**Market society utopianism in penal politics**

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**Abstract:**

This chapter examines the utopian intellectual origins of some strands of contemporary free-market ideas and practices from their post-war revival via thinkers such as Friedrich Hayek, whose ideas went on to influence the New Right following the economic and political crises of the 1970s. The discussion then draws on Karl Polyani’s (1945) *Origins of our Time: The Great Transformation*, where he first gave theoretical expression to the concept of a 'market society’. Published just after the Second World War and in the context of emerging welfare states, these thinkers marked out the ideological cleavages that have dominated political-economic thought since. The chapter considers the pre-eminence of free market ideology with regards to its impact on penal politics and thinking. It concludes by noting that predictions of the withering away of outsourcing and competitive regimes in the aftermath of the financial crisis of 2007-8 appear to be a ‘false dawn’. However, a change in direction may be imminent in the wake of controversial and costly terminations of penal service contracts.

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*All along the line, human society had become an accessory of the economic system* (Polyani: 1944: 75).

This chapter outlines the utopian intellectual project of contemporary free-market thought and politics (what is generally referred to as ‘new liberalism’ or ‘neoliberalism’) from its origins as an outsider critique of the post-war social democratic settlement to its triumph in the wake of economic and political crisis from the 1970s onwards. The discussion initially draws on some core ideas from Friedrich Hayek and associates, who provided the intellectual legitimacy for what evolved into the political preferences and interests that shaped social and penal politics in recent decades. It then turns to Karl Polyani’s (1945) *Origins of our Time: The Great Transformation*, where he first gave theoretical expression to the concept of a 'market society’. Published just after the Second World war and in the context of emerging social democratic welfare states, these thinkers marked out the ideological cleavages that have dominated politics since. The chapter considers the relationships between neoliberal epistemology and penal politics and thinking during and after 1980s. It concludes by noting that hopes for a withering away of new/neoliberalism in the aftermath of the financial crisis of 2007-8 appeared to herald a false dawn. However, the recent political disruptions and scandals arising from contract failures or withdrawals in outsourced prison and resettlement services may be contributing to a ‘tipping point’ in the demise of faith in the putative ‘ruling idea’ of our time.

**The ‘culture’ of marketisation**

At its essence, marketisation reflects a model of social relations which is rooted in ideological agendas for restructuring the public sphere in accordance with radical utilitarian, individualistic and economistic values. Marketisation describes a manifestation of ‘”free-market” or “neoliberal” policies, [of] taxation structures that favour capital accumulation over income redistribution, industrial policies that minimise the presence of the state in private industry, and retrenchment in welfare spending’ (Prasad, p4). The ensuing ‘cultural revolution’ was not historically predestined, however, and it is open to question as to whether free market ideas ever secured the degrees of popular consensus claimed for them by governments and policy makers. Prasad (2006: 21) notes, for example, that free market ideas were resoundingly unpopular in the 1970s and 1980s yet came to resonate in ideational, popular cultural, symbolic and psychological spheres partly because ‘even quite narrowly defined economic ideas are polyvalent and even self-contradictory, so that the same idea may come to mean quite different things at different times or to different audiences.’ What appeared to be an all-conquering paradigm was, she continues, the result of right wing political opportunism which promoted certain ‘material and institutional incentives [in order to] determine which version of an idea prevails and is implemented’ (Prasad, 2006: 21). [[1]](#footnote-1) Colin Leys (2013: 17) adds that while this cultural turn was essentially a ‘political project’, it required a profound ideological momentum to win four critical arguments. Firstly, (i) the conversion of erstwhile ‘uncommodifiable’ public goods (education, social care, probation, court sanctions, custody) into commodities which could be valued and transacted along commercial lines; (ii) that the public had to be persuaded to secure these resources competitively and often through some form of eligibility test; (iii) the existing workforce or producers and service providers had to be redefined and motivated to become ‘wage workers’ producing commodities and to generate a surplus for profits (or reinvestment); (iv) the change to for-profit provision involved substantial investment and risk, which private capital tries to get the state to absorb.

The central ontological justification underlying this cultural transformation is that both personal and organisational behaviours are governed by rational self-interest, financial incentives and utility. Here, competition is endorsed as a neutral instrument of selection and reliable standard of competence among potential providers of public services. The public, the proposition goes, gets the best deal because the market is not swayed by political or sentimental biases but by the criteria of price and efficiency. Such claims elide a mode of ideological masking whereby vested interests are supposedly curtailed by the superior operation of impersonal, rational mechanisms. Yet the very process of market making derives from blurring elite economic and political interests – a process which precedes and frames the technocratic options that are subsequently employed.

Consider, for example, a speech given by Sir Ian Lambert, the Director of the Confederation of British Industry in the aftermath of the special G20 Summit in London in 2009 to address how the major world economies should respond to the financial crisis. Sir Ian hypothesised that thirty of years of market liberalism were over and that new order was coming with the State taking ‘greater *control* over domestic markets’ (the use of language here indicating Sir Ian’s critical view of that prospect). A more beneficial state of affairs, he continued, could arise if ‘the state should become a commissioning agent[[2]](#footnote-2) [which is] *indifferent* to whether services were delivered by the private sector, the public sector or the third sector’ (Financial Times, April 3, 2009: emphasis added). It is worthwhile probing the epistemology of this adjective, ‘indifferent’. At face value, it references lofty neutrality, yet it was and remains frequently used to underline the argument that the public do not care who owns or operates public services as long as they get the service they want (Public Administration Select Committee, HM Parliament (2004). Additionally, market ‘indifference’ entered political discourse as reassurance to financial markets that government holds no favourable predisposition towards any particular provider or sector in procuring public services, and that the state or Commissioners of public services will not stand in the market’s way.

From the 1990s, the mantra of competitive tendering, sensitivity to supply and demand, productivity targets and payment by results regimes became central features of a succession of reports and policies for reforming prisons, probation and resettlement while driving down reoffending. Proponents of greater competitiveness posit that it is not simply about applying economic levers to stimulate economic efficiency, but a project for instituting deep changes in the organisational values and responsibilities of public service providers, regardless of sector (Le Grand, 2003). Greater sensitivity to consumer demand democratises public services by transferring the power of choice to consumers of publicly contracted services, it is claimed. Mechanisms of choice and demand, the argument runs, have the virtues of providing impartial stimuli to generate more responsible organisational behaviour or they will go out of business. The marketised allocation of contracts is inherently fair because the best enterprises attract the highest demand, it is argued (Le Grand, 2007). Yet, the principle of the sovereignty of ‘consumer preference’ is fallacious when ‘service users’ are convicted and sentenced, in which case they have no effective ‘choice’. The question as to who the customer is (the state, courts, the public, victims or clients) is not satisfactorily resoluble perhaps because ‘in practice it may simply be inappropriate to do so for example in the case of the police or fire service [or prison or probation service]’ Public Administration Select Committee, 2004: 4).

The claim that market competitiveness sets the benchmark of fairness for all is internally inconsistent: because certain institutions such as charites or the public sector do not fit neatly within this economic rationality, they are deemed to have weak market orientations and lack sufficient commercial discipline to perform well in free markets. As a consequence, conventional economic theory has treated the public and charitable sectors as inefficient anomalies. The solution of governments has been to incentivise – even coerce –these sectors to become market ready and fit for purpose in competitive penal service markets.[[3]](#footnote-3) Certain ‘counter-cultural’ forces such as charities and the public sector (or others associated with redistributive justice or public service ethics) inhibit progress in rolling out the ‘operation of markets for public goods’, and therefore must be realigned to adopt ‘market discipline’(McKay et al, 2011: 3).

Undoubtedly, while the headline message is that all of this is in pursuit of greater openness, in reality, the precondition to achieving these goals was driving down the terms and conditions of public sector workers. Julian Le Grand (2003:), the academic advisor to the New Labour government on public sector modernisation, proposed that direct accountability to consumers were necessary for curbing the ‘professional privileges’ that inhere with provider-led public service hierarchies. Instead, empowering consumer-citizens would lead to greater direct public accountability from services on the basis that it introduced a balance of interests among all stakeholders involved – funders, providers and consumers. In the process, ‘Knavish’ (self-interested and profiteering) interests are held in check by a combination of ‘pawns’ (clients and service users) and ‘Knightish’ (public-spirited, altruistic) actors from other sectors. Accordingly, public services had to be reoriented towards markets in order to effect ‘two fundamental… changes’.

One was essentially empirical; a change in beliefs in the way the world worked, in particular about what motivated individuals, especially those who worked within the public sector. The other involved a shift in values: service users ought not to be treated as passive recipients of welfare largesse but should have the lead role in determining the quantity and quality of the services they received’ (Le Grand. 2003: 9).

The counter argument warns that free market concepts and techniques do not cleanly transfer to the non-profit arena. Market systems have historically failed to meet significant areas of human need where there is no obvious opportunity to accumulate profits, which is why public services evolved in response to ‘market failure’ (Sargent et al, 2002). Furthermore, there is no evidence generally that either the private sector or charities are inherently more virtuous than public sector agencies. They are at least as disposed to ‘implementation gaming’ and ‘cream skimming’ (selecting the most profitable areas of work) while avoiding scrutiny in deregulated service markets (Schwartz: 2001: 1165). The largest providers of criminal justice services after the state are transnational companies (TNCs) with access to significant resources, enabling them to invest heavily in lobbying and contract chasing to increase their market share (Corcoran, 2014). The concentration of contracts in the hands of large providers makes government over-exposed to service failures, which in turn requires remedial public refinancing if vital public services are not to collapse. Indeed, the inherent tendencies of unregulated markets towards monopoly not only contradicts the rhetoric of merit and innovation, but ‘the uncertainties of unrelenting change’ tilts competitors towards risk aversion and uniformity. As a consequence:

‘all organisations… develop similar norms and techniques of conduct, for without so doing, they will not survive’ (du Gay, 2000: 80).

**If marketisation is the practice, neoliberalism is the theory.**

The revival of current criminological interest in the political economy beckons back to the origins of neoliberalism as an intellectual movement in the interwar period of the 20th century (Bonefeld, 2012), but which gained ground as a political programme in response to global economic crises in the 1970s. Neoliberalism is as much a philosophical doctrine as an economic theory, in that its central tenet is that economic freedom is the essential precondition for political and social liberty. In this context, it was posited that free markets were necessary both for guaranteeing capitalist democracy and as the most effective defence against fascist or communist totalitarianism (spectres which neoliberals placed on the same level as welfare states). This is because a freely operating economy is the foundation of political liberty, wherein citizens find freedom through exercising choices and assuming responsibility through property ownership. Freedom of individuals to engage in voluntary transactions in the marketplace are at the basis of binding social contracts. (What is omitted in this proposition is that freedom to partake in markets depends on access to economic resources, which is denied to many). Because markets are more virtuous than states in fostering social harmony, the primary role of government is to foster the conditions for markets to operate unstintingly. This did not imply that the state stood back from protecting the economy, as a ‘strong state’ was necessary to protect and maintain the legal and institutional structures for optimising the space or markets to operate with minimal obstruction.

Exemplified by Freidrich Hayek’s *The Road to Serfdom* (1946/1999) *and The Constitution of Liberty* (1960), neoliberals associated with the Austrian School argued that market forces are ultimately the most efficient, democratic and free ways of organising societies[[4]](#footnote-4). Their economic writings influenced a generation of free market thinkers, such as Milton Friedman in the United States and Keith Joseph in Great Britain, who helped to deliver a decisive blow to the post-war consensus.[[5]](#footnote-5) From the 1980s, neoliberal ideas gained significant political traction when they were adopted for the political projects of Thatcherism and Reaganism, whose political agendas were largely maintained by their successors in government, regardless of their professed political leanings (as Right-, Left, or Centrist) to the present (Leys, 2003: Harvey 2007). This legacy was initially most prominent in countries where ‘Anglo-Saxon’ capitalist models predominate (United States, England and Wales, Australia, New Zealand) (Albert, 1997), but has now assumed near-global hegemony.

In these jurisdictions, a particular strand of neoliberal thinking, manifesting in the ‘Washington Consensus’ (1989) for example, laid the basis for recasting the shortcomings of criminal justice agencies as the result of the flaws of the social democratic welfare state. For neoliberals, the expansion of the New Deal or Welfare State arrangements and the growing regulation of social life represented an illegitimate interference in the freedoms of citizens. In order to remedy this, the declared purposes of neoliberal social policy became those of creating conditions that would restore the operation of markets, unhindered by distortions such as ‘big government’, consumer or worker protection, regulatory oversight of trade, or unionisation in general, and especially among public workers such as police, prison or probation workers, for example. Secondly, while it was true that free markets are prone to unstable economic cycles, these shocks would eventually correct themselves provided that governments resisted pressures to install welfare protections on the grounds of social justice. Ultimately, it was argued, economic decline or crisis was caused by governments interfering in the markets, which were never the root fault

**The mythology of marketised criminal justice.**

As a successful ideology, neoliberalism has sustained a credible mythology with regards to the economic basis of social order and the beliefs which underpin it. From its origins in economic theory, the logics of the market became naturalised in the wider social imaginary to define ‘what constitutes our social existence [and provides] a basic infrastructure for meaning-making, reducing complexity, and ordering social reality (Bartl, 2019: 4). In this context, the neoliberal influence on crime and justice is interwoven with beliefs as to the individualistic basis of morality, the emphasis on personal culpability for rule breaking, the uncoupling of criminality from social conditions and strict limits as to the need for social responses to crime and harm. A few examples (which are far from exhaustive) illustrate where aspects of criminological policy intersect with imaginaries of successful participation in market societies:

1. *Law and order is based on a new ‘social contract’.*

Neoliberal economists were not directly concerned with questions relating to the state’s penal function, although the neoliberal influence on the governance of crime has been extensive if highly self-contradictory. However, critical criminologists have drawn attention to the materialisation of a ‘new’ penal order since the 1980s which corresponds with a distinctively punitive approach towards socially and economically precarious groups (Stuart Hall, Sim 2009: Simon, year: Standing, year). The ‘material and symbolic construction of the penal state’ is concerned with ‘re-establishing the state’s grip over the populations pushed into the cracks and ditches’ of late capitalism (Wacquant, 2009: 35). The neoliberal social contract has been redrawn around societal norms which divide citizens into those who are integrated by virtue of their responsible life choices and independence from welfare, and those who purportedly exclude themselves from this bargain (Sim, 2009). Concurrently, and viewed via the lens of ‘criminalisation of social policy’ theories, the penal system remained, and expanded, as the dominant framework for responding to social crises. Put another way, tackling social exclusion, poverty or distress were reframed and subordinated to the higher goal of crime control, the sanctioning of lawbreakers and public assurance.

2. *There is such a thing as society – it is the market.*

Unlike critics who view neoliberalism as antithetical to social cohesion, neoliberals postulate that free market activities form the basis of social (i.e. transactional) relations and therefore, markets are innately social entities. Freedom is gained by the exercise of choice and through transactional relationships. In all other respects, the state inhibits freedoms by restricting citizens’ expression of preferences and access to social goods. In famously pronouncing that there ‘is no such thing as society’, Margaret Thatcher was simply reiterating this belief about the nature of the neoliberal social order. In sum, free markets are beneficial to all inasmuch as sustained economic growth improves the common wealth, and therefore happiness, of citizens. Thus the interests of markets are held to be interchangeable with those of society and of the political and legal apparatus of the state. The expectation that radical individualism would somehow leave social solidarity unscathed reflects the sociological illiteracy, or more accurately, the political antipathy to socialised organizational forms, of Thatcherism.

3. *Disorder can be countered by community ‘resilience’*

One of the tenets of neoliberalism is that citizens must develop resilience in withstanding the shocks of market cycles. It is acknowledged that exposure to unrelenting competitiveness unleashes alienation and social division. Traditional structures (family, community) and civil society are therefore all the more necessary to counteract the debilitating effects of unfettered markets. Continual exposure to unrelenting competitiveness has provoked states of insecurity among working people, who are exhorted to develop self-reliance and entrepreneurial mindsets, and by this means undercut demand for social security. Criminal culpability is interwoven with narratives about deficient self-management and inadequate compliance with labour- and wage discipline. Neoliberals promulgate a political morality which holds that the welfare state has trapped people in cycles of dependency, poverty and crime by divesting poor communities of the capacity to build self-help systems which would ‘empower’ them to take greater responsibility for tackling urban decline, crime, violence and anti-social behaviour in their neighbourhoods (Wilson and Kelling, 1982). The purpose of social reform (and by extension penal reform) is intrinsically connected with returning these groups to functional resilience. This entails re-educating citizens to become self-reliant and enterprising through property ownership, minimising their demands on public welfare, adapting to more precarious labour markets, and adhering to communitarian norms and traditions. Such aspirations are also connected to the trend for ‘returning’ power to citizens via community crime control while withdrawing state funding from communities.

*4. The ‘small state’ deceit*

Fourthly, neoliberals have long taken aim at the failures and inefficiencies of the public sector, including criminal justice agencies, as deriving from the fact that they are state owned, unaccountable ‘monopolies’ guilty of wastefulness and inefficiency. If necessary, the imbalance between the economy and inefficient state sectors had to be corrected by turning over some public criminal justice functions to market competition. In this context, the private sector and (larger) charities should hypothetically be given optimal opportunity to work in the criminal justice ‘space’ as active competitors for public service contracts. In actuality, the objectionable part of *public* services related to the fact that they were *publicly* owned, managed and regulated. In their stead has emerged an oligopolistic grouping of commercial providers which have proven to be no less immune to practicing commercial self-preservation, graft and inefficiency.

*5. Markets do need state authorisation*

Contrary to the claims of laissez-faire theorists, neoliberal theory in its ‘purest’ (ordoliberal) form always favoured the idea of a strong state capable of exerting authoritarian measures to protect the economic status quo (Passavant, 2005: Bonefeld, 2012). The state preferentially concedes to the market in matters of material provision because the essential functions of the state lie with military security, preserving the rule of law and protecting the social order. A strong state, therefore, acts decisively to foster free-market conditions, and to protect them when threatened by social or political opposition. As Marquand (1997: 202) noted, every British governments in the past forty years used ‘the formidable battery of powers of the central state to reconstruct civil society in the image of an enterprise culture’. The ‘hand of the market’ is far from invisible, and indeed requires the state to form a fist.

**The ‘Great Transformation’ in our time.**

Karl Polyani’s (1945) *Origins of our Time: The Great Transformation,*  first gave theoretical shape to the concept of a 'market society’ as an immanently anti-social and destructive influence. First published in 1945, it was then, and has been since, celebrated as a riposte to his neoliberal contemporaries, particularly Hayek and the Austrian School and their ideological successors. It is not a conventional economic history but an exegesis and interpretation of what he called the 'great transformation' that was brought about by the rise of a market economy as the paradigm of the Western, and eventually, global, evolution of society. Polyani’s central thesis is that the preeminence of market forces as the organizing principle of societies is inherently destructive of the same societies:

‘The idea of a self-adjusting market implies a stark utopia. Such an institution could not exist for any length of time without annihilating the human and natural substance of society’ (Polyani, 1945: 1).

Here he posited that capitalism dynamically accumulated power in pushing for maximum penetration into the furthest reaches of social life. This occurred at the cost of communal relationships and institutions - kinship, community, class – to favour free exchanges between citizens. Polyani argued that the prevalence of an idea of society forged by the self-regulating market was ruinously disruptive of social systems brought about by the predations of the market:

‘To allow market mechanisms to be sole director of the fate of human beings and their natural environment, indeed, even of the amount and use of purchasing power, would result in the demolition of society (Polyani in Harvey, 2007: 21)

Far from creating an innate state of freedom, Polyani argued that the ‘free market’ was an ideological and historical construct which had emerged most disruptively during the era of industrial modernity for the purpose of concentrating economic and political power in the hands of elites. His was no Marxist theory of class dialectics, however.[[6]](#footnote-6) Rather, Polyani’s object of analysis was focused on the historical uncoupling of economic thought and practice from their societal bonds which thrust ‘the market’ and ‘society’ into antagonistic relations. This resulted, he argued, in an epochal struggle between capitalist economic interests and the wider social good. Given the capacity for runaway capital accumulation to wreak disruption, it was imperative that unregulated markets are restrained for the good of ‘society’. In this context, however, governments were faced with a ‘double-bind’: historically, political authorities sought to stave off crises (such as unemployment, inflation or deflation, etc.) but their interventions in turn threw up unforeseen or unwanted outcomes. In short, attempts by either interventionist or laissez faire governments to rein in or liberate market forces have eventually came to some form of grief, *thus reinforcing the alienation of society*. Accordingly, while ‘society’

‘inevitably … took measures to protect itself […] whatever measures it took impaired the self-regulation of the market, disorganised industrial life, and thus endangered society in *yet another way.* It was this dilemma which forced the development of the market system into a definite groove and finally disrupted the social organisation based upon it’ (Ibid: 1945: 1 emphasis added).

The fate of capitalism is to be caught in a ‘double movement’ whereby hubristic, unregulated markets would lead them to destroy social institutions, paving the way for the further exploitation of natural resources and human activities. Inevitably, this would generate counter-tendencies aimed at defending society, values, community and security, which are themselves fuelled by authoritarian and reactionary impulses. Thus, the history of modern political economy is motivated by a dialectic of forces and interests which lead to embedding market relations in one era followed by reactive uprooting in the next.

To conclude, Polyani strongly contested the appropriation of freedom claims by economic liberals as mere advocacy of free enterprise, and as their result o graps social complexities. In answer, he found in favour of the ‘supremacy of political institutions’ (that is political, public and civil spheres) for subordinating economic to social interests. Market regulation was necessary to rescue markets from their hubris, or they were otherwise doomed to the appearance of populist or authoritarian counterforces, as had occurred in the 19th and 20th centuries. He concluded.

‘On the balance of these freedoms, this necessitated regulation of the market, as the function of power is to ensure that measure of conformity which is needed for the survival of the group. Power and compulsion are a part of that reality; an ideal [market utopianism] that would ban them from society must be invalid' (Polyani, 1945: 248).

**The ‘Great Transformation’ interrupted?**

This summary does not do full justice to the richness and prescience of Polyani’s thesis (nor indeed that of Hayek’s) especially as the revival of interest in these ideas has been sharpened by the aftershocks of the banking crisis (2007-8), followed by austerity, political instability and the rising appeal of authoritarian populism. Some contemporary lessons from Polyani merit brief mention, as current events (not all progressive) resonate with his ‘double movement’ thesis. Firstly, we have not yet fully measured nor understood the impact of exposure to contemporary market fundamentalism in criminal justice fields. (The use of the term ‘fundamentalism’ here is not intentionally pejorative but reflects neoliberal belief in the foundational importance of ‘free markets’ to social and institutional and political formations). Whereas the consequences of decades of marketisation have hitherto been sidelined as a serious proposition, it is clear that some form of public clawback of the public realm, including criminal justice, penal and associated spheres, is gathering pace. This backlash has been spurred on by the withdrawal of contracts to manage prisons from private sector providers (Guardian, 2016; 2018) as well as the early termination of outsourced contracts to run probation services in 2018. The financial difficulties of large charities such as Lifeline in 2017 (a nationwide drug services charity) and Working Links which owned three probation services, likewise deprived parts of the country of these services while new contractors could be found.

The ‘counter-movement’ is neither coherent nor guaranteed to be ‘progressive’, however. Immediately after the banking crisis of 2007, commentators began to talk about the resurgence of a counter narrative and momentum seeking to assert some measure of control over global markets. Britain, already one of the most radically marketised European countries, further accelerated in the direction of outsourcing and state-shrinking. While many remain persuaded by the zero-sum fallacy wherein big markets require a small state, it is in periods of economic and social crises that the real nature of the relationships between corporations and states are revealed. As Monbiot (2016) remarked, the doctrine of the ‘self-hating state’ has denuded the capacity of political systems to counter contemporary ‘zombie economics’. The crux, as Polyani indicated, hinges on whether the ‘strong state’ that neoliberals desire will prevail or what shape any alternative might take.

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1. Some scholars distinguish between the intellectual project of neoliberalism and the manner in which certain aspects were cherry-picked to suit certain political agendas, point, for example, to the ultimate failure of this project to ‘roll back the state’. However, given that many regarded themselves as part of movement for influencing politics renders this point somewhat moot Prasad 2006, 21-22). [↑](#footnote-ref-1)
2. Lambert’s argument that the state ought to shift from being a direct ‘monopolistic’ provider of services to contracting out services on open competitive markets was to be found across business, some third sector/philanthropic and Third Way political commentary at the time. [↑](#footnote-ref-2)
3. The ‘carrots and sticks’ approach to public service contracting is by now very well embedded in several fields from social care to health and education and latterly, criminal justice. Inducements may include incentive mechanisms such as ‘payment by results’ regimes or bonus payments for volume processing of clients, as well as approved contract status (listed by Ministries as a fit contractor). Sanctions includes punitive audit monitoring, loss of status as an approved contractor, withdrawal of contracts, and fines for failure to deliver, for example. [↑](#footnote-ref-3)
4. Founded by Ludwig von Mises in Vienna, this group of economists grappled with the causes of economic crisis in Europe in the interwar years, forming the foremost formidable intellectual opposition to Keynesian economic theory and welfare capitalism after the Second World War. [↑](#footnote-ref-4)
5. The post-war consensus refers to the state welfarist social contract adopted in the major European industrial democracies as well as Australia, the United States. This was often referred to as the ‘cradle to grave’ welfare state in the United Kingdom [↑](#footnote-ref-5)
6. There is not enough space to account for the singularity of Polyani’s thesis. He claimed that it was politically unaligned and he presented his book as an historical account of the relationships between ‘society and markets’. That being said, he conceded that it was written as a utopian theory of society with elements of anarchism and socialism, although his conceptual separation of the social and political institutional forms from their basis in capitalism is a major departure from Marxist theories of historical materialism. [↑](#footnote-ref-6)