



# GLOBAL SLUMP

*The* ECONOMICS *and* POLITICS  
*of* CRISIS *and* RESISTANCE

**SPECTRE** 

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## Debt, Discipline, and Dispossession: Race, Class, and the Global Slump

“Modern high-tech warfare is designed to remove physical contact: dropping bombs from  
does not ‘feel’ what one does. Modern economic management is similar: from one’s luxury hotel, one can callously impose policies about which one would think twice if one knew the people whose lives one was destroying.”  
—Joseph Stiglitz, former chief economist  
for the World Bank

On the economic front, the Volcker Shock—and similar policies in countries from Britain to Bolivia—were designed to make employment more precarious, through mass layoffs, factory closures, public sector job cuts, and the replacement of full-time by part-time work. Alan Budd, chief economic advisor to former British prime minister Margaret Thatcher, was surprisingly forthright about all this. “Rising unemployment,” he argued, “was a very desirable way of reducing the strength of the working class . . . What was engineered—in Marxist terms—was a crisis in capitalism which re-created a reserve army of labor, and has allowed the capitalists to make high profits ever since.”<sup>241</sup> In short, generate unemployment and you will curb workers’ powers of resistance. By fostering job insecurity in these ways, a new political climate was engineered, one designed to buttress market discipline. Through the media and the pronouncements of politi-

cians, a cultural atmosphere was created that disparaged nonconformity and rebellion while extolling obedience and respect for those in power. A law and order regime, to be discussed below, threatened those who challenged authority. TV shows glorifying cops became the rage. In all these ways, people were warned of the severe risks involved in standing up to dictatorial managers, organizing a union, or going on strike. Do any of the above, came the message, and you could easily be replaced. All of which reminds us that, notwithstanding the force of economic coercion imposed by market dependence, capitalism has always required an intricate web of social, political, and legal coercion organized in and through the state.

Fundamental to intensified state coercion was a get-tough “law and order” regime that was backed up by increasingly militarized policing. Poor communities of color suffered an invasion of ever more brutal and intrusive policing; radical political movements were infiltrated and harassed, their members frequently jailed on trumped up charges and, in the case of groups like the Black Panther Party, chillingly murdered. Schools in poor communities were subjected to heightened surveillance and dramatically increased police presence (in the U.S. this has included jails in schools). And on the street level, those who hang around, gather on corners, and generally do not lead the disciplined lives of the neoliberal era are immediately suspect and liable to be confronted by police, their very mode of life deemed suspicious. Not that any of this is new. But it was a return to (and an intensification of) older forms of keeping poor, working class people in line. Once again, it was truly a *neo*-liberalism, the revival of policies and practices that had characterized capitalism in its early (classically liberal) phase.

During the rise of capitalism in Britain, for instance, workers who were dispossessed did not automatically accept the harsh regimes of wage-labor. They could regularly be found squatting on common lands, where they hunted, fished, picked berries, gathered firewood, built shelters, and occasionally stole from the rich—just the images we have from traditional Robin Hood stories. Sometimes they formed traveling bands of peddlers, trou-

badours, entertainers, and itinerant laborers, crisscrossing the countryside in groups, frequently sleeping in the open air. And in some places and times they simply occupied public space to request alms from their neighbors.

Britain's rulers were both unnerved by the independence of these crowds and determined to crush their survival strategies. One way or another, industrial work discipline would be imposed upon these rowdy, boisterous, self-reliant communities of dispossessed people. And so the ruling class erected a system of draconian legislation that licensed beating, whipping, branding, chaining, severing of ears, and imprisonment for those who begged, stole, or were of "idle" disposition. In all these ways, observed Marx, "were the agricultural folk first forcibly expropriated from the soil, driven from their homes, turned into vagabonds, and then whipped, branded and tortured by grotesquely terroristic laws into accepting the discipline necessary for wage-labour."<sup>242</sup> To be sure, when capitalist market relations become widely normalized, states do not regularly have to behave in such blatantly brutal ways to keep their work forces in line. Much can be left to the quiet violence of the capitalist economy in which dispossession (owning no productive assets except for one's ability to work) compels people to submit to the unyielding disciplinary regimes of wage-labor.

But while much can be left to market discipline, not everything can. That is why law, police, prisons, and direct force remain omnipresent. Indeed, the intensified disciplinary regimes of the neoliberal period—punitive laws against panhandling or sleeping in parks, widespread incarceration of those found with small bits of drugs, harsher street-level policing and jail terms, and ever more people stuffed into prisons—are sharp reminders that the coercive powers of the state will be regularly mobilized every time the "work ethic" and social discipline seem to be waning.

Essential to such efforts are strategies meant to make it less and less possible to survive outside the labor market. Typically, these strategies have been couched in terms of making our streets safer, as if unemployed youth, lacking meaningful facilities in which to gather for conversation and recreation, are the problem.

In California, a mid-1980s Task Force on youth gangs defined the problem of unemployed youth on the streets as “street terrorism.” And the 1988 law it spawned bore the ominous title Street Terrorism Enforcement and Prevention (STEP) Act.<sup>243</sup> In Ontario, Canada’s largest province, an exceptionally mean-spirited neoliberal government borrowed the same rhetoric. Having cancelled all social housing and cut welfare rates by 22.6 percent, it introduced a so-called “Safe Streets Act” meant to protect ostensibly endangered citizens from panhandlers and “squeegee kids,” who wanted to clean their car windshields for a small price. The perceived threat had nothing to do with public safety or fear of clean windshields, but much to do with efforts to criminalize social groups who sought out alternatives to wage-labor. Among other things, people who do not conform with the disciplines of wage-labor violate the spatial relations of the neoliberal city. Street people, panhandlers, squeegeers, and others tend to gather in public space; they put their own distinctive stamp on parts of the city. In so doing, they collide with the sanitizing mission of neoliberalism, which seeks to present cities as spaces for investment, real estate development, and high-end consumption in classy restaurants, nightclubs, museums, galleries, and more. This is why neoliberal urbanism has been so concerned with segregating and hiding the poor and with criminalizing the non-conforming. Property values and sites of luxury consumption pivot on exiling the poor, on a sort of social cleansing that segregates poor, marginalized, and “deviant” groups. Law and policing have figured decisively in enacting such segregation.

So, new laws would be written, police mobilized, and fines and jail terms imposed to close off alternatives to wage-labor and to remove the “undesired” from bourgeois view. It is instructive in this regard that, for all their talk of “freedom,” neoliberals’ preferred disciplinary institution has been the prison: it is there that the “undisciplined,” particularly young people of color, are to be taught the price of not functioning as obedient cogs in the machinery of capitalist production. In this spirit, a “law and order” crusade has been fashioned, involving draconian policies like three-strikes laws in many U.S. states (under which a third

conviction, irrespective of the seriousness of the previous ones, requires harsh jail sentences), joined to tougher conditions for bail and probation and longer sentences. Meanwhile, police and security guards pour into schools with a special mission to hammer on youth of color, as a reminder that discipline and control, not education, are the priorities. So obscene can this get that one predominantly African-American high school in New Orleans had thirty-four security guards compared to twenty-one teachers.<sup>244</sup> Multiple institutions of coercion—from the sweatshop and the locked-down school to the penitentiary—thus intersect in a program designed to impose market discipline by force.<sup>245</sup>

As neoliberals have pursued their disciplinary agenda, law enforcement budgets have soared, while police forces have been militarized, acquiring helicopters, assault weapons, tasers, and more. State spending on prisons has persistently risen, while social welfare programs have been slashed. Notwithstanding falling crime rates, prison building has been a boom-time industry—California has pursued “the largest prison building program in the history of the world” across the neoliberal era—while rates of incarceration have also jumped.<sup>246</sup> Under the guise of a so-called “war on drugs,” militarized policing has been imposed on poor and racialized communities across the U.S., as well as countries like Mexico and Colombia. As Ruth Wilson Gilmore has powerfully shown, imprisonment has become the preferred neoliberal form of social control of largely racialized “surplus populations.” It is prisons—not schools or even job training programs—that secure the disciplinary ethos of neoliberalism. As a result, while crime rates have fallen, the U.S. has witnessed a 450 percent expansion of its prison population since 1980.<sup>247</sup>

The growth in this prison population during the neoliberal era is staggering. In 1972, the U.S. prison-industrial complex held three hundred thousand inmates; by 2000, the number had hit two million. Today, well over seven million people in the U.S. are in prison, on probation, or on parole.<sup>248</sup> Following in these tracks, the Canadian government has embarked on a \$10 billion prison expansion and retrofitting program joined to increased incarceration and longer sentences—despite the fact that crime rates are

falling and that government programs that assist the poor are being slashed.<sup>249</sup> All of this is about class discipline. But it is also about racial oppression. Given its constitution in and through colonialism, slavery, and extermination of indigenous peoples, capitalist class formation has been inseparable from the social organization of race and racism. Specific populations—Africans, Asians, the Irish, and the indigenous peoples of the Americas—were subjected to ruthless, even murderous regimes of pillage and brutality, consistently justified by doctrines of racial inferiority. “The discovery of gold and silver in America, the extirpation, enslavement and entombment in mines of the indigenous population of that continent, the beginnings of the conquest and plunder of India, and the conversion of Africa into a preserve for the commercial hunting of black skins, are all things which characterize the dawn of the era of capitalist production,” wrote Marx.<sup>250</sup> However, Marx was less clear about the ways in which integral to all these horrors was the construction of systemic racism, a mode of white supremacy, which sustained and reinforced these methods of racialized accumulation.<sup>251</sup> Moreover, as a number of social critics have shown, these violent processes of dispossession are continually re-enacted across the history of capitalism.<sup>252</sup> And because they operate within neocolonial and imperial circuits of global power, these processes continue to ooze racism, even if the latter assumes new forms and is enacted through changing social practices. In fact, America’s contemporary “criminal justice” regime is one of the foremost indicators of the enduring presence of systemic racism in the neoliberal era. In the U.S. today, after all, two-thirds of all people incarcerated are Black or Latino. Meanwhile, one in every three African-American men is in prison or under some form of criminal surveillance, such as probation or parole. Similarly, in Canada native men are 25 times more likely to be in a provincial jail than are non-native men; and native women are 131 times more likely to find themselves locked up than their non-native counterparts.<sup>253</sup>

Policing and imprisonment are thus among the most overtly racialized features of late capitalism. But they are just the tip of the iceberg, below which resides a vast web of racially organ-

ized social practices. Indeed, the social organization of debt markets, which figure so centrally to the recent crisis of the neoliberal economy, is another key domain of the exploitative practices of racialized capitalism.

- 241 As quoted by Richard Brooks, “Maggie’s Man: We Were Wrong,” *Observer*, June 21, 1992.
- 242 Karl Marx, *Capital*, vol. 1, trans. Ben Fowkes (Harmondsworth: Penguin Books, 1976), 899.
- 243 Ruth Wilson Gilmore, *Golden Gulag: Prisons, Surplus, Crisis, and Opposition in Globalizing California* (Berkeley: University of California Press, 2007), 96, 107.
- 244 Jordan Flaherty, *Floodlines: Community and Resistance from Katrina to the Jena Six* (Chicago: Haymarket Books, 2010), 83.
- 245 Todd Gordon, *Cops, Crime and Capitalism: The Law and Order Agenda in Canada* (Halifax: Fernwood Publishing, 2006) provides a highly perceptive discussion of Ontario’s “Safe Streets Act,” alongside a powerful analysis of the racial and class dynamics of policing in the neoliberal era. For an overview of the “law and order” agenda in the U.S. see Christian Parenti, *Lockdown America: Police and Prisons in the Age of Crisis* (London: Verso, 1999), and Ruth Wilson Gilmore, *Golden Gulag: Prisons, Surplus, Crisis and Opposition in Globalizing California* (Berkeley: University of California Press, 2007).
- 246 Cary J. Rudman and John Berthelsen, *An Analysis of the California State of Corrections Planning Process* (Sacramento: California State Assembly Department of Research, 1991), i, as quoted in Gilmore, *Golden Gulag*, 88.
- 247 Gilmore, *Golden Gulag*, 110–13.
- 248 Rick Salutin, “The Fear Factor in Economics,” *Globe and Mail*, July 23, 2010.
- 249 Diana Zlomislic, “Ottawa’s Prison Plan Won’t Work, Critics Say,” *Toronto Star*, August 7, 2010; and Campbell Clark, “Day Cites ‘Alarming’ Rise in Unreported Crime to Justify New Prisons,” *Globe and Mail*, August 4, 2010.
- 250 Marx, *Capital*, vol. 1, 915
- 251 As Kevin Anderson has pointed out, Marx’s anti-colonialism became sharper and more determined over the course of his life, just as he broke from much of his early Eurocentrism. See his *Marx at the Margins: On Nationalism, Ethnicity and Non-Western Societies* (Chicago: University of Chicago Press, 2010). Building on some of the finest historical materialist work in this area, I have attempted to outline the inner connections of racism and capitalism in my *Another World Is Possible*, 2nd ed., chap. 4.

## NOTES

- 252 For a significant theoretical statement of this point see Massimo De Angelis, "Separating the Doing and the Deed: Capital and the Continuous Character of Enclosures," *Historical Materialism* 12, no. 2 (2004): 57–87. David Harvey has made a similar argument, under the rubric of his notion of "accumulation by dispossession" in *The New Imperialism* (Oxford: Oxford University Press, 2003), chap. 4. While there are some unclari- ties in Harvey's formulation (see n. 273 below), the concept of accumu- lation by dispossession powerfully captures central features of neoliberal globalization.
- 253 McNally, *Another World Is Possible*, 2nd ed., 70–72.