

# Beyond the Prison Industrial Complex: Class Warfare from Above

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Global Research, September 08, 2015

[Covert Action Quarterly and Global Research](#) 1 April 2000

Region: [USA](#)

Theme: [Law and Justice](#), [Police State & Civil Rights](#)

This article was first published by GR 14 years ago upon the inauguration of our website on September 9, 2001

*What drives incarceration and the massive build-up in American criminal justice? Are specific corporate interests taking control of criminal justice policy, as is often the case with military policy? Has the Military-Industrial Complex, with the end of the Cold War, transmogrified into the Prison Industrial Complex (PIC)?*

This “prison as pentagon” argument has assumed the mantle of common sense among many left pundits and activists. The PIC explanation generally cites three ways in which incarceration directly bolsters capitalism. They are: the privatization of prisons and prison-related services, the exploitation of prison labor by private firms, and the broad Keynesian stimulus (i.e., job creation) of criminal justice spending.

All of these features are important, but none of them-alone or together-explains why we are headed for what Jerome Miller calls a “gulag state.” Perhaps a more useful analysis of the cops-courts-and-big house buildup requires a broader, more historically rooted class analysis that looks not just at bad corporations but at the structure of American capitalism more generally

## Prison Labor

Critics of the Prison Industrial Complex focus much of their attention on prison labor: We hear that incarceration is increasingly driven by profit hungry firms looking for cheap labor. In making this point speakers or writers will reel off a sinner’s list of familiar implicated corporate names: Microsoft, Starbucks, Victoria’s Secret and TWA. The phenomenon looks to be a mile wide, but in reality it’s only an inch deep.

Most of the typically named culprits have engaged prison labor only via subcontractors who, in turn, often have only sporadic contracts with prisons. The moral stain remains: Leasing convicts is leasing convicts. But we need to re-calibrate our understanding of what’s going on and look closely at the facts. Nationwide only 2,600 prisoners work for private firms. Why is this? Because capitalists don’t like the invasive, slow, overbearing environment of prisons. Guards may approve of “making convicts pay” but in practice they regularly interrupt production to strip-search, count, and lock away the convict employees. Nor are many big firms willing to risk the bad press associated with exploiting prisoners. For example, Montgomery Ward’s charter pledges that the company will not use child, slave, or

convict labor. Finally, why hire convicts at minimum wage-corporations have to pay prisons minimum wage even if the inmate employees only receive pennies per hour-when there is an overabundance of desperate, often militarily disciplined, workers in the free world.

But that's just the private sector, what about the State? After all, most convict laborers are employed by state-owned "prison industries" such as the California Department of Corrections Prison Industries Authority (PIA) or the Federal Government's Unicor, which employs about 20,000 inmates. Impressive numbers, and one would be excused for thinking that someone must be making money hand over fist. However Unicor-like the many parallel ventures owned by the states-is an economic basket case that would shortly collapse if ever forced to compete with the private sector.

Unicor products provided to the Department of Defense, on average, cost 13 percent more than the same goods supplied by private firms. U.S. Navy officials say that, compared to the open market, Unicor's "product is inferior, costs more and takes longer to procure." The federal prison monopoly delivers 42 percent of its orders late, compared to an industry-wide average delinquency rate of only 6 percent. A 1993 government report found that Unicor wire sold to the military failed at nearly twice the rate of the military's next worst supplier.

"The stuff was poor quality," said Derek Vander Schaaf, the Pentagon's Deputy Inspector General, adding: "If you can't compete at 50 cents an hour for labor, guys, come on."

Most state owned prison industry authorities (PIAs) are just as bad: twenty-five percent of them reported net losses in 1994. But even this unflattering number is optimistically distorted, because many PIAs that boast profits in their annual reports fail to disclose the massive subsidies they receive. For example, California's PIA claims to be in the black, but state auditors tell a different story: In 1998 the PIA employed 7,000 of the state's 155,000 prisoners in everything from dairy farming to computer refurbishing, and operated with the usual pampering of guaranteed markets and obscenely low wages. But, like Unicor, the PIA was unable even to meet its costs. Despite posting a "profit" the PIA is on life support, receiving "operating subsidies" and capital outlay funding from the state worth more than \$90 million.

The same story can be found in state after state. Why the inefficiency? In part because convicts resent being used as virtual slaves and thus drag their feet, steal supplies, and commit sabotage nonstop. One former federal inmate told me that his "cellie" ended each workday at a Unicor shop with a celebratory calculation of how much equipment and material he had destroyed, thrown or stolen. As the former prisoner put it, "It was all waste, all the time."

## Private Prisons

Another player in the matrix of interests referred to as the prison industrial complex is the fast-growing and powerful private prison industry which now controls around 10 percent of all U.S. prison beds. Though private jailers are generally profitable, they don't lower the costs of incarceration for state governments. What savings are achieved through corner cutting- that is: removing all amenities and services and hiring unqualified guards-is usually absorbed by the company as profit. Already this modus operandi of the bottom line is showing itself to be detrimental for the long-term profitability of some big private jailers, as we will see below.

Through assiduous cultivation of state officials, the private jailers are increasingly active in shaping criminal justice policy, but their partnerships with state governments also face problems. Recent events have unveiled private jailers as cheats, liars and major political liabilities.

The biggest of the most recent blemishes on the private gulag's image was the mass escape at Corrections Corporation of America's Youngstown, Ohio, prison. That joint-supposed to be a medium security lockup-was a hyper-violent overcrowded facility illegally packed with maximum security inmates from D.C.

CCA's invincibility crumbled with the news that six very angry young men from Washington, D.C., had cut open the prison's chain-link fence, crossed an electrified barrier, plowed through yards of razor wire and were now at large among the good people of Youngstown.

For almost a week, regular police, tactical squads, canine teams, and helicopters combed an ever widening circle around the prison in search of the runaways. One by one the cops busted the desperate, exhausted escapees, some of whom had been badly wounded by the razor wire. The last runaway inmate, Vincent Smith, was finally taken down in the backyard of Susie Ford's house. A 54-year-old grandmother of three living on the outskirts of Youngstown, Ms. Ford got the news live-when her frenetic sister telephoned advising her to turn on the television. "That's our building! That's our building!" Indeed it was. And the Ford sisters watched their screens in amazement as police swarmed through the shrubs out back.

This and a slew of other "problems" have finally undermined the once unstoppable CCA. A former Wall Street darling, and dubbed "a theme stock for the nineties," CCAs stock price has tumbled to half its peak value.

Other private lockup firms are facing the same crisis. Recently the number two private jailer, Wackenhut Corporation, saw several of its facilities rocked by riots. In mid-November last year, at the Taft Federal Correctional Institution, hundreds of inmates, angry about lousy food, smashed windows, televisions, and tables in the federal system's only full-sized private prison. Thirty minutes of tear gas, rubber bullets and flash bang grenades ended the uprising. More serious was the August rioting in two of Wackenhut's New Mexico penitentiaries. In one of those clashes a guard was shanked to death by ten inmates. On top of all that 12 former Wackenhut employees are under indictment in Austin, Texas. And much like CCA, the company ended the year with its stock heading south-down 60 percent from the previous season.

So private prison has grown fast but its boom days may be over as politicians-even Republicans- are turning against for-profit lockups p2 Thus it would seem that private prisons are not pushing criminal justice policy in the way that arms manufacturers do with defense policy

### Working The Crackdown

There is one way in which criminal justice as a whole is coming to resemble the military-industrial complex. While the estimated spending on prisons overall is \$30 billion annually, the overall tab on police, courts, prosecutors, probation, parole, bail bonds, bounty hunting, drug treatment and prison is estimated to be as high as \$150 billion annually. That's roughly half the Pentagon's budget, not counting the billions in military spending that are hidden within the Department of Energy So there is definitely a broad Keynesian stimulus effect

from the crackdown; the criminal justice system is host to a raft of parasitic job categories that range from stenographer and janitor, to judge and executioner. But other than prosecutors nationwide and prison guards in California, few of these interest groups are very organized or do much to create new law and order politics.

What about economically cast-off regions, places that once subsisted thanks to military bases or now dead smokestack industries? We hear that many such regions are resurrected, phoenix-like, by the prosperity of prison spending. A closer look at the new prison towns complicates that picture.

That this has proven to be an illusion is no better illustrated than in California's Central Valley. In the last 15 years, California spent \$4.2 billion building 23 new prisons. A recent analysis of the economic impact of the eight prisons surrounding Fresno reveals a junkyard of broken promises and falsely optimistic economic projections. First and foremost, the vast majority of the 8,000 new prison-related jobs haven't gone to residents in the economically depressed little prison towns. Nor has the \$2 billion spent on prison construction in California over the last 15 years, or the half-billion dollars annually shelled out to meet prison payrolls, translated into a wave of new houses, restaurants or stores in the states' impoverished lock-up regions.

In Corcoran—where more than half of the town's population is incarcerated in a massive complex of two penitentiaries, which may add a third one soon—800 job-seekers took civil-service placement tests for just two prison staff positions. The town's unemployment rate is still 15 percent just as it was a year before the first prison opened in 1988. According to estimates from the state and the prison guards' union, only 7 to 9 percent of the prison jobs in the Central Valley go to people living in prison towns.

Thanks to the massive freeways and California's all-powerful car culture, most staff and guards commute from the region's major cities: Fresno, Visalia, and Bakersfield. In short, prison cannot replace industry.

### Class War From Above

While all of the specific interests mentioned above help explain part of the crackdown, they don't go far enough. Beyond the interlocking corporate interests and the question of job creation and regional economic development there lies the broader and historically deeper question of class and racial control.

In many ways the criminal justice build-up is an organically evolving means of managing the class and racial polarization of a restructured American economy. At the heart of the matter lies a basic contradiction: Capitalism needs and creates poverty, intentionally through policy and organically through crisis. Yet, capitalism is also always threatened by the poor. These surplus populations help scare working people into obedience and keep wages low. But at the same time the poor (who in a white supremacist system are disproportionately people of color) scare the upper middle classes (who are mostly white). At times the impoverished classes, the dangerous classes, even rebel, demanding justice, burning down the ghetto, or worse yet, organizing themselves into coherent coalitions that can leverage the state for economic redistribution and racial equality.

From the New Deal in the 1930s through the culmination of the War on Poverty in the 1970s (that's right—it all really came to fruition under Nixon), an ever larger portion of America's

cast-off populations were absorbed through ameliorative and co-optive social reforms. Spending on health care, education, urban development and welfare were all expanded. At the same time corporate America came under increased regulation in the areas of health and safety, labor arbitration and environmental pollution.

People of color, particularly in agricultural regions, were largely excluded from many of these reforms and managed the old fashioned way-via brute force. Nonetheless, by the late sixties America's burgeoning social democracy had begun to cause trouble for the owning classes. By the early seventies profits began to shrink and unemployment began to rise but wage demand still increased. In fact labor was in a more militant mood than ever. By the early seventies wildcat strikes had shut the nation's postal system, coal fields, truck industry and railways.

From capital's point of view government anti-poverty programs were, shall we say, spoiling the working classes. During one nationwide strike in which 12 unions beat General Electric it was figured that strikers had collected \$25 million in welfare. And, despite recession in the early seventies, the ratio of quits to layoffs was rising.

In short, workers were losing their fear of unemployment and bosses because the nation's incipient social welfare system was taking up the slack and supporting them: the War on Poverty was subsidizing the war against capital.

Reagan put an end to all that with: severe recession in the early eighties engineered to put labor back in its place; conservative courts, and a mass assault on all forms of government subsidies to poor and working people (from low-income housing programs, to job training to welfare). All this helped to tip the scales back in capital's favor. Now profits are in recovery while the people, particularly people of color, bleed.

But how to control the new surplus populations?

In retrospect the ever evolving answer is clear: Racialize poverty via the code of crime, and then hound the victims with police narc squads, SWAT teams, and quality of life enforcement; send the INS to raid their homes; and lock up as many as possible for as long as possible.

Thus criminal justice regulates, absorbs, terrorizes, and disorganizes the poor. It also bolsters white supremacy by demonizing, disenfranchising and marginalizing ever larger numbers of brown people. But unlike social democratic/welfare co-option-that other way of managing poverty-anti-crime repression doesn't have the deleterious side effect of economically empowering or at least cushioning the poor and subsidizing their struggles. Nor does the new model of control let loose dangerous notions of racial equality and social inclusion, as did the rhetoric surrounding the New Deal War and the War on Poverty

Finally one last caveat: The politicians who produce these laws and other policies do not necessarily do so for the structurally beneficial impacts they will have. Rather, the average get-tough pol is simply looking for a compelling issue that speaks to voters' anxieties without actually saying anything revealing or dangerous about class power and privilege. On such a journey there seems to be no better horse to ride than the trusty steed of crime coded racism. But the inevitable outcome of such electioneering is legislation that is also useful in bolstering and reproducing an unequal society.

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