

Bateman records extremely high microfinance interest rates "everywhere." In Bangladesh, for instance, these are around 30–40 %; in Mexico, they go up as high as 80 %. No wonder that in the most recent formal academic review of microfinance, by economist Dean Karlan of Yale University, "There might be little pockets here and there of people who are made better off, but the average effect is weak, if not nonexistent."

As the *Wall Street Journal* put it in 2001, "To many, Grameen proves that capitalism can work for the poor as well as the rich." And yet the record should prove otherwise, just as the subprime financial meltdown has shown the mirage of finance during periods of capitalist crisis.

This article was first published in *Himal* magazine, October 2010. Patrick Bond is a senior professor at the University of KwaZulu-Natal School of Development Studies Centre for Civil Society in Durban, South Africa.

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## Cars and Capitalism

by Yves Engler

"Let's make sure we get the business and economic message out first. Bikes mean business."

— Gary Sjoquist, Bikes Belong spokesperson.

If you care about safety, livability or fresh air it's hard to criticize someone pushing for bike infrastructure. But compared to what do "bikes mean business?" A pedestrian's socks and shoes? Bikes can't compete with buses or trains let alone personal cars as a source of profit. In fact, part of the bike's appeal is that it is a relatively simple and inexpensive product, even if the manufacturers and travel companies funding Bikes Belong want to promote high-end recreational cycling.

Those who promote cycling should be careful about reinforcing the idea that business interests ought to direct public policy. Bikes, feet and trolleys play a subordinate role in the North American transport hierarchy largely because transit policy has been designed to serve business interests.

An anecdote about the lobbyists who launched the Good Roads Movement helps illustrate the point. Begun by bike makers in the 1890s, the Good Roads push for government-funded roadway failed to gain much momentum until bike magnates (and others) started producing automobiles and lobbying for roads for cars. (Early US carmakers Pope, Peerless,

Stephen Goddard describes the attitude during the 1910s resource boom spurred by the car: "To the industrialists, who were now selling glass, rubber, steel, concrete and their end products in numbers beyond their wildest dreams, whatever needed to be done to sustain the boom and to build pressure for good roads simply had to [be] accomplished."

Today, the economic might of the automobile is hundreds, probably thousands, of times greater than the bike. During their recent lobbying effort on Capitol Hill, Bikes Belong told John Sarbanes, a Democratic representative from Maryland, that 51 stores in his district selling bikes grossed \$20 million in 2009. Compared to the car, this is a drop in the bucket.

All 435 congressional districts have at least one car dealership, and most of these do more than \$20 million in sales. New US car sales topped \$450 billion in

2007, with the used car market generating another \$260 billion. For government statisticians, automobile sales warrant their own category of retail trade. At its high point in 1977, auto dealers accounted for a whopping 28.5% of all US retail trade.

In 2005 the global automotive industry was worth \$2,100,000,000 and ranked eighth among the world's largest economies. Yet only about one in three automotive dollars is generated directly by carmakers. The rest comes from repairs, fuelling, finance and insurance, among other allied ventures. Gasoline is a trillion dollar industry and banks do \$700 billion in car loans each year. At \$160 billion annually, the US auto insurance industry is one of the more successful offshoots of the automotive sector.

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### The bicycle lobby achieved relatively little because it could not attract a host of associated industries.

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Rambler, Winton and Willis all began as bike makers.) Financed by the world's leading bike magnate, Albert Pope, the League of American Wheelmen (LAW) promoted road building for cyclists. Yet LAW's political clout was limited and change came slowly. In 1902 the American Automobile Association, which included former bicycle manufacturers, emerged as a successor to LAW. Many lobbyists remained, but they were far more influential lobbying for roads to serve cars than they had been in the bicycle movement.

The bicycle lobby achieved relatively little because it could not attract a host of associated industries. Unlike the car, a bicycle is a simple product. Just two skinny tires and a frame. While some bike companies were profitable, they did not generate near as much economic activity as the auto industry.

A plethora of companies, which do as much business as bike makers, deal in everything from training new drivers to towing idle vehicles. There are parking operations, snow removal companies, and people who salt the streets. More than 50,000 US car washes wring out \$8.6 billion from automobile dirt while U-Haul pulls in over \$2 billion a year.

The list of industries that profit from the car is virtually endless. Even in death, the car is a money-maker. An entire culture has been spawned by weekend adventures and day trips to search out junkyard gems. Including chains, the six thousand auto scrap yards strewn across the USA do \$30 billion a year in sales. But many bits and pieces don't make it to the yards; landfills are the final resting place of a huge amount of material from cars. This is another multi-billion-dollar industry.

Beyond direct spin-offs, the private car underpins a host of (heavily capitalized) businesses that would not exist if bikes were the dominant form of transportation. Wal-Mart, for instance, grew on the back of the highway to become the biggest company in the world. Similarly, the motel (or "motor hotel") business created by and for the car does tens of billions of dollars in sales annually while the \$120 billion fast food industry began on Southern California highways and continues to do most of its business via the drive-thru.

Sprawling car infrastructure has also allowed for the massive growth in house sizes. Brick, wood, ceramic, grass, paint, glass and pipe producers have all benefited. Appliance manufacturers are the better for it too. It's not easy fitting two fridges, a dishwasher, a freezer, a washer and drier, a pool table, six beds and four TVs into a small house or apart-

ment; big houses are a boon to the appliance industry. "Urban areas have less junk than suburbs", said 1-800-GOT-JUNK's Darryl Arnold. "But only because they have less space. My residential jobs in apartments and condos downtown are on average one eighth of a load, compared with closer to half a truck load in the suburbs."

When all is said and done, cars facilitate an extra large culture, which is grand for business. Propelling the capitalist economic system full speed ahead,

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the automobile is a vehicle of endless consumption. Capitalism would prefer everyone traveling to the grocery store by private jet, but since that's not practical 3,000- or 4,000-pound metal boxes will have to do.

The car's ability to generate business explains in large part why public monies are overwhelmingly devoted to this dangerous, unhealthy and unsustainable form of transport.

Those who want cities structured for safer and more ecologically sustainable forms of transport need to challenge, rather than reinforce, the idea that transit policy should be designed to expand profits. Proponents of the bike and walking will thrive as more people challenge the logic of a system driven by the endless accumulation of profit.

Yves Engler is a writer and activist living in Montreal.

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## In Defense of Planning in the Eco-State

by Mark Jablonowski

As the defects of the neo-liberal hegemony become increasingly obvious, many seek answers in alternative systems. The fact that our natural environment remains under direct assault by these forces has spawned alternatives that focus on ecological preservation. Such radical eco-centrism, however, is still searching for a workable program of transition to a better world (the *ecotopia*). For the most part, proponents focus on a decentralized vision of community action that attempts to protect against the adverse effects of increased materialism. This localized vision has much in common with early utopian socialist visions, the basics of which still permeate many modern approaches to an improved human society.

We might argue that they both build from a primitive communism, the birth of which was in the earliest of human civilizations. Both socialist humanists and eco-centric naturalists reasonably argue that society took a "wrong-turn" with the rise of modern capitalism. The result is the subjugation of both human and non-human populations to the whims of an increasingly concentrated power structure.

While the romantic notion of a return to an unspoiled pastoralism is tempting, its practical value in a world (both human and natural) in which change is *inexorable* is at least doubtful. A more realistic ap-

proach that still manages to preserve human and non-human dignity arises from our ability to consciously work towards a harmonious coexistence among all biotic communities of the earth.

We would suggest that such a vision entails at least some degree of coordination of purpose, and direct *planning*, at the most central levels of society. We would further argue that the prejudice many feel against central planning by a democratically constituted state is not natural, but rather human-induced.

It is a stigma that has been intentionally created by those same humans who seek to exploit human and natural resources while suggesting that it is for