

Neoliberalism and the Penal Turn: Reproduction of Capitalism through the Prison System*

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This paper is based on the concepts of neoliberal rationality (Wendy Brown) and the punitive turn represented by the expansion of the carceral mode and the punitive politics of marginality (Loïc Wacquant). It aims to emphasise that neoliberalism encompasses not only the dominance of the free market but also the establishment of a neoliberal state that combines neoliberal and paternalistic interventions in various social domains. Viewing neoliberalism as a pervasive rationality rather than just an economic (market) rule or ideology, we will analyse the dual relationship between exploitative discipline and rehabilitative modes in the context of capitalism's reproduction. The punitive culture of the neoliberal form of capitalist regulation of social relations, characterised by individualisation of responsibility through risk management, reflects the contemporary shift in the dynamics between capital, labour, and the state. Furthermore, we will, in brief, explore the historical context of the emergence and transformation of capitalism to shed light on the class conditioning and functions of the prison institution, as each socio-historical epoch is marked by a penal system best suited for the prevailing mode of accumulation. We will demonstrate how market discipline as a means of domination and exploitation permeates correctional institutions, particularly evident in prison work programs that apply market principles to control and manage prisoners while also serving as an alternative source of cheap labour. Mass incarceration can also be viewed as a method of forced consumption, especially in post-industrial economies with economic precariousness and growing wealth inequalities where demand is lacking. In these economies, the lack of demand, rather than labour, is a significant crisis of modern capitalism, and spending in prisons is used to compensate for this shortage. In conclusion, we will highlight the intricate relationship between the prison and state systems, the labour

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market, and the neoliberal form of capitalist regulation of social relations, wherein prison labour serves as a means of coercing consumption, sustaining economic growth, and creating cheap labour through a specific form of state-imposed non-free work.

KEYWORDS: neoliberal rationality / capitalism / punitive politics of marginality / precariousness / prison labour

Introduction

The relationship between penal systems and capitalism has been studied for over a century. Georg Rusche and Otto Kirchheimer noted in 1939 that every social period possesses a penal system that reflects society's economic needs and capital accumulation, asserting that prison labour is crucial for shaping the capitalist social order. Modern prisons and prison labour are integral components of the capitalist social framework, with prisons serving not only as tools for social control but also for the exploitation of the workforce. Their works had limited influence before 1945, but gained renewed popularity during the 1960s, impacting revisionist historiography and radical criminology. During this decade, revisionist historians challenged established narratives about prisons, arguing that their dominance is not a result of ethical considerations but rather a functional component of social control and the reproduction of capitalism. The ideas of Rusche and Kirchheimer also influenced radical criminology, which links the criminal justice system to the interests of the ruling class and serves to maintain social inequality. Radical criminologists have highlighted the connection between economic conditions and prison sentences, demonstrating that changes in economic relationships directly affect unemployment and incarceration rates (Ivanics, 2022). Furthermore, within the analysis of the history of the prison system in the United States, the issue of race has been examined through the lens of government policies, the concept of “racial formation”, and governance in the context of developing capitalism (Koros, 2010).

The first significant shift in the penal system at the turn of the 18th to the 19th century is described through the works of Michel Foucault. This shift led to a more efficient system of penal authority and the shaping of obedient individuals, employing discipline and control over the body. Foucault emphasises that this form of punishment is aligned with the development of capitalism (Fuko, 1997). His theory suggests that one should not only focus on the economy but also consider the complex power relations within society (Koros, 2010). The contemporary penal shift, particularly evident in mass incarceration, should be understood in the context of neoliberal globalisation and the crisis of capitalism, with the incarceration rate in the United States beginning to rise in 1976 (Delia Deckard, 2017), coinciding with the emergence of a neoliberal form of capitalist regulation of social relations. Undoubtedly, penal mechanisms are becoming

increasingly necessary for societal control, and incarceration does not necessarily reflect rising crime rates but rather changes in how the social elite defines and addresses social issues (Cassidy et al., 2020).

In the following section, special attention will be given to the reflections on the relationship between contemporary capitalism and the penal system as articulated by Wendy Brown and Loïc Wacquant. In this way, we aim to remind readers that neoliberalism does not merely entail the governance of a free market, but also encompasses the construction of a neoliberal state that combines neoliberal and paternalistic interventions across various social domains, including penal policies. Market discipline, as a mode of domination and exploitation, permeates the corrective institutions of the system, most evidently expressed in the context of prison labour programmes that apply market principles and practices to control and manage inmates, while also creating an alternative source of cheap labour. Ultimately, this further contributes to the successful reproduction of contemporary neoliberal capitalist relations.

Neoliberalism and the Penal System

The ethics of neoliberalism emphasises the individualisation of responsibility, confronting individuals with increasing economic and social risks. In this context, the moral autonomy of the individual is defined as the ability to care for one's own interests, while solidarity and social justice are regarded as „nurturing dependency“ (Pavićević et al., 2024, pp. 88–89). The idea of individual responsibility is often used as a justification for inequality and marginalises vulnerable groups, legitimising repressive state measures against them. Neoliberalism, as noted by Wendy Brown, transforms ways of doing business, democracy, and life culture, impacting all aspects of life. One significant transformation of neoliberalism is the privatisation of prisons, which alters both institutions and individual rationalities. Brown analyses neoliberal rationality as a form of governance that extends market principles to all spheres of life, reducing citizens to the status of economic actors and reshaping democratic ideals. She emphasises that this logic erodes public goods and democratic processes, placing emphasis on competition, efficiency, and individualism over collective welfare. Brown argues that this rationality depoliticises citizens, turning social and political issues into private, personal challenges that are addressed through market solutions. She expands on Foucault's idea of neoliberalism as a *new form of governing rationality*. While Foucault views neoliberalism as a transformation of governance that reconstitutes individuals as entrepreneurs of their own lives, Brown further underscores how this logic undermines democratic institutions and values. According to Brown, neoliberal rationality strips democracy of its essential nature, whereas Foucault focuses more on changes in power relations and individual subjectivity. This transformation, according to Brown, has affected

not only institutions but has also transformed individual rationality through neoliberalism at the micro level, influencing the lives of prisoners, their families, and the communities to which they belong (Brown, 2020; Clark, 2016). The justification for privatization is often based on claims of rehabilitation. However, in reality, this approach shifts the responsibility onto prisoners and their families, while allowing the state to absolve itself of any accountability.

French sociologist Loïc Wacquant, a proponent of change in the penal turn, also views neoliberalism not merely as an economic model but as a socio-political framework that shapes the ways in which societies manage deviance and marginalised groups. As Wacquant emphasises, hyper-incarceration (mass imprisonment and the expansion of penal institutions) is not a response to rising crime but rather a reaction to social insecurity stemming from economic changes, such as the deregulation of the labour market and the reduction of social protection. Even if we accept that there has been an increase in crime, this is a consequence of the neoliberal dismantling of the former welfare state and the introduction of mandatory work for social assistance (so-called workfare), which has led members of the deprived urban precariat to be more inclined towards violence. According to Wacquant's assertions, the prison system disproportionately affects certain populations (in the US, this would include members of the African American community) and represents nothing more than a continuation of historical patterns of racial discrimination, while neoliberal penal policy perpetuates and deepens existing social inequalities. In this sense, the penal system becomes a means of controlling and managing urban poverty (Lichtenstein, 2011; Pavićević et al., 2024; Petković, 2011).

According to Wacquant, the expansion of police, courts, and prisons cannot be viewed in isolation from the broader context of economic and social changes. The deregulation of the labour market and the reduction of social protection lead to increased social insecurity, which in turn drives the need for strengthening penal institutions. This dynamic creates a vicious cycle in which the penal system is employed as a tool for managing the consequences of economic inequalities and urban dislocations, further marginalising the most vulnerable segments of society. In other words, we must pay attention to the *extra-penological functions of penal institutions*. Furthermore, the connection between social and penal policy as two sides of the same coin opens up new perspectives for understanding contemporary poverty policies, which represent a new punitive regulation of poverty. The reduction of welfare and the shift towards workfare are interwoven strategies aimed at disciplining the poor. This “*double regulation of poverty*”, as Wacquant refers to it, indicates that penal and social systems are interconnected and operate according to the same philosophical principles of moral behaviourism. Finally, the phenomenon of “workfare” and “prison fare” as integral components of the neoliberal state further complicates the understanding of modern governance. Neoliberalism is often portrayed as an ideology that favours free markets and

minimal state intervention; however, Wacquant's analysis reveals that in practice, *the neoliberal state is highly interventionist when it comes to maintaining social order and controlling the poor* (Wacquant, 2011). This contradiction between ideological postulates and reality suggests that neoliberalism not only generates economic inequalities but also deepens social fragmentation and undermines democratic principles.

Prison Labor and the Economics of Exploitation

Even in the prison systems of European African colonies, we can observe how prisons were used as a means to address labour shortages and reduce the costs of paid labour for public projects such as railways and roads. Historical evidence shows that prison labour was crucial for colonial regimes, as African prisoners were viewed as a reserve army of labour (Archibong & Obikili, 2023). Therefore, it is not surprising that in contemporary discussions about penal systems, there are advocates for the idea that an increased reliance on prison labour can justify the rise in incarceration ('Climate Carceralism', 2023).

Historically, systems of slavery subjugated black individuals in order to compel them to participate in the market as labourers. However, some authors discuss a contemporary alternative form of subjugation, which is a highly racist form of domination and exploitation, linked to state strategies for maintaining a disciplined workforce and a market social order (LeBaron, 2018). In this context, prisoners even become forced consumers. In other words, the current crisis of capitalism is no longer a shortage of labour, but rather a lack of demand. Increased state expenditures on incarceration contribute to a rise in overall demand, where consumption within prisons plays a key role without inflationary consequences (Delia Deckard, 2017).

A particular concern is the exploitation of prisoners in correctional facilities. In fact, prisoners are viewed as a source of cheap labour, often performing so-called 3D jobs (dirty, dangerous, and demeaning). Numerous jobs available in the labour market find their way behind prison walls, thereby affecting the overall wage levels in the market (Cassidy et al., 2020; LeBaron, 2018). It is therefore not surprising that in some states, call centre employees are being replaced by prisoners who earn £3 a day (Cassidy et al., 2020). In certain states, such as Arizona (USA), able-bodied prisoners constitute a workforce of approximately 45,000 individuals, which is the size of a small town. Not only is this workforce substantial, but they operate in the shadows, engaging in what is termed "invisible labour" (Feldman, 2020).

Although declaratively, reformers of penal reforms may believe in the possibility of rehabilitating prisoners, the reforms are actually implemented within existing disciplinary structures. These structures are linked to broader social and

economic systems, such as the carceral state and racial capitalism. By deconstructing the binary relationship between exploitative and rehabilitative modes of discipline, some authors warn that rehabilitation (and the work in prisons that is primarily associated with rehabilitation and resocialisation in mainstream narratives), while an officially declared objective, is often used as a pretext for punitive practices that further marginalise certain groups (Chennault & Sbicca, 2023).

Understanding the impact of prison labour on inmates requires us to acknowledge the challenges that arise within the prison system and continue after their release. In this context, precarity represents a dual process, where individuals face various forms of labour exploitation while in correctional facilities, and upon re-entering society, they encounter stigma and discrimination, which further complicates their reintegration. In this way, the prison system not only creates precarious working conditions within its walls but also contributes to the ongoing marginalisation of former inmates, thereby perpetuating a cycle of poverty and criminalisation.

Conclusion

Punitive systems reflect and shape the social, economic, and political dynamics within the capitalist order. They function as instruments of social control, as well as means for the reproduction of economic inequality and the neoliberal form of capitalist regulation of social relations. Despite numerous changes that have occurred in the way punitive systems are organised and implemented, *the fundamental function of prisons as mechanisms for discipline and subjugation remains unchanged*. This function is particularly manifested through neoliberal reforms, which have led to an increase in incarceration rates and the transformation of prisons into instruments for controlling poverty and marginalised groups. There is a strong connection between the expansion of mass incarceration and the growth of the post-industrial and neoliberal economies. This is precisely what Mike Davis referred to as “carceral Keynesianism”, and we can observe a significant impact of mass state expenditure, particularly concerning the working class (Lichtenstein, 2011).

Prison labour emerges as a particularly salient aspect of this discussion. The historical exploitation of prison labour, from colonial contexts to contemporary practices, underscores the capitalist logic that underpins the penal system. While proponents of prison labour often frame it as a rehabilitative measure, the reality is that it serves to perpetuate economic exploitation and reinforce existing hierarchies of power. The challenges posed by mass incarceration, the commodification of prison labour, and the individualisation of responsibility within a neoliberal context necessitate a critical reassessment of the goals and

functions of the penal system. Future research should continue to explore the intersections of race, class, and economic policy within the penal system, as these factors are critical in understanding the complexities of contemporary punishment. Additionally, there is a pressing need for interdisciplinary approaches that draw on insights from sociology, economics, and political science to develop a comprehensive understanding of the penal system's role in society.

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