

The Contemporary Neoliberal State and Economic Violence

Written by Katharina Keszyus

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KATHARINA KESZTYUS, MAY 31 2018

By many economists the global financial crisis in the years of 2007 to 2008 is regarded as the worst financial crisis since the Great Depression in the 1930s. Due to international banks collapsing, including the investment bank Lehman Brothers, Western governments employed massive bail-out policies in order to rescue the world financial system. As a result, states are now struggling with huge amounts of debt at the expense of their citizens who have to endure drastic austerity measures in the form of governmental cuts of social spending. Since then, the subject of economic violence in regards to neoliberal states has regained great attention in scholarly and public debate. Some scholars are concerned about questions on neoliberalism and its lack of ethics as well as its depoliticisation of inequality by making social justice a simply economic matter.

Based on this, in the following, the relationship between the contemporary neoliberal state and economic violence is sought to be assessed by referring to the region of the Global North. Therefore, it is necessary to clarify what the concept of 'neoliberalism' is and what it entails. In the first part of this essay, thus, the main characteristics of a contemporary neoliberalist state will be portrayed. Here, neoliberalism is not seen as solely a scientific explanation of dynamics of the liberalised market economy, but rather as an ideological, global, and political movement. Furthermore, this paper defines economic violence as indirect, structural violence committed by the ruling elites and understands it as both violence caused for economic reasons and violence caused by unjust structural inequalities inherent through neoliberal economics. After giving a short, explanatory outline of the notion of the 'Global North', the second part of the essay then discusses the relation between the neoliberal state and economic violence in the Global North. It is argued that neoliberalism as an ideology of market capitalisation is accompanied by structural inequality and that it sets the basis for a 'two speed' society that enables the elites to maintain order and secure class domination. As a result, not only does neoliberalism lack ethics, accepts social inequalities and increasing economic disparities, but also, by promising efficiency and development, neoliberalism makes it easy to economically exploit vulnerable people and deprive them of resources.

Theoretical framework

Neoliberal States

In order to give a brief overview of what is meant by neoliberal states, the main features of neoliberalism regarding its practices and key ideas will be portrayed. Although social scientists have not agreed upon a specific universal definition of neoliberalism, they do recognise, firstly, its core aspect of laissez-fair economics that include the promotion of free markets, free trade and minor state interference and secondly, its emphasis on "[...] freedom (or liberty) of individuals against excessive power of government" (Smith 2017). As Grady and Harvie put it, the definition of 'neoliberalism' is "[...] both an ideological and a practical or political project. It holds that human welfare and the social good will be maximised by extending market and property relations into every sphere of human interaction" (2011). In this sense, neoliberals argue that by attempting to regulate the economy, governments not only are unable to generate economic growth or social welfare but also worsen their people's conditions by trying to improve them. Instead, it is suggested that private companies and individuals in the settings of 'open' markets are key to economic growth, development, as well as social welfare (Bockman 2013).

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It becomes obvious that neoliberalist thought is closely linked to neoclassical economics and can be traced back to ideas and works of famous economists such as Adam Smith (1776), Friedrich Hayek (1944) and Milton Friedman (1962/2002) (Duggan 2014). Especially, since the 1970s, their views on rejecting state intervention have been embraced by political leaders in the West and paved the way for forging neoliberal states globally. At that time, one of the reasons for introducing neoliberal policies was the period of capitalist crises Western states found themselves in, such as “[...] the oil crisis, fiscal crisis, stagflation, debt crisis, and legitimacy crisis [...]” (Bockman 2013) which emerged “[...] due to the widespread popularity of socialism” (ibid.). Furthermore, in the context of increasing economic globalisation processes, national economies have become more and more interdependent which is the reason for neoliberals to widely promote open-market policies including free movement of international capital to be able to compete internationally (Smith 2017).

One of the first countries that implemented neoliberal policies was Chile in 1973, when the Chilean military and internal elites overthrew the socialist government of Salvador Allende. The leaders of the *coup d'état*, advised by Chicago-based economists, the so-called “Chicago Boys”, restructured the Chilean economy by privatising public assets, cutting social spending, deregulating the market, and reversing nationalisations. This was soon to be followed by conservative political parties in the United States as well as in Great Britain starting to adopt neoliberal policies aiming to maintain capitalist profitability and to secure their elites’ share of economic and political power (Duggan 2014). Since then, neoliberalism appears in numerous different forms, shaping the political, economic and social sphere on international, national, and local level.

In general, states that are being considered ‘neoliberal’ set their focus on promoting free markets, trade, and the flow of capital. Their neoliberal policies include: Cuts to social services, welfare payments and education, privatisation of previously state-owned industries, maintaining order through investing in prison and security systems, opening up national economies to foreign businesses and foreign investments with the expatriation of profits, opening up to global institutions such as the International Monetary Fund (IMF), the World Bank, or the World Trade Organisation, reducing direct taxation, deregulation of markets, and “allow[ing] ‘inefficient’ or unprofitable enterprises to go bankrupt” (Grady & Harvie 2011). According to Bockman the term ‘neoliberalism’ recently has been extended to an even wider range of phenomena such as “[...] the corporatization of universities, the shift of welfare policy toward philanthropy and entrepreneurship, the spread of ‘intensive mothering,’ [...], the expansion of low-wage service work, the growth of mass incarceration, and so on” (2013). Neoliberal practices, revolving around the belief that free markets are the best way to develop human wellbeing, are accompanied by the rise of the entrepreneurial neoliberal subject that is responsible for itself and that pursues personal freedoms. Consequently, in the political realm, the focus has been increasingly set on the “[...] individual, their rights and responsibilities [...]” (Grady & Harvie 2011) as well as on “[...] their freedom to succeed or fail based on their own skills and hard work” (ibid.). This shows that neoliberal ideology not only accepts people to fail in society but also sets the basis for increasing disparities for the sake of human competition. Those who cannot compete as for example the homeless or the incarcerated, simply fall out of the system and are being excluded from full citizenship (Bockmann 2013).

Moreover, neoliberal ideology is closely tied to the appeal of a rhetorical project “[...] harnessed to certain mechanisms of social control, which are at odds with the actual mechanisms by which labor, capital and other markets work, and the outcomes they generate” (Nonini 2003: 165). Nonini further suggests that processes of economic and political restructuring over the past 4 decades have been paralleled by “[...] distinctive processes of cultural production and the promotion of the hegemonic project of neoliberalism” (ibid.). As a consequence, neoliberal rhetoric of growth, prosperity and efficiency has become the dominant rhetoric used in states where neoliberalism prevails. Neoliberalism creates new forms of control through promoting the “[...] universalization of anxieties about risks associated with individuals, groups, and locales” (ibid.: 166). Such risks would include credit risks, investment risks, or tax payer risks and placing people into certain risk groups for example into an insurance category (high or low risk) when evaluating one’s health. In turn this creates a ‘dual’ or ‘two speed’ society consisting of people that benefit from inherent competitive structures and people who cannot live up to the requirements of competitiveness and profitability and would fall into high level risk groups. Resulting from the implementation of neoliberal policies, thus, is the rising concentration of economic and political power for only a certain part of the population.

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This, however, is not without its criticism and for instance, the traditional left-wing position opposes such neoliberal approaches. It has been argued that neoliberal policies always have been accompanied by undemocratic means of coercion to force the population to accept new structures of economic and political power. For example, Klein argues that such neoliberal policies are “[...] always extremely unpopular as they inevitably made the most numerous sectors of the population economically worse off” (in Oksala 2011: 474) and therefore “[...] could not be implemented democratically as they would have never survived democratic election” (ibid.). In this way, critics have turned the neoliberal argument around by saying that neoliberal states end up worsening living standards for various sectors of the population instead of improving them. So does Bond when stating that neoliberal policies such as budget cuts can depress the economies’ effective demand and subsequently cause declining growth rates (Bond 2017). Bond furthermore points out that processes of privatisation are “[...] too often accompanied by corruption, and often suffer[ed] from foreign takeover of domestic industry with scant regard for maintaining local employment or production levels [...]” (ibid.). Along he criticises that while promoting privatisation, international institutions such as the World Bank or the IMF have never taken into consideration the positive effects of states supplying goods: “[...] the positive effects of water supply on public health, environmental protection, local economic activity and gender equality were never calculated” (ibid.).

Subsequently, in order to overcome economic and social inequalities in the capitalist society, opponents of the neoliberal systems would need to “[...] challenge the market forces that determine the profits of capitalists and the unequal remuneration of workers, for instance, by nationalis[ing] the means of production or setting strict wage schedules” (Piketty 2015: 1). Considering these critiques of neoliberalism, it becomes clear that the concept of neoliberal states encompasses a certain form of violence against parts of the population that manifests itself through creating and holding on to social and economic inequalities. This relation will be closely assessed in the following chapter.

Economic violence

Before assessing the relation between the contemporary neoliberal state and violence, specifically economic violence, though, it is important to clarify how ‘economic violence’ is understood in this paper. First of all, ‘violence’ can come to presence in many different forms: Violence can be individual, interpersonal, institutional, ideological etc. and can appear in different types as in force or coercion, physical violence, cultural violence, psychological or emotional violence, structural violence, epistemic violence, or economic violence. Here, economic violence represents a form of indirect, structural violence that is exerted from the state – the governing elites – on to the people living within the borders of the state. Overall, there are different understandings of theorising violence. One way to conceptualise violence, as for example promoted by Klein, is to see it as an instrumental means which helps to consolidate one’s (political/ economic) power. In a neoliberal setting, forms of extreme economic violence can thus be understood “[...] as an instrument for redistributing power in a way that benefits certain sectors of the population – [...] landowners, multinational corporations and political elites – while disadvantaging the majority” (Oksala 2011: 474). Subsequently, neoliberal, economic violence is regarded as “instrumental and contingent” (ibid.). Another approach to explain violence that goes hand in hand with neoliberal policies is to view violence as “structural” (ibid.). The concept of ‘structural violence’ is mainly associated with the work of Johan Galtung and refers to indirect violence that “[...] is built into the structure and shows up as unequal power and consequently as unequal life chance” (Galtung 1969: 171). He notes that structural violence is inherent when resources are unevenly distributed, ranging from income, literacy and education, to medical services. Furthermore, Galtung claims that “[a]bove all the power to decide over the distribution of resources is unevenly distributed” (ibid.), especially in liberal, capitalist societies where socialist ideas are criticised and the “power to decide is monopolized by a small group who convert power in one field into power in another field simply because the opposition cannot reach the stage of effective articulation” (ibid.). This approach will be adapted in the following and hence, economic violence will be viewed as committed when for example people die due to no access to medical services when other parts of society enjoy such access and do not have to die. This form of death then could have been avoided and hence, simply put, one form of structural, economic violence by the neoliberal state is thus the form of violence by not doing anything. Žižek further explains that one should put an emphasis on objective violence which “refers to the violence inherent to the system itself: the violent consequences of the smooth functioning of the capitalist economic and political system” (in Oksala 2011: 475). As a consequence, he finds objective violence in current economic capitalist structures of society that spurs “[...]”

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exploitation, hunger and poverty, ecological decay, human misery, inadequate welfare systems and systemic inequality” (ibid.). To sum it up, in the following, leaning on Nitasha Kaul’s work on “The Economics of Turning People into Things” (2009), economic violence will be understood as “[...] not only the violence caused for economic reasons, but also [as] the violence caused by spurious economics” (2009: 299). Violence caused for economic reasons can evolve when, for example, people protest or riot against a scarcity of resources which subsequently poses threats of security to the state. On the other hand, violence caused by inherent economic structures is referring to the harm that is done to people who have to bear unjust structural inequalities of wages, income, resources, or opportunities. In neoliberal states, while promising rising efficiency and development, such structural inequalities are created when the “[...] most vulnerable (low skilled, manual or factory labour, women and children, new immigrants)” (ibid.) are deprived of opportunities, being unable to compete and hence suffer exclusion from society.

The Global North

As depicted above, to understand the relation between neoliberal states and economic violence, it is essential to acknowledge that neoliberal policies are accompanied by structures of inequalities. These inequalities of unjust distribution of wealth can be observed on a large, global scale when comparing developed, richer countries to developing, poorer countries. The socio-economic concept of the so-called ‘Global North’ and ‘Global South’ illustrates the gap between these two regions in the world in terms of development and wealth (Royal Geographic Society with IBG n.d.). The Global North thus encompasses countries located in North America, Europe and developed parts of East Asia that enjoy privileges of controlling global resources and have high levels of gross domestic product (GDP) (at purchasing power parity) per capita. Whereas the Global South constitutes the main “[...] home of natural resources and population” (IGI Global Website, n.d.), it shows lower rates of GDP per capita than countries of the Global North and include regions that are geographically located in the world’s south such as South America, Africa and South Asia. Inequalities within the borders of states also have risen, and scholars sometimes even refer to the ‘Global South within the Global North’ when, for instance, describing striking wealth disparities in the Global North. In this paper, the focus will be set on the relation between the contemporary neoliberal state and economic violence in the area of the Global North. Examples used to demonstrate economic, social, and cultural impacts of neoliberal policies will be given of the United States and Europe.

Contemporary neoliberal states and economic violence

Having outlined the concepts and meanings of neoliberal states, economic violence and the Global North, in the following, the relationship between the contemporary neoliberal state with its adoption of neoliberal policies in the Global North and economic violence will now be discussed. On the one hand, due to implemented policies such as the reduced role of the government along the celebration of freedom of markets and capital flows, and a reorganised tax system, high numbers of economic growth rates can be seen, including positive effects on states’ economies in relation to the global market and competition. According to the World Bank national accounts data and the Organisation for Economic Co-operation and Development (OECD) national accounts data files, the GDP per capita^[1] in North America has risen from US\$ 5,140.5 in the year of 1970 up to US\$ 56,081.9 in the year of 2016 (The World Bank 2017). In the United States alone, the GDP per capita has increased from US\$ 5,246.9 in 1970 to US\$ 57,638.2 in 2016. In the same period of time, GDP per capita also has drastically grown in the countries within the European Union from US\$ 1,934.8 to US\$ 32,233.5. For example, the data shows an enormous increase of GDP per capita from US\$ 2,750.7 to US\$ 42,069.6 in Germany from 1970 until 2016 (ibid.). (In comparison to countries that are associated with being part of the Global South, these numbers are reasonably high. For instance, when looking at North America’s GDP per capita of US\$ 56,081.9 in the year of 2016 a clear economic advantage can be seen over the Sub-Saharan African region with a GDP per capita at only US\$ 1,464.1 or the Latin American and Caribbean region reaching only a GDP per capita of US\$ 8,311.4 in the year of 2016 (ibid.)) These high numbers of GDP per capita in the Global North illustrate the average high living standards of people in those regions and mark a huge prosperity of those countries. Taking these numbers into account, economic violence as above defined – violence caused for economic reasons or caused by certain inherent economic structures – seems to not be an issue for the Global North.

Structural inequality

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However, on the other hand, contemporary neoliberal states do suffer from growing inequalities and economic violence within their borders which can be traced back to drastic neoliberal measures of 'structural adjustments'. Inequality can be measured by the Gini index, invented by the Italian statistician Corrado Gini (BBC News 2015). The Gini index enables the comparison of the distribution of income in one society to other societies. On the Gini scale, inequality "[...] is measured between 0, where everybody is equal, and 1, where all the country's income is earned by a single person" (ibid.). Statistics from the U.S. Consensus Bureau show that for the United States, inequality has risen rapidly from 0,39 to 0,48 in the years between 1970 and 2016 (United States Census Bureau 2017). In addition, key findings of the U.S. Congressional Research Service report "The U.S. Income Distribution: Trends and Issues" of the year 2016, suggest that not only income inequality has increased over the past 4 decades, but also that it has "[...] increased most relative to the top of the income distribution, but inequality also grew among the lower 80%" (Dalaker et al. 2016: 1). That said, in 1975 the highest earning top 20 percent quintile's mean household income was 10.3 times greater than the bottom quintile's mean income whereas in the year of 2015, it was even 16.3 times greater (ibid.). The data show that the rapid growth of inequality between the years of 1975 and 2015 is mainly due to a relatively rapid growth of mean income in the top quintile with an annualised growth rate of 1.3 percent. In contrast to that, between 1975 and 2015, the annualised growth rates for bottom quintiles was at only 0.2 percent and 0.3 percent for the 2nd quintile (ibid.). As a consequence, although the overall economic growth of the U.S. GDP per capita might have risen over the last 40 years, this mainly benefits the few top high-income households whilst the gap between the rich and the poor grows at the same time. The neoliberal structural adjustments in the United States thus have influenced society in terms of a widening inequality of income and unjust distribution of wealth. By facilitating increasing economic inequalities among a state's society through neoliberal policies with less government interference, the state – the governing elites – exerts economic violence.

Subsequently, huge cuts in social spending comprising of "cash benefits, direct in-kind provision of goods and services, and tax breaks with social purposes" (OECD 2017) have a large impact on the population and especially various negative effects on millions of vulnerable people such as low-income households, the elderly, the disabled, or unemployed people (Kaul 2011).

Following the global financial crisis, Western governments struggle with high debt due to implementing rescue programs for banks and financial institutions. For this reason, health systems in most countries of the Global North have to face large cuts in funding under austerity policies justified by the promise to revitalise the states' economies and the greater economic good for all. One outcome of constraints in public expenditure of health care and social care is a large substantial mortality gap. For instance, BMJ Journals present a time trend analysis of actual mortality rates in 2011 until 2014 in comparison to rates before cuts in social spending in England. Findings show that the number of deaths increased by an average of 0.87 percent per year whereas in the years of 2001 until 2010 the "absolute number of deaths in England decreased by an average of 0.77 percent per year" (Watkins et al. 2017). Despite an increasing demand of social care, real-term adult social spending annually dropped by 1.19 percent between the period of 2010 and 2014. In relation to these fiscal cuts, the results of the analysis demonstrate an increase of potential years of life lost (PYLL) for both men and women. In the years of 2012-2014, it was found that "[...] male and female life expectancy to be 3.84 months (2.40–5.28) and 5.16 months (3.36–7.08) less, respectively, than the values anticipated from 2001–2003 to 2009–2011 data" (ibid.). The rise in higher death rates especially affected people aged over 60 years and those groups of people that stay in care homes. Between 2010 and 2014, each £10 per capita decline in real public expenditure of social care is "[...] associated with an increase of 5.10 (3.65–6.54) (p<0.001) care home deaths per 100 000" (ibid.). Another effect from austere policies is the drastic decrease of numbers of nurses. BMJ Journals findings link these changes in numbers to an increased mortality rate and predict an "[...] estimated 152 141 (95% CI 134 597 and 169 685) additional deaths" (ibid.) until the year of 2020. It becomes clear that the United Kingdom, as a contemporary neoliberal state in the Global North, exerts economic violence by implementing austerity policies and refraining from continuing to support people in need and by willingly taking the chances of those people to die. Inequalities in health care and social care are not only prevalent in the United Kingdom, but in other high-income countries such as the United States as well. While the costs for health insurance coverage has risen over the last decades, the quality of the insurance policies are decreasing (DPE Research Department 2016: 3). Also, in the United States, health insurance coverage is "uneven and often minorities and the poor are underserved. Forty million workers, nearly two out of every five, do not have access to paid sick leave" (ibid.: 4). By privatising health care and making it inaccessible for large numbers of vulnerable people, the US

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health care system marks a neoliberal act of economic violence. According to the American DPE Research Department, “[m]inorities and children are disproportionately uninsured” (ibid.). Nearly 20 percent of people of Hispanic origin were found to be uninsured in the year of 2014, whereas only 7.6 percent of non-Hispanic Whites were uninsured in the same year. In addition, highly concerning numbers were published regarding insurance coverage of children in the US. “Among children, six percent were uninsured in 2014. These children are 10 times more likely than insured children to have unmet medical needs and are five times as likely as an insured child to go more than two years without seeing a doctor” (ibid.).

Neoliberal states, however, not only exert economic violence by imposing unjust economic and social structures, but also cause violence for economic reasons in many cases. Economic violence committed by states that lean on neoliberal ideology and policies such as cut backs in social spending and austerity measures, can lead to social inequalities that may manifest themselves in right-wing populist or extreme nationalist movements. An example for this form of violence would be the violence caused by Greece’s neo-Nazi Golden Dawn political party against immigrants or political opponents. After the financial crisis and the downgrading of Greece’s credit rating by one of the world’s three main credit rating agencies, the Greek government adopted harsh austerity policies in the year of 2009. Only three years later, the neo-Nazi party won 7 percent in the national twin elections accounting for 18 seats in the Greek parliament (BBC News 2013). The neo-Nazi party took advantage of the growing anger about “[...] drastic cuts in jobs, wages and pensions enforced by international lenders; and a steady flow of immigrants seeking access to the EU” (ibid.). The members of the Golden Dawn political party have exerted violence on immigrants and political opponents by, for example, having launched food hand-out programs to the poor where immigrants are pointedly excluded. Moreover, extreme, direct forms of physical violence by members of the Golden Dawn have been expressed by various racist attacks, killings of immigrants and the assassination of a famous hip hop artist, Fyssas, who fought against discrimination and racism (ibid.). It is important to mention that the rise of the extreme right is not only an issue that the Greek society has to cope with, but the majority of European countries. As Jinkings and Guimarães put it, since the “[...] dismantling of the welfare state, Europe currently faces severe social problems that often erupt in the form of nationalist movements” (2011: 11). Such movements and right-wing populists have gained strength across Germany, Austria, the Netherlands, Hungary, Poland, the UK etc. and, among others, propagate anti-immigration sentiments. States introducing neoliberal restructuring adjustments thus can exert economic violence by setting the basis for growing fascist and nationalist movements which justify their ideology and actions by pointing out inherent social inequalities. “Fascism is, thus, in a certain way, a symptom of profound damage; however, it is careful to present itself not as a symptom but as a remedy” (Moraes, Reginaldo 1998: 125 cited in Jinkings & Guimarães 2011: 11).

Maintaining order and securitisation of class domination

Another important aspect to mention of how the relationship between contemporary neoliberal states and economic violence is constituted, is the power dynamics of neoliberal economic policies that benefit from the construction of poor people’s vulnerabilities “[...] and the commodification of their very being” (Green 2011: 366). An example for this practice would be the exploitation of cheap, expandable labour of migrant workers from Central or South America in the US. Due to the spread of neoliberalism and its geopolitical practices, millions of Central Americans have few opportunities and struggle to procure a livelihood in their countries which in turn forces them to ‘voluntarily’ leave their home countries in search for survival. As Green suggests, one way to understand immigration is to think of it “as a consequence of a complex set of global doctrines and geopolitical practices that produce both nobodies in the Global South and low wage, dangerous, and non-union jobs in the United States” (ibid.: 367). In the Global North, structural economic violence is committed by excluding migrants from society and depriving them of equal chances and access to resources. This is done, for example, by framing migrants as ‘illegals’ when crossing the borders to the United States. People who seek better lives are being brutally punished and contained (ibid.: 368). A trend is noticeable, that whatever their documentation status is, Latino/ Hispanics become more and more stigmatised as ‘illegal aliens’ which sets the basis for their “[...] social fragmentation and individuation” (ibid.). Furthermore, by increasingly incarcerating migrants not only in detention centres but also in state or local prisons, the neoliberal state ensures the existence of cheap workforce for means of profitability, by replacing the already low-wage jobs such as picking chillies by even less paid jobs performed by imprisoned people. For example, in Arizona, for a 10 to 12-hour shift picking chillies, migrants earn about US\$ 40 per day whereas prisoners earn only US\$ 20 per day (Green 2011:

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382). It gets obvious that some of these prisoners working “[...] are migrants, who, in a perverse Orwellian twist, have replaced themselves at a much lower wage, even as they await deportation [...]” (ibid.). One objective of the neoliberal state hence can be stated as securing the inherent unjust class domination in order to be able to exploit those vulnerable people who are fundamental to keep the neoliberal wheel turning. To ensure this, the neoliberal state, moreover, needs to control and maintain the social order. So, while having decreased social spending over the last decades, the United States has increased its spending on public safety. Even though statistics show that crime rates have dropped, the “U.S government expenditures on public safety increased by 466 percent from 1982 to 2001” (Jinkings & Guimarães 2011: 14). Especially the number of expenditures on prisons has grown by 500 percent in the same period of time. Jinkings and Guimarães point out that “[f]rom 1985 on, expenditures on prisons exceeded those directed to social benefits for families with dependent children and food aid for poor families” (ibid.). In 1983, privatisation of prisons began and came along with the introduction of making the prisoners pay for their stay with simplified work. However, the consequences of privatisation of prisons gets clear when looking at the neoliberal ideology of ensuring profits: Privatised prisons can only achieve profitability when a steady flow of prisoners is given. Subsequently, this practice of neoliberal thought can be noticed in the immensely increased numbers of imprisoned people between 1980 and 2014: Within this period of time, the number of the prison population total has increased from 503,586 up to 2,217,947 in the United States (WPB World Prison Brief 2017). Accordingly, the prison population rate (per 100,000 of national population) has more than tripled from 220 up to 693 (ibid.). Various European countries like England, Portugal, or Spain have also experienced such “prison inflation” (Jinkings & Guimarães 2011: 16) and show that neoliberal states focusing on the concentration and expansion of private capital, need socially weak societies where the poor and vulnerable can be repressed for monetary gains.

Conclusion

As a conclusion, contemporary neoliberal states such as the United States or Great Britain seek to promote and enhance structural inequality within their borders by exerting economic violence. They do so by implementing measures of structural adjustments under the pretence of creating economic wealth for all. However, such neoliberal policies mainly lead to the degradation of living conditions for the great majority of the population, the amplification of income and property inequalities, as well as a deeper social fragmentation with the poor and most vulnerable people getting excluded from society and being deprived of resources. This in turn enables the ruling elites to secure class domination and further access to economic gains.

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[1] "GDP per capita is gross domestic product divided by midyear population. GDP is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. Here: Aggregation Method: Weighted average" (The World Bank 2017).

Written by: Katharina Kesztyus
Written at: University of Westminster
Written for: Dr. Nitasha Kaul
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