosystem—including fisheries, shipping routes, and tourism—have a total value of \$24 trillion and generate an annual output worth \$2.5 trillion. In 2022, employment in the marine economy grew by [5 percent](#) in the United States, outpacing the overall economy (3.9 percent) in job growth.

Yet, the fundamental issue is that the concept of an "economy" has become so pervasive that people often assume that aquatic ecosystems are intended solely for capital accumulation through exploitation.

Protecting Marine Ecosystems

Local coastal communities must be mobilized. Forming alliances with fishermen, activists involved with natural rights, nonprofit organizations, and legal and political influencers will have to play an essential role in protecting the oceans. We must use all legal mechanisms to prevent threats to water bodies from corporations, governments, and other parties.

The world functions quickly, while political leadership in many regions tends to make strides on the path of least resistance, taking the most expedient way

forward. It is a global responsibility to prevent profits from becoming the first priority for industry and political leaders, thereby maintaining the importance of natural resources and life below water.

The wars happening in the world today [demonstrate](#) that oceans and other waterways require protection. The massive destruction shows that appealing to the consciences of political leaders or the boards of global corporations is counterproductive. Grassroots activists and mass public awareness and mobilization, including litigation, can help to hold corporations, governments, and criminals accountable when official routes fail to protect the seas. The media can help expose ongoing marine destruction and unsustainable practices and motivate lawmakers to protect oceanic ecosystems. Destroying marine ecosystems can be viewed as an international crime. As harmful activities in the oceans threaten species, it may be considered a kind of genocide—[ecocide](#), or the killing of Mother Nature.

Marine Protected Areas: More Action Needed

[Marine Protected Areas](#) (MPAs) include oceanic space for long-term conservation. Other areas could be estuaries, seas, and lakes. Such protected areas also cover rivers, creeks, swamps, and continental shelves.

As governments, corporations, and illegal actors exploit the open seas in a highly unregulated ecosystem, community-led MPAs represent a potential strategy for protecting the health of the Earth's oceans. Simply marking an area as an MPA may not be a neutral exercise.

[MPAs can have many names:](#) marine parks, conservation zones, reserves, sanctuaries, and no-take zones. As of 2023, there were more than 5,000 MPAs worldwide, covering more than [8 percent](#) of the ocean. MPAs have been established in various maritime sites, [including the open ocean](#).

Most MPAs aim to protect marine habitats and the sea life they support. One of the best-known examples is the [Galápagos Marine Reserve](#), which is about 1,000 kilometers (600 miles) off the west coast of South America and includes a variety of marine habitats like coral reefs and mangrove swamps, where trees grow directly in seawater. The waters around the Galápagos are home to about 3,000 plant and animal species. Some MPAs, on the other hand, focus on particular historical sites, like shipwrecks.

According to the Marine Conservation Institute, approximately [8 percent](#) of the world's waters are protected by some form of marine protection, with the [island nation of Palau far out in front](#). Only nine countries have protected 10 to 30 percent of their waters, though only 2 percent have protected as much as 30 percent.

The UN's [World Database on Protected Areas](#) documents MPAs submitted by nations. It reports that more than 15,000 MPAs safeguard an expanse of ocean covering more than 27 million square kilometers, equivalent to nearly 10.6 million square miles. In the U.S., [marine protected areas](#) cover 25 percent of the country's waters.

Most African MPAs are in Eastern and Southern Africa, with a few in West and North Africa. Experts recommend that MPAs should be people-driven rather than financially driven. If the laws regulating MPAs come solely from the government, further details must be made clear to those involved in keeping these laws intact.

One example of these rules is the [Chumbe Reef Sanctuary](#) in Tanzania, established in 1992. This project continues to involve local communities in managing and monitoring marine resources. It has led to a significant recovery of degraded coral reefs and increased fish stock. This success is due to the involvement of local communities in the management of MPAs and the assurance of equitable stakeholding in the benefits derived from such conservation.

Another success story is the [Bazaruto Archipelago National Park](#) in Mozambique, established in 1971. It covers an area of [1,430 square kilometers](#) (approximately 550 square miles) and contains a diverse range of marine habitats, including coral reefs, seagrass beds, and mangroves. This MPA has provided economic benefits to the local communities by supporting sustainable artisanal fishing and protecting the region's biodiversity, including endangered species such as dugongs, turtles, and sharks.

Unless MPAs are instituted with the full consent and support of dependent coastal communities, they may be a means of shutting groups of people off from nature. Governments can protect forests without the consent of relevant parties in what is often called "[fortress conservation](#)." This concept refers to the ability of some groups to map out and prevent others from going near designated parts of the ocean. In such instances, the blue economy could be considered a cause of many

conflicts. This situation could arise if communities or commercial entities contend to control resources found in particular areas. Conflicts could also occur when MPAs are cordoned off with a military shield as “conquered” territories.

Colonizing Nature

The concept of colonialism goes beyond the political control and exploitation of one nation by another; it also extends to our relationship with nature. The “[colonization of nature](#)” entails exploiting and transforming natural resources for economic gain without considering its socio-ecological impacts. This approach has contributed to many problems, including climate change, biodiversity loss, and armed conflict over resources.

Launched in 2018 and based in Nigeria, the [School of Ecology](#) (SoE) explores environmental and climate justice, agriculture, resource democracy, and overall socio-ecological transformation. The organization operates under the aegis of the Health of Mother Earth Foundation, an ecological think tank where I serve as the director. One SoE gathering was based on the MPA concept and the challenges of the idea of the blue economy. A people-driven MPA would place the fate of their aquatic ecosystems in people’s hands. Such a level of stewardship would ensure ecosystem protection and restoration where damage may occur.

The organization promotes the security and resilience of ecosystems as wielders of power and capital. Although many people see the promotion of the blue economy as a means of securing life underwater, as highlighted in the [United Nations Sustainable Development Goals](#), this is often not the case.

Environmentalism From Below

The Gulf of Guinea has seen [high pollution levels and environmental crimes](#). A high level of sea-based pollution, including plastic waste, in the Gulf of Guinea is traceable to the Niger Delta, and it is time for regional governments such as the [Economic Community of West African States](#) (ECOWAS) to [declare an environmental emergency](#).

A commitment to such a declaration will go far in ensuring that the population of West Africa can rely on a safe environment to carry out their economic, socio-cultural, recreational, and spiritual activities. Environmentalism from below requires the reassessment of the false idea that environmental concerns are for those who have had their basic needs met and have the benefit of thinking about

luxuries. Environmentalism from below requires those who depend on healthy ecosystems for their basic needs to stand up against attempts to appropriate their territories for exploitation by powerful and connected individuals, governments, and corporations. Humanity is outpacing nature and plundering ocean resources to the degree that we are preventing those resources from recovering naturally.

Establishing [community-managed MPAs](#) is a powerful strategy for safeguarding the health of our oceans and halting further decline, particularly when incorporated into a comprehensive management framework. These MPAs offer a compelling solution that will help to guarantee that the aquatic commons remain free of corporate and industrial exploitation and monopolies.

Optimally, if local, [community-based managed MPAs](#) were established in coastal waters worldwide, they would restore degraded areas, rebuild biodiversity, revive cultural practices, restore dignity, and reinvigorate local economies. While capitalism often sets rules globally, there are definite ways in which humanity can work together to liberate nature from the bottom up. The world's oceans—and all species they support, including ours—depend on it.

By Nnimmo Bassey

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What Ideas From The Paleolithic

Are Still With Us In The Modern World?



*Michael Hudson –
Photo: michael-
hudson.com*

10-11-2024 ~ An interview with renowned economic historian Michael Hudson on where our calendar comes from, his collaborations with the late intellectual David Graeber, and the long-lost practice of forgiving debt.

Is the order of the modern alphabet connected to how our shared ancestors counted the phases of the moon and its effect on tides 50,000 years ago? Did the first stirrings of government and bureaucracy emerge from the efforts of early astronomers to reconcile solar and lunar calendars? These are the kinds of questions that have kept economic historian [Michael Hudson](https://michael-hudson.com) up at night.

On the surface, learning about the origins of the methods people use to bring order to their lives—such as time, weights and measures, and our financial systems—seems like just another history lesson. One ancient practice leading to another, resulting in guesswork of what people did before the last Ice Age.

But it goes beyond *interesting*. It's very useful. The more we can parse out and extrapolate the beliefs and attitudes of previous eras, the more we might be able to step out of present behavior patterns and perceive social problems we keep creating because we thought we had to.

A deeper reach into human history is now possible, thanks to a growing body of archaeological and scholarly research collected in recent decades. Many experts in related fields have speculated that this research will have a large social impact as it percolates through centers of influence and we become accustomed to relying on a wider, global human historical evidence base as a reference. Society will greatly benefit from minds that are trained to think in deeper timescales than a millennium or two—archaeology and biological sciences increasingly permit useful insights and pattern observations into humanities at a historical depth spanning millions of years.

[Hudson's research](#) has already made inroads into modern life. Many contemporary economists rely on his understanding of financial history in the Ancient Near East. Hudson's collaboration with the late anthropologist and activist David Graeber inspired his launch of the debt cancellation movement during Occupy Wall Street. Graeber's book [Debt: The First 5,000 Years](#) is a popularized adaption of [Hudson's research on the early financial systems](#) of the Near East, encouraging Graeber to follow up and coauthor the bestselling book [The Dawn of Everything](#), an overview of new interpretations in archaeology and anthropology about the many paths society can take.

I reached out to Hudson for a conversation on these topics, starting with his reflections on what drew him into prehistory in the early 1970s, and his collaborations with Harvard prehistorian Alex Marshack.

Jan Ritch-Frel: Alex Marshack was well-known for his idea that many of the social institutions we live by today are derived in large part from the “thought matrix of the Paleolithic”—the ideas and attitudes, social systems, and means of recording and transmitting information developed over thousands of millennia until the most recent Ice Age. How did you two find each other?

Michael Hudson: I had read in the New York Times about Alex Marshack's analysis of [carvings on a bone](#) found in France, made approximately 35,000 years ago with markings that he [viewed as tracing the lunar month](#), not mere decorations. We became friends. He was living and working in New York City, with a housing arrangement between NYU and Harvard to provide housing for each other's faculty.

Marshack was working from the Paleolithic forward, the time before the last Ice

Age, to see how it shaped the Neolithic and Near Eastern Bronze Age. My approach was to study the Bronze Age because my study was about the origins of money and debt and its cancellation. And then to work *back* in time to see how these practices began.

Marshack [was most focused on how the measurement of time](#) began before there was any arithmetic. Counting began with a calendrical point of reference. Marshack showed that lunar months initially were pre-mathematical, indicating symbolic literacy proliferated in the Paleolithic. He developed the idea that a motive was to arrange meetings—groups separated by distance tracking the passage of time to convene at pre-agreed locations. I was interested in the calendar as an organizing principle of archaic society: its division into tribes, and as providing a model of the cosmos that guided the structuring of social organization.

I had been writing on ancient debt cancellations, and the idea of economic renewal on a periodic basis. We both had this basic question—how did this awareness of time turn into actual counting and provide a basis for ordering of other systems, from social organization to music? Marshack showed what I'd been writing to the head of the Peabody Museum at Harvard University, who invited me up for a meeting, and soon enough I was a research fellow there too.

I began my work on how order was created by trying to think about how the calendar became the basic organizing principle certainly for the entire Bronze Age, and no doubt leading up to it.

Ritch-Frel: The words “month,” “measure,” and “menstruation” are all derived from the word moon in [Proto-Indo-European](#): “[mehns](#)” according to scholars of the early Bronze Age Language, which is ancestral to many of Eurasia’s major languages spoken today. Going back to Marshack’s research direction of looking at the thought matrix of the Paleolithic, what answers was he looking for with the evidence from the past?

Hudson: Marshack saw the centrality of social and prosocial behavior as a driver among separate groups—today’s humans thrive on the interaction between groups. The management of that, diplomatically and administratively through a calendar process had to be a key basis for survival across time; it had an ordering function. The need for dispersed populations to come together for trade and

intermarriage.

Marshack believed that Paleolithic leaders would have understood that this lunar calendar and the notations associated with it were technologies of chieftains, of governance. Oftentimes, leadership comes down to organizing meetings and the rules these meetings have. The lunar calendar was the basis for figuring out when separate groups were all going to meet together at some annual interval, and maybe there were meetings at the monthly or seasonal interval, such as the equinoxes or solstices. And it was probably based on a new moon.

Here's a case of the thought matrix of the Paleolithic shaping societies that we call ancestral: Marshack and I came to interpret that the key meeting date would be a new moon—time was thought of as a baby, the moon grows and becomes older. This goes right down to the Roman calendar. The new year was the shortest day of the year. When the year is born, it's the smallest before it grows. The idea of a life course of a year, with weather, people, and animals traveling along with it was at the heart of the Paleolithic thought matrix. Marshack, for example, studied the amount of attention and care Paleolithic cave painters of Europe put into drawing animals to indicate a particular time of year. If there was a painting of a fish, it would have the long jaw that fish developed in the mating season. You could look at whether the animals were molting or not. Paleolithic artists across the world were always careful to note that.

To show you how the year's 12 lunar months were a format often adopted for organizing other social structures, let's consider the social models we see in the Near East and the Mediterranean that are recorded in the Bronze Age: As populations settled into increasingly sedentary communities, a typical form of association was the amphictyony, divided into 12, four or six "tribes" or regions. These tribal divisions enabled the rotation of chiefs by the month or season so that all members of the amphictyony would be equal. "Foreign relations" were standardized carefully to provide equality.

Ritch-Frel: I am mindful that when people elect to use an ordering system for some part of life, it's based on good reputation and there being a convention that connected social groups share. If people decide to organize society into groups using a 12-month lunar calendar logic, it's a measure of its latency in the wider human culture and is still with us today. This Paleolithic tradition organizes the backgammon board we play on today, designed by Sassanid Persians, it's rooted

in the lunar calendar logic of 12. We don't pay much attention to ordering systems once they're in place, as long as they work.

Hudson: Certainly by the Neolithic, people began to count everything. Even if they didn't have systems of mathematics, they were counting—and trying to find correlations and associations with natural phenomena around them, from weather to the behavior of animals. For instance, an archaic cosmologist might count the number of teeth of a horse and attempt to correlate that with something that shared the same number.

The assumption was that maybe we could control things by taking some proxy that shared the same number or some other cosmological characteristic with another, and we could have a ritual on earth that would somehow manipulate the heavens and our environment in the way that we wanted to.

We might call that pseudoscience—confusing similarity with true correlation, confusing correlation with causation. While many of us might make a living in science using higher-grade scientific standards, there's quite a lot of that still going on today—in conversations with family and friends, in sports and its statistics, and fortune telling is an industry that's still going strong.

Ritch-Frel: We can regard this general instinct as leading to know-how and in some cases part of science, as the process gets refined.

Hudson: Think of it as experimentation: "Let's see if we can do this and see what works." They were experimenting, but the logic was to think in terms of a system, and I think that's what made the Bronze Age societies work.

The key to archaic science was to think in terms of a cosmos, in which everything was interrelated. The so-called [Astrological Diaries of Babylonia](#) correlated grain prices, the level of the Euphrates, and other economic phenomena, including royal disturbances and behavior much as modern astrology seeks to do. They were seeking order, and they started by correlating everything they could, including the movements of the planets.

Today, we think in the decimal system. But it's not automatic to assume 10 fingers as the basis for how hunter-gatherers are going to count; even in cases of using the body as a memory device. Some Indonesian societies, for example, counted across the span of their outstretched arms, with 28 spots. That would be

a measure of using the body to follow the phases of the moon. I also noted that these tended to track with a range in the number of letters in the alphabet that we see in many languages today, in the mid-20s and 30s. It seems that before numbers, something like the alphabet was used to name the moon's phases.

The number of letters in many early alphabets that we know of corresponded with the lunar months. And the most important characteristic of the alphabet is its *sequential order*. We don't say AMD, we say ABC. They're always in the same order. Does that contain an older pattern? The key is the fixed sequence, a pre-mathematical organizational system.

We know that many Paleolithic communities across Eurasia and the Americas were following the phases of the moon. And we know from Neolithic structures such as Stonehenge that people were also focusing on the key solar intervals, especially the solstices that were turning points for the birth of the year on the shortest day, and equinoxes that were the turning points.

There was a permanent need to combine a lunar calendar, which governed local social life, with a solar calendar, which told the story of the seasons, separated by solstices and equinoxes. And, of course, that was a big problem because imagine the frustration that they had when they realized that the lunar and solar months don't correspond exactly: A lunar year has 354 days, and a solar one has 365. The mathematics of the form of solstices and equinoxes, and the time gap between the 354-day lunar year and the 365-day solar year (as well as the leap year) could lead to divergences in cosmology and social ritual using the calendar as a basic organizing principle. The solstices and the seasons, often highly social events with important rites and traditions, would be more complicated to schedule and would be pushed to different dates as the years went by.

Marshack thought that once arithmetic was developed, some priest-like individuals or chiefs began counting everything, looking for a pattern, an explanation. "Let's see what works."

I became curious about how Mesopotamia and others blended their cosmological calendars and kept their traditions on schedule and societies harmonized. We know that many of the lunar years remained the basis for many religions all the way from Mesopotamian practices to Jewish practices, down to today, and yet there was also the solar year.

Ritch-Frel: As Near Eastern societies became more complex in the 3rd and 4th Millennium BCE, how did they reconcile all this? And how did the calendrical system become imbued into an arithmetic basis of weights and measures and rations?

Hudson: The early Sumerian cities like Uruk or Lagash frequently experienced the upheavals of warfare and disease. That meant there were large numbers of widows, orphans, and slaves in these cities. The place they found for them was basically in large weaving workshops around the temples. A large, exploited workforce producing textiles required an administrative system to feed the labor pool over the course of the year—a new calendar system.

Leaders worked with their astronomers and cosmologists to develop this administrative calendar to feed this workforce population. It seems that the convention of 12 months per year borne out of the lunar calendar was assumed, the question came down to how many days are there in that month. Neither the 354-day lunar or 365-day solar calendar worked—for causes of variability in length, their need to be corrected to follow the seasons, or the inconvenience of the way the numbers couldn't be divided by 12. There couldn't be oversights in the administrative calendar that missed a day—mistakes made in provisioning food for people are quickly noticed.

It seems natural they'd want to land on a day that both served the administrative needs and could be correlated with the 354-day lunar calendar and the 365-day solar calendar. After trial and error, 30 rations per month, 12 months per year produced a social logic of 360, pretty close to the two ancient cosmologies.

The standard ancient daily ration in these early Mesopotamian cities for the workers and enslaved people was two cups of grain per day per person. Using the administrative 30-day calendar, 60 cups of grain was one month's ration. A slave or a temple worker required 60 cups of grain a month—it became a rule of thumb for the city leaders and managers. One month's rations, 60 cups, is a unit of weight, a bushel. That key weight, organized by the number 60 has a forcing effect on how the commodity grain is often exchanged for silver. It led to silver being organized in weight units of 60, called a mena, so that the trades for weights of grain and silver could correspond easily.

The palace calendar became the administrative ration calendar model, the 12-

month, 30-day calendar. And there was administrative efficiency. They saw correspondence in the rations with the units they used for weights and measures, and for calculating loans and mercantile trade. Naturally, if silver and grain are organized on the basis of 60, it was convenient for minds trained to calculate on the basis of 60 to use it as the numbering structure for interest rates. You can see how units of measure, once they become convention, have an easy time traveling across categories of activity. To hammer it home, the time units for payment plan structures on early Mesopotamian debt were derived from Paleolithic time units: monthly, borrowing from the lunar calendar; quarterly, borrowing from the four annual seasons divided by solstice and equinox; or annually using the solar calendar.

That annual part is the next phase of this to discuss, as you'll remember, the 360-day calendar is a social artifice that needed a process every year to correctly align with 354- and 365-day calendars. The incompatibility between these calendar years was treated as a time of anarchy, which required harmonization—long before the administrative one was invented. The process of bringing order to chaos was also brought over from the Paleolithic—it was as familiar a convention as the 12 lunar month calendar. The resumption of a new solar year was treated as an occasion for setting affairs back in order and clearing up old dues—not just getting the calendar to align, but the social imbalances and unresolved appeals to justice inside groups and among them. The cleaning of the slates, which listed debts and obligations in increasingly large settlements, would have drawn their justification from this Paleolithic process.

The importance of recording grain supplies and the related mercantile trades and the lending system around them, the palace administrative calendar, and forecasting lunar and solar cycles to find concordance dates for future calendar years put pressure on the astronomers and cosmologists of the Bronze and Iron ages to develop fuller arithmetic, quadratic equations, and even [analogue computers with gears](#) to determine the movement of the sun and the moon and other heavenly bodies that served as useful fixed points for their calculations.

Ritch-Frel: The process is important here, and so is this example for understanding how existing human social conventions like the Paleolithic lunar calendar form the basis for future ones. How did Bronze Age rulers adapt Neolithic and earlier traditions of resetting the annual calendar, old debts, and unresolved justice?

Hudson: Archaic societies knew well that social order required active intervention to restore order. Unlike the calendar, realignment in the social economy was not achieved automatically. The birth of a new year was a tool and natural marker to clean up debts and obligations from the year before. This became especially important with the spread of interest-bearing debt in trade and agriculture: It was necessary to prevent an oligarchy.

Cosmology is a system. And calendrical cosmology is a system with an inherent source of disorder: the gap between the solar and lunar years. Certainly, both in Mesopotamia and Egypt, the idea that the gap between the lunar year and the solar year was a time out of time—when repair of social inequality and imbalance could be addressed.

Debt cancellations were normal practice throughout the Bronze Age in the form of royal proclamations of clean slates. Not only were debts wiped out, but bondservants were free to return to their own families (and enslaved people were also returned to their debtor owners), and lands that had been lost through debt or other misfortune were returned to their former holders. The logic of the statements in the proclamations follows a thought line of, as above, so below; on earth as it is in heaven. It's useful to cloak the ancient calendar convention of the Paleolithic chaos-into-order period into the social-economic principles that the new agricultural society lived by.

And while you're dealing with this cosmology trying to create order and restore order in terms of time, how do you prevent the disorder from the increase in wealth that occurs as technology and population grow and societies become more and more productive and wealthy? That was a big challenge to civilization. The Asian societies met it very well. The Middle Eastern societies met it very well.

They had a system that was able to keep time, and generally prevent or remedy social polarization. They wanted to have a system that maintained order on a continuous basis without creating disorder. And that's what led me to work with David Graeber and other people trying to think, well, how is it that you'd have some very archaic societies that very often lasted a lot longer than the ones we have today? And as Graeber pointed out in his more recent book, *The Dawn of Everything*, there are many Mesoamerican, and generally speaking, Native American communities that had a very careful standardization of social poles—you didn't want there to be wealthy people, it creates egotism, it tends to

be abusive to other people.

Ritch-Frel: Can you share a bit about your collaborations with David Graeber?

Hudson: Graeber's basic aim was to show how some societies had avoided polarization and inequality as social wealth developed. How do we explain the origins of inequality and how do we prevent it? We had talked originally about economic historian Karl Polanyi and his circle's attempt to go beyond the economic orthodoxy that social organization began with individuals bartering and lending money based on its rate of return. He took the viewpoint that there was a wider society in motion that was shaping our economic structures, not just merchants and customers.

Well, he had read my books, and I mean, we had long discussions and he said, he wrote *Debt: The First 5,000 Years* largely to popularize my work, and because he realized that debt was the great polarizing fact of antiquity. And that's why he pushed the Occupy Wall Street movement to focus on debt cancellations.

One of David's activist tactics was to buy defaulted debts of people for 1 cent on the dollar, which everybody thought was collectible. There are marketplaces for defaulted debt that lenders have given up on, and there's a secondary market for debt-collecting divisions of banks that want to take their chances, buying the debt at very steep discounts. And Graeber wanted to raise money to buy these debts and tell the debtors, you don't owe this money anymore. Look, we paid it all off for you.

What David and his friends couldn't have bargained for is just how depraved and corrupt the banks were—the banks had sold the same collection rights to many different collectors. The debtors were still being harassed by debt collectors even after their loans were bought off.

The tactic didn't work, but the idea was right. David and I both wanted to advocate debt cancellations here because that's what's destroying the economy today. Western civilization never developed the means of canceling debts in the way that the Near East and other parts of Asia did.

Today, we are smothered in a fake storyline, a fake origin myth for economics. Margaret Thatcher typifies this attitude. You have to pay the debts. You have to let the rich people take over because they get wealthy. And unequal wealth is

what civilization is all about. The ability of wealthy people to crush and destroy civilization is Western progress.

The myth goes like this:

In the beginning, there were individual entrepreneurs who tried to make money, the government then stepped in and wouldn't let them make money, canceled the debts, and nobody would lend money anymore, so economies couldn't develop. But fortunately, our modern economy figured out how to grow: the payment of debts is a must, and that gives security to the creditors. We can't have a free market, wealth-creating economy if the 1 percent can't drive the 99 percent into debt. And that's why the stock and bond market and the real estate market have gone up when the rest of the American population economy, the 99 percent since 2008 have gone down.

Meanwhile, if you look under the hood of the Bronze Age, the Neolithic that preceded it, and the Paleolithic before it—the evidence overwhelmingly points to a default: mutual aid, and common wealth.

Our leading economists say civilization couldn't have begun this way: "If you began this way, how could you ever have the security of creditors to make the loans, to help everything develop?" They've just never lived in that world, so, therefore, it's unimaginable for them.

Ritch-Frel: A fuller account of human history that stretches millions of years into the geological time scale, across a wider geographic area, is part of the infrastructure humans need to pave a road back to more resilient and equal societies. What have you gathered as you have followed the evolution of social insurance and mutual aid systems into government administration, modern banking, and finance? Did you spot paths not taken that lead to more humanistic outcomes?

Hudson: In my opinion, the key driver of Western economic history is the shifting and unstable political relationships that grew out of the financial dynamic of debts growing at compound interest faster than the economies can pay. Casting the net wider, we can see that it was a tenet of Chinese law, Indian law, and Middle Eastern law, to prevent an independent financial oligarchy from developing.

How did we lose all of that?

A series of historical events, of course, rooted in what we call the Classical Era in the Mediterranean. When Phoenician and neighboring sea traders expanded their trading posts into the Mediterranean and mixed with various colonies, they enforced the concept of charging interest on debts, and the chieftains of city-states and colonies adopted this policy without the debt cancellation cure that centralized rulers adopted across the Near East. The traders just wanted their silver, they weren't terribly bothered by upheavals in the social order that occurs when you don't cancel debt. The economies of Greece and Rome and their political heirs in Western Europe were all about creating a financial oligarchy and sanctifying debts instead of sanctifying the cancellation of debt.

By explaining the Mesopotamian and other Near Eastern royal proclamations [canceling debts and reestablishing order](#), it is possible to show people another path—one that has worked for thousands of years, and emerged out of that Paleolithic thought matrix. What we call Western civilization and progress is a detour from the direction that human civilization had been traveling for a much longer time.

This whole detour of not being able to control the egotism borne by wealth and the development of a creditor class—who eventually gain control of the land and the basic needs of life—is a civilizational problem.

By Jan Ritch-Frel

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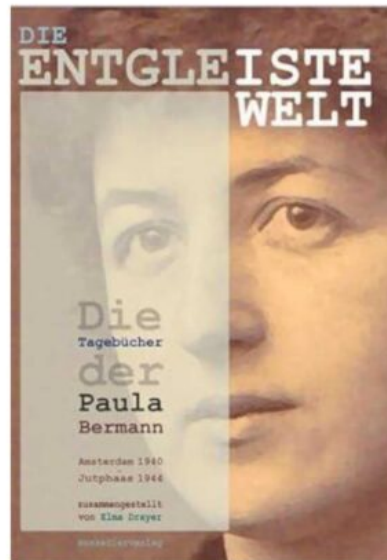
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Kusel - Montag 18. November 2024: Hannelore Bähr liest: Die entgleiste Welt.

Hannelore Bähr liest:
DIE ENTGLEISTE WELT
DIE TAGEBÜCHER DER PAULA
BERMANN

Die Kaiserslauterer Schauspielerin
Hannelore Bähr wird Passagen aus
dem Buch vorlesen.

Rainer Clos, Journalist wird die
Lesung moderieren und gibt
Informationen zur Familie Bermann.



Montag, 18. November 2024

19:00 Uhr

Musikschule Kuseler Musikantenland

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