

Is economic freedom another way of saying we need to build more prisons?

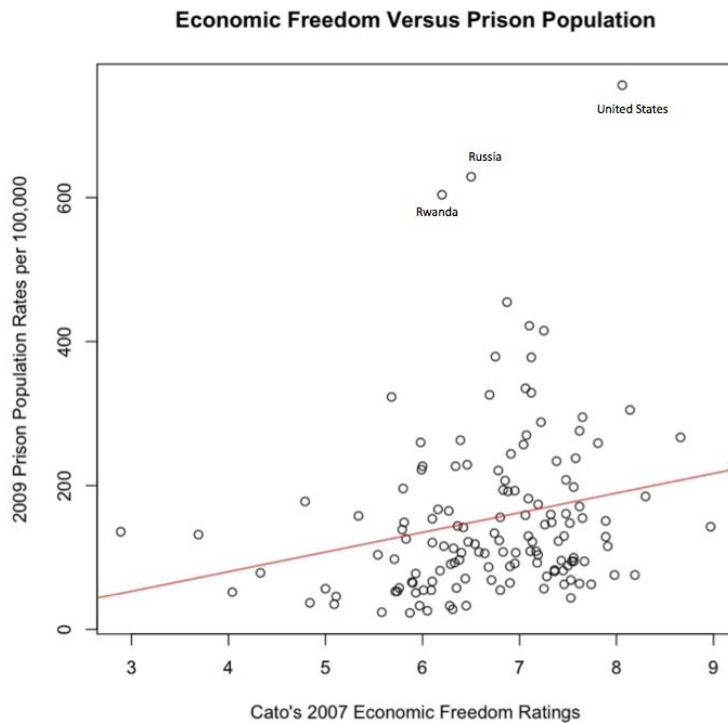
By Mike Konczal

One of the fascinating things about Rand Paul's election and the rise of a new more libertarian mindset in the popular conscience will be a newfound focus on the idea of "economic freedom." I've been thinking of this especially in light of [the Democratic Strategist's](#) forum on what "freedom" means for the left and the right.

I'm a fan of numbers, and the Cato Institute [has](#) a quantitative ranking of the economic freedom of a large group of countries, ranked on a scale

1-10 after considering a variety of measures. This is calculated with the Fraser Institute and many other places, and data are available for 2007 from their [Free the World site](#).

I'm going to plot that against another measure of a certain type of freedom, the percent of people in a country incarcerated ([data](#) from King's College London's International Centre for Prison Studies):



There's a striking correlation between the two. Increasing economic freedom 1 point is correlated with increasing the prison population 27.27 people per 100,000 (with a t-stat of 2.611).

As opposed to a mile or a kilogram, I don't have a sense yet of what a unit of economic freedom feels like, so if I take the log of both sides and regress I can say that increasing economic freedom by 10 percent is correlated with having an 11.8 percent increase in the prison population size (t-stat of 3.2). This correlation is still there if we take out the outliers of the United States, Russia and Rwanda.

I don't think there's a time series correlation, based on my quick view of the historical data. We might get to it later in the week, I'm not sure if we'll have enough time, but the prison rate has been increasing across the G20 at all times from 1995-2009, something that shocked me (as I tended to view this as a U.S.-specific issue), and [in general](#) is increasing across the world. History has ended, and it has ended in a place where governments will be warehousing an increasingly larger proportion of their population.

I know that correlation is not causation. But if anything, I expected the relationship to be negative. Prisoners have limited rights to contract and to provide labor at market rates, their status as citizens are often [co-opted](#) to juke the gerrymandering process, and there's the whole need to finance the prison industry through taxes.

So what are some ideas behind this relationship?

-- One could be a measurement error. At low economic freedom, we simply can't trust that the prison data are accurate and that many people aren't being imprisoned off the books, that terror by the government isn't deployed in a way where everyone is a prisoner at all times, etc.

-- One could be the left-wing critique of someone like [Loic Wacquant](#), which says that there is segregation across class mobility, space and economic opportunity. As social welfare retrenchment takes place, the state reorganizes to provide, in his term, "prisonfare" to replace welfare (for men, and "workfare" for women).

-- This could be a breakdown in the transition from one type of industrial economy to another type of post-industrial economy; the mechanisms of education, job training and the investment of proper human capital necessary to take advantage of opportunities in the 21st century has stopped working, and what we are left with is an everyone-for-themselves fight that leaves us with a ballooning prison population.

-- This probably has overlap with what Sam Bowles and Roosevelt Institute Fellow [Arjun Jayadev](#) call [in their research](#) guard labor, which is: "the police, private security guards, military personnel and others who make up the disciplinary apparatus of a society." In a recent paper, they show that the amount of labor resources that are devoted to such activities is strongly correlated to inequality across U.S. states and indicate that this relationship also exists across countries.

My favorite statistic from that paper linked above, Garrison America: "By 2012, the Department of Labor predicts, the United States will have more private security guards than high school teachers."

Fantastic.

-- One theory I'm thinking through these days, and I'll be using as a guide in watching dialogue on the right unfold into the 2010 election: We tend to see two distinct political projects. One is a "neoliberal" project that, in the [words](#) of Wendy Brown, is a project of "extending and disseminating market values to all institutions and social action ... the production of all human and institutional action as rational entrepreneurial action, conducted according to a calculus of utility, benefit or satisfaction." There is also a more familiar "neoconservative" project of dismantling the welfare state, reversing progressive taxation, Christianizing the state, reversing civil liberties, projecting military strength abroad, etc.

I'm curious as to how the two interplay. The way that the neoliberal dream of growing the pie blurs into the neoconservative dream of punishing the wicked, parasitic unproductive class and rewarding the rich who make the world into what it is. In some ways they tend to repeal each other ("I'm socially liberal, but fiscally conservative"). But in some ways, I wonder whether there is a synthesis that has been happening between the two. And if so, we may see some additional avatars of this cross-dream in the 2010 election.

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