

# Disciplinary neoliberalism: coercive commodification and the post-crisis welfare state



*[Fiona Dukelow](#) and [Patricia Kennett](#) examine the post-2008 welfare states in Ireland, Britain, and the US. They explain how each of these countries experienced an acceleration in the operation of disciplinary neoliberalism – through punitive regimes of surveillance and sanctions – and consider the implications of these contemporary welfare policies.*

The Great Recession saw the unravelling of a financialised growth model into a full-blown crisis by 2008. In the aftermath, what is apparent is that financialised capitalism in unison with neoliberalism not only survived but thrived. The current configuration and integration of neoliberalism and financialisation, and their penetration into every aspect of everyday life, is contributing to a transformation of prevailing societal norms within Anglo-liberal capitalism.

In [our research](#) we suggest that coercive commodification is a social policy tool that is becoming increasingly embedded in how the instabilities of the Anglo-liberal model are governed and in how disciplinary neoliberalism evolves. Focusing on Ireland, the UK, and the US, we highlight the ways in which these processes are playing out in these three countries.

## Disciplinary Neoliberalism, coercive commodification, and financialisation: making the connections

A key starting point for explaining the reconfiguration of contemporary norms is [Stephen Gill's](#) notion of disciplinary neoliberalism which distinguishes between two specific but interrelated and reinforcing faces of power. One operates at a macro/transnational level and is associated with the structural power of capital to impose discipline on public institutions and to make governments accountable to markets. The other operates at a micro/local level, as a form of behaviour power through which individuals are controlled and disciplined.

The forms and techniques of disciplinary neoliberalism emerging from these two dimensions of power can be demonstrated in a number of ways. The mobility of capital, governance and transactional complexity have facilitated the creation of [Global Wealth Chains](#) which are a manifestation of the emerging schism between where value is created, the allocation of profits and wealth, and the differential sets of rules applied to the domestic sphere compared to the '[internationally mobile people, entities and assets](#)'. Government intervention following the onset of the Great Recession reflected and reinforced the logic of disciplinary neoliberalism and the disparities between the global and the local spheres. As is now [well-known](#), despite the US and the UK's latitude around monetary policy, financial markets and financial capital were favoured under quantitative easing. Particularly marked in the case of Ireland, without control of monetary policy, the ECB essentially acted as an agent of disciplinary neoliberalism whilst its wider use of quantitative easing proved a [boon for the financial sector](#).

For our focus on the welfare state, what is significant is the way that this macro imposition of disciplinary neoliberalism has implicating effects on discipline at the micro level and the ways in which social policy is evolving post-crisis as part of the 'fix'. The concept of coercive commodification resonates with how welfare states, and particularly liberal welfare states, have evolved and the rise, crisis, and further entrenchment of disciplinary neoliberalism post recession. For [Esping-Andersen](#) in his work on de-commodification, the emphasis was on the absence of compulsion from the way that individuals engage with the market and sell their labour. [Pierson](#) focuses on re-commodification and the dismantling of those aspects of welfare states that provided some protection from market pressures. However, he also identified that dismantling social security operates in tandem with market buffers such as tax credits/in work benefits for example, policy instruments that do not detract from the shift back to commodification, but facilitate it by mediating market exposure.

As restructuring has progressed under disciplinary neoliberalism, and driven by the way the power of (financial) capital has altered market imperatives, the state's role in commodifying welfare has become an increasingly coercive process. Contemporary welfare policy and practice in Anglo-liberal welfare states may now more aptly be denoted as coercive commodification through which a nexus between housing, work, and welfare is being forged. It is increasingly an orbit that is closing down any vestiges of choice and stripping back subsequent policy buffers. At the same time this is a process that is evolving with varying degrees of intensity and ideological fervour, longevity, and historical trajectories across the US, the UK and Ireland.

### **Embedding coercive commodification and disciplinary neoliberalism**

As neoliberal 'heartlands', both the US and the UK's recent evolution of coercive commodification embed already existing regimes laid down in the 1990s. The Irish case is a more novice turn, following the severity of its recent phase of disciplinary neoliberalism, which has reduced its capacity to implement compensatory social policies that tended to exist alongside a more explicitly neoliberalised economic regime. Nonetheless, in each case, the intersecting evolution of housing, work, and welfare policies erode both choices and buffers, and 'lock in' coercive commodification, loading insecurity on the low paid, a status which cross cuts with other bearers of inequality including age, lone parenthood, and membership of black and minority ethnic groups. And, as social safety nets evolve in more punitive ways, with distinctions in eligibility made between those in (low) paid work and those without work, an emerging opposite effect is the 'lock out' of marginalised individuals from access to decent work, welfare or housing that protects them from destitution.

Such patterns are most extreme in the US where the commodification of housing support has reached a point where publicly provided housing has practically disappeared and much of the welfare regime rests on income and housing tax credits which favour those in work. Yet such measures hold people within insecure situations given the fact almost [half of all renter households count as rent burdened](#) whilst the US economy's sizeable [low paid](#) sector shows no sign of abating. Conversely, ['extreme' poverty](#) is now a phenomenon in the US amongst people no longer eligible for welfare and essentially locked out of the system.

Trends in the UK track elements of the US experience, as the erosion of the benefit system since the 1980s has been replaced by an increasingly punitive regime of surveillance, sanctions, and deterrence whilst the recent evolution of tax credits to the universal credit system heralds a [tougher regime](#). Such changes intersect with the coercive commodification of the social housing system, where housing need is increasingly channelled into the private rental sector under a tightened Housing Benefit regime, with reforms under the Localism Act 2011 [diminishing the security](#) traditionally attached to publicly provided housing.

Though not as punitive as the US or UK examples, recent changes in Ireland bear the imprint of coercive commodification. Not least of which is the shift to reliance on a poorly regulated and increasingly financialised private rental market in place of publicly provided housing. This has heaped housing risk and insecurity on renters and is directly [fuelling growing homelessness](#). At the same time, a more coercive turn is emerging in the social protection system including a new sanctions regime instituted in 2010 to address what was considered a [poorly policed](#) system.

### **Resisting disciplinary neoliberalism**

Of course, none of what we have identified here is occurring without conflict. Whilst disciplinary neoliberalism attempts to shrink the space and opportunity for resistance, it is also a driver of conflict between classes, cultures and lifestyles, and political groupings, generating macro- and micro-level revolt against global elites and institutions, as well as localised responses to and protest against single issue campaigns.

In all three countries, both traditional and new social movements have given voice to alternate narratives of 'austerity capitalism'. In the UK and the US, Brexit and the election of Trump are, amongst other reasons, associated with increasing distrust and disjuncture between international institutions, domestic political elites, and the erosion of public services, and particularly to the increasingly obvious bifurcated and exploitative nature of Anglo-liberal globalisation. Through such dynamics, forms of protest are emerging to destabilise and disrupt contemporary Anglo-liberal capitalism and with the potential to shape its future trajectory.

Note: the above draws on the authors' [published work](#) in *Critical Social Policy* (currently free to view until the end of October).

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