GOLDEN GULAG

PRISONS, SURPLUS, CRISIS, AND OPPOSITION IN GLOBALIZING CALIFORNIA

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CONTENTS

ABBREVIATIONS

AICCU	Association of Independent California Colleges and Universities
BJS	Federal Bureau of Justice Statistics
BPP	Black Panther Party
BRC	California Blue Ribbon Commission on Inmate Population and Management
CCPOA	California Correctional Peace Officers Association
CDC	California Department of Corrections
CDF	California Department of Finance
CDF-CEI	California Department of Finance, *California Economic Indicators*
CEZ	California enterprise zone
CO	corrections officer; prison guard
DOD	Department of Defense
EDD	California Employment Development Department
ERC	Equal Rights Congress

FACTS	Families to Amend California's Three Strikes
FIRE	finance, insurance, and real estate sector
GOB	general obligation bond
GSP	gross state product
JfJ	Justice for Janitors
JLCPCO	Joint Legislative Committee on Prison Construction and Operations
LAO	California Legislative Analyst's Office
LAPD	Los Angeles Police Department
LRB	lease revenue bond
LULUs	locally unwanted land uses
MAPA	Mexican American Political Alliance
Mothers ROC	Mothers Reclaiming Our Children
NAIRU	non-accelerating-inflation rate of unemployment
NIMBY	not in my back yard
PIA	[California] Prison Industry Authority
PRCC	[California] Prison Reform Conference Committee
ROC	Mothers Reclaiming Our Children
SPWB	California State Public Works Board
UFW	United Farm Workers

ONE

INTRODUCTION

THE PROBLEM

This book is about the phenomenal growth of California's state prison system since 1982 and grassroots opposition to the expanding use of prisons as catchall solutions to social problems. It asks how, why, where, and to what effect one of the planet's richest and most diverse political economies has organized and executed a prison-building and -filling plan that government analysts have called "the biggest . . . in the history of the world" (Rudman and Berthelsen 1991: i). By providing answers to these questions, the book also charts changes in state structure, local and regional economies, and social identities. *Golden Gulag* is a tale of fractured collectivities—economies, governments, cities, communities, and households—and their fitful attempts to reconstruct themselves.

The book began as two modest research projects undertaken in Los Angeles in 1992 and 1994 on behalf of a group of mostly African American mothers, many of whom later rode the bus depicted in the Prologue. All wished to understand both the letter and intent of two California laws—the Street Terrorism Enforcement and Prevention (STEP) Act (1988) and Proposition 184, the "three strikes and you're out" law (1994). They asked me, a nonlawyer activist with research skills, access to university libraries, and a big vocabulary, to help them. The oral reports and written summaries I presented at Saturday workshops failed to produce what we hoped for: clues as to how individual defendants might achieve better outcomes in their cases. Rather, what we learned twice over was this: the laws had written into the penal code breathtakingly cruel twists in the meaning and practice of justice.

Why should such discoveries surprise people for whom racism and economic struggle are persistent, life-shortening aspects of everyday experience? Perhaps because, for an increasing number of people, by the early 1990s, everyday experience had come to include familiarity with the routines of police, arrests, lawyers, plea bargains, and trials. The repertoire of the criminal courts seemed to be consistent if consistently unfair, with everyone playing rather predictable roles and the devil (or acquittal) in the details. But instead of showing how to become more detail-savvy about a couple of laws, our group study shifted our perspective by forcing us to ask general—and therefore, to our general frustration, more abstract—questions: Why prisons? Why now? Why for so many people—especially people of color? And why were they located so far from prisoners' homes?

The complex inquiry we inadvertently set for ourselves eventually defined the scope of this book, whose tale unfolds four times: statewide; at the capitol; in rural Corcoran; and in South Central Los Angeles. Working through California's prison development from these various "cuts" will uncover the dynamics of the social and spatial intersections where expansion emerged. There's a political reason for doing things this way. It is not only a good theory in theory but also a good theory in practice for people engaged in the spectrum of social justice struggles to figure out unexpected sites where their agendas align with those of others. We can do this by seeing how general changes connect with concrete experiences—as the mothers did in our study groups.

The California state prisoner population grew nearly 500 percent between 1982 and 2000, even though the crime rate peaked in 1980 and declined, unevenly but decisively, thereafter (see figs. 1 and 2). African Americans and Latinos comprise two-thirds of the state's 160,000 prisoners; almost 7 percent are women of all races; 25 percent are noncitizens. Most prisoners come from the state's urban cores—particularly Los Angeles and the surrounding southern counties. More than half the prisoners had steady employment before arrest, while upwards of 80 percent were, at some time in their case, represented by state-appointed lawyers for the indigent. In short, as a class, convicts are deindustrialized cities' working or workless poor.

Since 1984, California has completed twenty-three major new prisons (see map), at a cost of $280–$350 million dollars apiece. The state had previously built only twelve prisons between 1852 and 1964. The gargantuan new poured-concrete structures loom at the edge of small, economically struggling, ethnically diverse towns in rural areas. California has *also* added, in similar locations, thirteen small (500-bed) community corrections facilities, five prison camps, and five mother-prisoner centers to its pre-1984 inventory. By 2005, a hotly contested twenty-fourth new prison, designed to cage 5,160 men will, if opened, bring the total num-

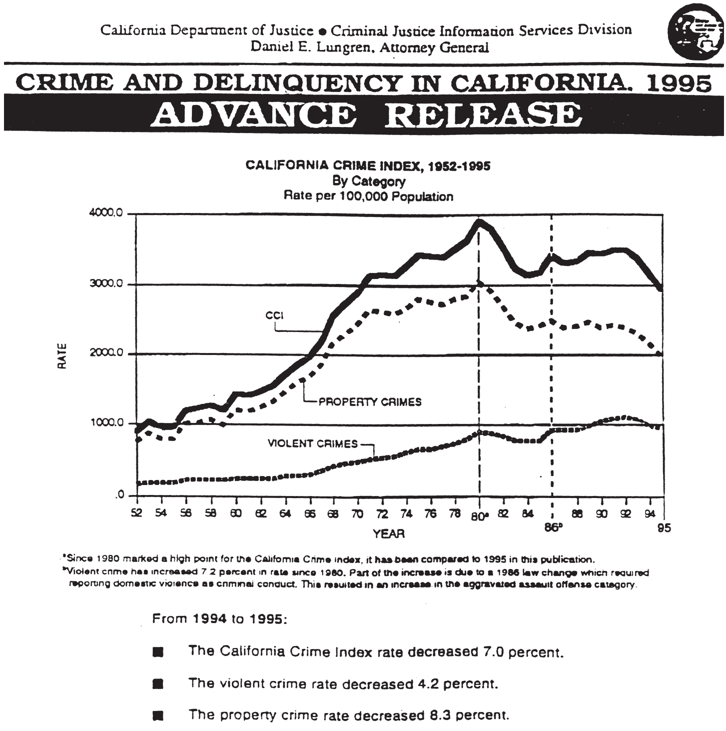


FIGURE 1. California crime index by category, 1952–1995. Source: California Department of Justice, Criminal Justice Information Services Division.

ber of state lockups for adult men and women to ninety.[1] With the exception of a few privately managed 500-bed facilities, these prisons are wholly public: owned by the state of California, financed by Public Works Board debt, and operated by the California Department of Corrections. The state's general fund provides 100 percent of the entire prison system's annual costs. Expenses spiked from 2 percent of the general fund in 1982 to nearly 8 percent

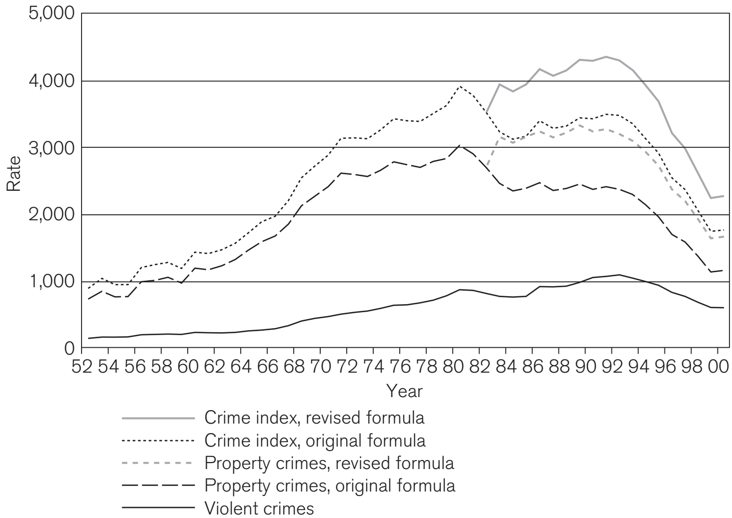
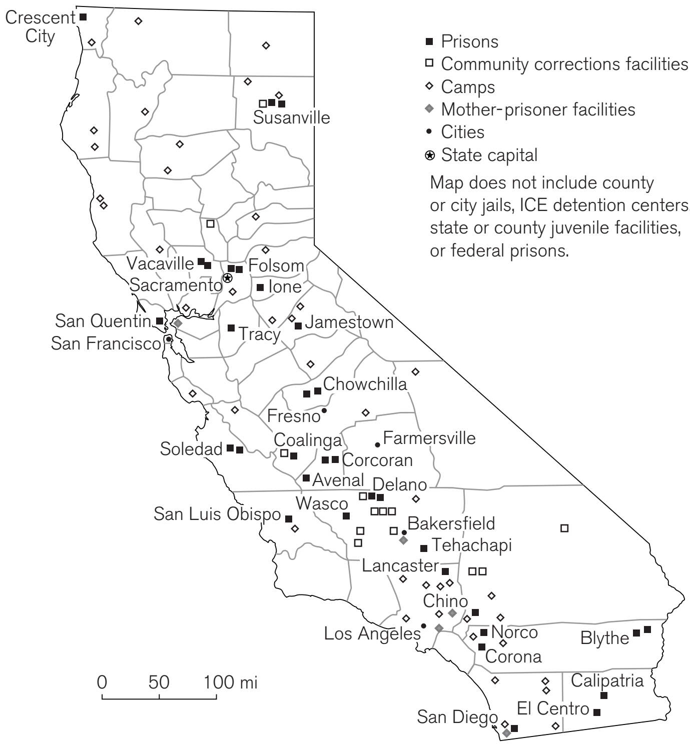


FIGURE 2. Revised California crime index, 1952–2000. Source: California Department of Justice, Criminal Justice Information Services Division. *Note:* Throughout its development, this book used the nationally accepted method for measuring crime, as illustrated by figure 1, which shows the state attorney general's 1995 California crime index. In 2003, "to give a more representative depiction of crime in California," a different California attorney general added "larceny-theft over $400" to the California crime index, retroactive to 1983. Whatever the latter's motivations, the effect as shown above has been to muddy the waters concerning when the crime rate began to decline in California and, as a consequence, what role increasing the numbers of prisons and people locked up in them has played. Subsequent to this revision, the "California Crime Index has been temporarily suspended as efforts continue to redefine this measurement." Data and quotations from Crimes, 1952–2003, table 1, Criminal Justice Statistics Center, Office of the Attorney General, http://caag.state.ca.us/cjsc/publications/candd/cd03/tabs/ (January 23, 2005).



California state adult prisons. Adapted from a map by Craig Gilmore.

today. The Department of Corrections has become the largest state agency, employing a heterogeneous workforce of 54,000.

These alarming facts raise many urgent issues involving money, income, jobs, race and ethnicity, gender, lawmaking, state agencies and the policies that propel them to act, rural communities, urban neighborhoods, uneven development, migration and globalization, hope, and despair. Such breadth belies the common view that prisons sit on the edge—at the margins of social spaces, economic regions, political territories, and fights for rights. This apparent marginality is a trick of perspective, because, as every geographer knows, edges are also interfaces. For example, even while borders highlight the distinction between places, they also connect places into relationships with each other and with noncontiguous places. So too with prisons: the government-organized and -funded dispersal of marginalized people from urban to rural locations suggests both that problems stretch across space in a connected way and that arenas for activism are less segregated than they seem. Viewed in this way, we can see how "prison" is actually in the middle of the muddle that confronts all modestly educated working people and their extended communities—the global supermajority—at the dawn of the twenty-first century.

WHAT IS PRISON SUPPOSED TO DO AND WHY?

The practice of putting people in cages for part or all of their lives is a central feature in the development of secular states, participatory democracy, individual rights, and contemporary notions of freedom. These institutions of modernity, shaped by the rapid growth of cities and industrial production, faced a challenge—most acutely where capitalism flourished unfettered—to produce stability from "the accumulation and useful administration" of people on the move in a "society of strangers" (Foucault 1977: 303). Prisons both depersonalized social control, so that it could be bureaucratically managed across time and space, and satisfied the demands of reformers who largely prevailed against bodily punishment, which nevertheless endures in the death penalty and many torturous conditions of confinement. Oddly enough, then, the rise of prisons is coupled with two major upheavals—the rise of the word *freedom* to stand in for what's desirable and the rise of civic activists to stand up for who's dispossessed.

The relationship of prison to dispossession has been well studied. Wedged between ethics and the law, the justification for putting people behind bars rests on the premise that as a consequence of certain actions, some people should lose all freedom (which we can define in this instance as control over one's bodily habits, pastimes, relationships, and mobility). It takes muscular political capacity to realize widescale dispossession of people who have formal rights, and historically those who fill prisons have collectively lacked political clout commensurate with the theoretical power that rights suggest (see, e.g., Dayan 1999). In contrast, during most of the modern history of prisons, those officially devoid of rights—indigenous and enslaved women and men, for example, or new immigrants, or married white women—rarely saw the inside of a cage, because their unfreedom was guaranteed by other means (Christianson 1998; E. B. Freedman 1996).

But what about crime? Doesn't prison exist because there are criminals? Yes and no. While common sense suggests a natural connection between "crime" and "prison," what counts as crime in fact changes, and what happens to people convicted of crimes does not, in all times and places, result in prison sentences. Defined in the simple terms of the secular state, crime means a violation of the law. Laws change, depending on what, in a social order, counts as stability, and who, in a social order, needs to be controlled. Let's look at a range of examples. After the Civil War, an onslaught of legal maneuvers designed to guarantee the cheap availability of southern Black people's labor outlawed both "moving around" and "standing still" (Franklin 1998), and convicts worked without choice or compensation to build the region's infrastructure and industrial system (A. Lichtenstein 1996; B. M. Wilson 2000a). From the 1890s onward, a rush of Jim Crow laws both fed on earlier labor-focused statutes and sparked the nationwide apartheid craze. The Eighteenth Amendment to the Constitution (1919) prohibited the manufacture, import, export, or sale of intoxicating liquors, at a time when most drugs that are now illegal were not (Lusane 1991). In Texas, driving while drinking alcohol is legal, whereas a marijuana seed can put a person in prison for life. Prostitution is legal in some places. In others, the remedy for theft is restitution, not a cage. Murder is the result of opportunity, motive, and means, and the fact of a killing begins rather than ends an inquiry into the shifting legal nature of such a loss. Numerous histories and criminological treatises show shifts over time in what crime is and why it matters (see, e.g., Linebaugh 1992; Christianson 1998). Contemporary comparative studies demonstrate how societies that are relatively similar—industrialized, diverse, largely immigrant—differ widely in their assessments and experience of disorderly behavior and the remedies for what's generally accepted as wrong (Archer and Gartner 1984). As we can see that crime is not fixed, it follows that crime's relationship to prisons is the outcome of social theory and practice, rather than the only possible source of stability through control.

How are prisons supposed to produce stability through controlling what counts as crime? Four theories condense two and a quarter centuries of experience into conflicting and generally overlapping explanations for why societies decide they should lock people out by locking them in. Each theory, which has its intellectuals, practitioners, and critics, turns on one of four key concepts: retribution, deterrence, rehabilitation, or incapacitation. Let's take them in turn. The shock of retribution—loss of liberty—supposedly keeps convicted persons from doing again, upon release, what sent them to prison. Retribution's specter, deterrence, allegedly dissuades people who can project themselves into a convicted person's jumpsuit from doing what might result in lost liberty. Rehabilitation proposes that the unfreedom of prisons provides an occasion for the acquisition of sobriety and skills, so that, on release, formerly incarcerated people can live lives away from the criminal dragnet. And, finally, incapacitation, the least ambitious of all these theories, simply calculates that those locked up cannot make trouble outside of prison. These theories relate to each other as reforms—not as steps away from brutality or inconsistency, but as attempts to make prisons produce social stability through applying some mix of care, indifference, compulsory training, and cruelty to people in cages.

If the fourth concept, incapacitation, is not ambitious in a behavioral or psychological sense, it is, ironically, the theory that undergirds the most ambitious prison-building project in the history of the world. Incapacitation doesn't pretend to change anything about people except where they are. It is in a simple-minded way, then, a geographical solution that purports to solve social problems by extensively and repeatedly removing people from disordered, deindustrialized milieus and depositing them somewhere else.

But does the absence of freedom for many ensure stability in the form of lower-crime communities, and idled courts and police officers, for others? We can hazard a quick guess by asking a different question: would the prevailing theories shift and mingle over time, persistently reforming reformed reforms, if the outcome were stability? Probably not. And now there's more to be said on the subject, since we can count and compare outcomes. State by state, those jurisdictions that have not built a lot of prisons and thrown more people into them have enjoyed greater decreases in crime than states where incapacitation became a central governmental activity. For the latter, there are similar patterns of contrariness: within California, counties that aggressively use mandatory sentencing, such as the notoriously harsh "three strikes" law, have experienced feebler decreases in crime than counties that use the law sparingly.

Here we must briefly digress and reflect further on prison demographics, in particular, their exclusive domination of working or workless poor, most of whom are not white. Since it has never before been so easy for people of color to get into prison (jail is another matter [Irwin 1985]), we have to ask how racism works to lock in both them and more poor white people as well. To what degree has the regular observer, of any race, learned both willfully and unconsciously to conclude that the actual people who go to prison are the same as those the abolitionist Ruth Morris called the "terrible few." The "terrible few" are a statistically insignificant and socially unpredictable handful of the planet's humans whose psychopathic actions are the stuff of folktales, tabloids (including the evening news and reality television), and emergency legislation. When it comes to crime and prisons, the few whose difference might horribly erupt stand in for the many whose difference is emblazoned on surfaces of skin, documents, and maps—color, credo, citizenship, communities, convictions. The paroxysmal thinking required to make such a substitution is the outcome of many prods and barbs, in which aggression, violence, order, and duty conflate into an alleged force of American "human nature" (Lutz 2001). This thinking reveals the imaginary relationships people have with neighbors recast as strangers in a thoroughly racialized and income-stratified political economy that regularly redefines possibilities while never setting absolute positive or negative limits.

With the vexing question of difference in mind, let's return to the problem of spatial unevenness. If places that spare the cage are calmer than places that use imprisonment more aggressively, why is this so? Why wouldn't higher rates of incapacitation produce more stability? As it turns out, if we ratchet our perspective down to an extremely intimate view and compare, we see that identical locations—in terms of the social, cultural, and economic characteristics of inhabitants—diverge over time into different qualities of place when one of them experiences high rates of imprisonment of residents. And, more, the "tipping point," when things start to get really bad, is not very deep. Only two or three need be removed from N to produce greater *instability* in a community of people who, when employed, make, move, or care for things (Clear et al. 2001; Rose and Clear 2002). Why? For one thing, households stretch from neighborhood to visiting room to courtroom, with a consequent thinning of financial and emotional resources (Comfort 2002). Looking around the block at all the homes, research shows that increased use of policing and state intervention in everyday problems hasten the demise of the informal customary relationships that social calm depends on (Clear et al. 2001). People stop looking out for each other and stop talking about anything that matters in terms of neighborly well-being. Cages induce or worsen mental illness in prisoners (Haney 2001; Kupers 1999), most of whom eventually come out to service-starved streets. Laws (such as lifetime bans from financial aid) and fiscal constraints displacing dollars from social investment to social expense (O'Connor [1973] 2000) lock former prisoners out of education, employment, housing, and many other stabilizing institutions of everyday life. In such inhospitable places, everybody isolates. And when something disruptive, confusing, or undesirable happens, people dial 911. As a result, crime goes up, along with unhappiness, and those who are able to do so move away in search of a better environment, concentrating unhappiness in their wake. In other words, prisons wear out places by wearing out people, irrespective of whether they have done time (Mauer and Chesney-Lind 2002).

This book asks how prison came to be such a widescale solution in late twentieth-century California, in part by looking at the problem through two extraordinary lenses. It asks what the relationship is between urban and rural political and economic restructuring, and how urban social expense fits into the rural landscape. It also asks what happens in the urban neighborhoods prisoners come from when people start talking to each other again.

THE DOMINANT AND COUNTEREXPLANATIONS FOR PRISON GROWTH

In its briefest form, the dominant explanation for prison growth goes like this: crime went up; we cracked down; crime came down.

Is this true?

The media, government officials, and policy advisers endlessly refer to "the public's concern" over crime and connect prison growth to public desire for social order. In this explanation, what is pivotal is not the state's definition of crime per se but rather society's condemnation of rampant deviant behavior—thus a moral, not (necessarily) legal, panic. The catapulting of crime to public anxiety number one, even when unemployment and inflation might have garnered greater worry in the recessions of the early 1980s and the early 1990s, suggests that concerns about social deviance overshadowed other, possibly more immediate, issues.

However, by the time the great prison roundups began, crime had started to go down. Mainstream media widely reported the results of statistics annually gathered and published by the FBI, the Bureau of Justice Statistics (BJS), and state attorneys general. In other words, if the public had indeed demanded crime reduction, the public was already getting what it wanted. California officials could have taken credit for decreasing crime rates without producing more than 140,000 new prison beds (more than a million nationally).

Another explanation for the burgeoning prison population is the drug epidemic and the presumed threat to public safety posed by the unrestrained use and trade of illegal substances. Information about the controlling (or most serious) offense of prisoners seems to support the drug explanation: drug commitments to federal and state prison systems surged 975 percent between 1982 and 1999. Therefore, it is reasonable to conclude that the widening use of drugs in the late 1970s and early 1980s provoked prison expansion. According to this scenario—as news stories, sensational television programs, popular music and movies, and politicians' anecdotes made abundantly clear—communities, especially poor communities of color, would be more deeply decimated by addiction, drug dealing, and gang violence were it not for the restraining force of prisons. The explanation rests on two assumptions: first, that drug use exploded in the 1980s; and second, that the sometimes violent organization of city neighborhoods into gang enclaves was accomplished in order to secure drug markets.

In fact, according to the BJS, illegal drug use among all kinds of people throughout the United States declined drastically starting in the mid 1970s (Tonry 1995). Second, although large-scale traffic in legal or illegal goods requires highly organized distribution systems—whether corporations or gangs (Winslow 1999)—not all gangs are in drug trafficking. For example, according to Mike Davis (1990), in late 1980s Los Angeles, despite the availability of stiffer sentences for gang members, prosecutors charged only one in four dealers with gang membership, and that pattern continued through the 1990s, despite media reports to the contrary.

A third explanation blames structural changes in employment opportunities; these changes have left large numbers of people challenged to find new income sources, and many have turned to what one pundit called illegal entitlements. In this view, those who commit property crimes—along with those who trade in illegal substances—reasonably account for a substantial portion of the vast increase in prison populations. Controlling offense data for new prisoners support the income-supplementing explanation: the percentage of people in prison for property offenses has more than doubled since 1982. But at the same time, incidents of property crime peaked in 1980; indeed, the drop in property crime pushed down the overall crime rate.

Throughout the economic boom of the 1990s, both print and electronic media again headlined annual federal reports about long-term drops in crime (falling since 1980), and elected and appointed officials took credit for the trends. In this context, the explanation for bulging prisons centers on the remarkable array of stiffer mandatory sentences now doled out for a wide range of behavior that used to be differently punished, if at all. This explanation, tied to but different from the moral panic explanation, proposes that while social deviance might not have exploded after all, aggressive intolerance pays handsome political dividends. The explanation that new kinds of sentences—which is to say the concerted action of lawmakers—rather than crises in the streets produced the growth in prison is after the fact and begs the question: Why prisons now?

Indeed, the preceding series of explanations and their underlying weaknesses suggest that the simple relationship between "crime" and "crackdown" introducing this section should be tweaked in the interest of historical accuracy. The string of declarative statements more properly reads: "crime went up; crime came down; we cracked down." If the order is different, then so are the causes. Here, of course, is where the prevailing alternative explanations come in. These views, like the official stories, are not mutually exclusive.

A key set of arguments charges racial cleansing: prisons grow in order to get rid of people of color, especially young Black men, accomplishing the goal through new lawmaking, patterns of policing, and selective prosecution (see, for examples, Miller 1996; Mauer 1999; Goldberg 2002). These analysts prove their claims using two decades of numbers showing the "racial disparities" in flesh-and-blood facts of prison expansion, substantial for white people and off the charts for nearly everybody else. There's no doubt what the accumulated experience is. But why now? Among many who charge racism, folk wisdom, a product of mixing the Thirteenth Amendment with thin evidence, is that prison constitutes the new slavery and that the millions in cages are there to provide cheap labor for corporations looking to lower stateside production costs.

The problem with the "new slavery" argument is that very few prisoners work for anybody while they're locked up. Recall, the generally accepted goal for prisons has been *incapacitation:* a do-nothing theory if ever there was one. There has certainly been enough time for public and private entities to have worked out the logistics of exploiting unfree labor, and virtually every state, including California, has a law requiring prisoners to work. But the fact that most prisoners are idle, and that those who work do so for a public agency, undermines the view that today's prison expansion is the story of nineteenth-century Alabama writ large (A. Lichtenstein 1996; B. M. Wilson 2000a). The principal reason private interests fail to exploit prisoner labor seems to be this: big firms can afford to set up satellite work areas (what a prison-based production facility would be), while small firms cannot. Small firms then fight against big firms over unfair access to cheap labor and fight as well against publicly owned and operated prison industries (such as the federal system called UNICOR) that, due to low wages (not the same as low labor costs), unfairly compete in markets selling things modestly educated people can make and do.

Two other counterexplanations focus on the pursuit of profits. The first places emphasis on the privatization of public functions. Although the absolute number of private prisons has indeed grown, the fact is that 95 percent of all prisons and jails are publicly owned and operated. So the argument that more people are in prison due to the lobbying efforts of private prison firms doesn't stand up to scrutiny. The firms are not insignificant, especially in some jurisdictions, but they're not the driving force, either. Despite boosterish claims by stock analysts, private prison firms consistently hover on the brink of disaster (Greene 2001; Matera and Khan 2001), while public sector unions fight against losing jobs with good pay and benefits. The final profit-centered explanation focuses more generally on the potential for pulling surplus cash out of prisons (Dyer 1999). The question remains as to how these changes came into effect, given the welter of laws and rules directing the uses of capital for public investments. In other words, what does the fact that the world has gone capitalist in the past decade and a half (see, e.g., Parenti 1999) mean; and what are the conditions under which other possibilities might unfold? In particular, how has the role of the state—at various levels, from urban growth machine to federal devolution machine—changed in the attempt to produce stability and growth in the general political economy, especially if equity is no longer on the agenda?

The preceding discussion leads us to the third view, which holds that there are more people in prison in order for "the state" to help rural areas hungry for jobs; in this explanation of prison expansion, prisoners of color presumably provide employment opportunities for white guards. There's no question that rural America has been in the throes of a depression that began decades ago. In the 1980s and early 1990s, a welter of scholarly and trade articles (e.g., Carlson 1988, 1992; Sechrest 1992; Shichor 1992) promoted the local development discourse and advised prison agencies and civic boosters how to dispel fears and thereby disarm the NIMBY (not in my back yard) attitude. Such work reinforced the suspicion that prison expansion is a concrete manifestation of urban-rural competition and conflict. However, we now know the fiscal benefits to prison towns are difficult if impossible to locate (Hooks et al. 2003; Farrigan and Glasmeier 2002; R. W. Gilmore 1998; Huling 2002; King et al. 2003). But where are the new prisons? Are the host communities and the places prisoners come from so different? What about the demographic continuities between employees and the prisoners themselves? Indeed, what already existing relationships make a town eligible for, or vulnerable to, prison siting in the first place? And why doesn't investment stick there?

A fourth counterexplanation is one we might call the reform school. Analysts from a variety of political perspectives examine more than two centuries of interlocking prison and legal reforms and ask what role activists of many kinds—such as benevolent liberals or women fighting domestic and sexual violence—play, first in normalizing prison and then enabling its perpetually expanding use as an all-purpose remedy for the thwarted rights of both prisoners and harmed free persons (see, for examples, Gottschalk 2002; A. Davis 2003; Critical Resistance–INCITE 2002). This view demands consideration of how political identities defined by injury (Brown 1994) and order derived from punishment (Garland 1990, 2002) shape state norms and practices. Through formal interaction with the state (as girl, student, citizen, immigrant, retiree, worker, owner, so forth), people develop and modulate their expectations about what the state should do, and these understandings, promoted or abhorred by media, intellectuals, and others, guide how, and under what conditions, social fixes come into being. The state makes things, but it is also a product of what's made and destroyed—of the constant creation and destruction of things such as schools, hospitals, art museums, nuclear weapons, and prisons. These issues return us to the question of why the state changes. How do we understand such change through the development or revision of governmental institutions? Before concluding this introduction to the problem, let's look quickly at a key historical moment of the twentieth century: 1968.

LOOKING BACKWARD TO LOOK FORWARD

The preceding brief review of counterexplanations for prison growth does not account for the order of things: crime went up; crime came down; we cracked down. But of course, as every explanation suggests, something big, which proponents of "crime is the problem; prison is the solution" could be part of, directed the action. A conspiracy? Not likely. Systemic? Without a doubt. All the elements are here. Let's look back for a moment to 1968, symbolically *the* year of revolution and counterrevolution, to get one more take on the picture.

Nineteen sixty-eight was a disorderly year, when revolutionaries around the world made as much trouble as possible in as many places as possible. Overlapping communities of resistance self-consciously connected their struggles. Growing opposition to the U.S. war in Vietnam and Southeast Asia linked up with anticolonialism and antiapartheid forces on a world scale; and many found in Black Power a compelling invigoration of historical linkages between "First" and "Third" world liberation, not unlike the way people today trying to make sense of antiglobalization look to the Zapatistas in Chiapas (see, e.g., Katzenberger 1995). Students and workers built and defended barricades from Mexico City to Paris, sat down in factories, and walked out of fields. The more militant anticapitalism and international solidarity became everyday features of U.S. antiracist activism, the more vehemently the state responded by, as Allen Feldman (1991) puts it, "individualizing disorder" into singular instances of criminality.

The years 1967–68 also marked the end of a long run-up in annual increases in profit, signaling the close of the golden age of U.S. capitalism. The golden age had started thirty years earlier, when Washington began the massive buildup for World War II. The organizational structures and fiscal authority that had been designed for New Deal social welfare agencies provided the template for the Pentagon's painstaking transformation (Gregory. Hooks 1991). It changed from a periodically expanded and contracted Department of War to the largest and most costly bureaucracy of the federal government. The United States has since committed enormous resources to the first permanent warfare apparatus in the country's pugnacious history.

The wealth produced from warfare spending did two things: it helped knit the nation's vast marginal hinterland (the South and the West) into the national economy by moving vast quantities of publicly funded construction and development projects, and people to do the work, to those regions (with California gaining the most) (Schulman 1994). The wealth also underwrote the motley welfare agencies that took form during the Great Depression but did not become truly operational until the end of World War II (Gregory Hooks 1991). Indeed, the U.S. welfare state has been dubbed "military Keynesianism"—an unpronouncable name but a good thing to know—to denote the centrality of war-making to socioeconomic security. On the domestic front, while labor achieved moderate protections against calamity and opportunities for advancement, worker militancy was crushed and U.S. hierarchies achieved renewed structural salience. The hierarchies mapped both the organization of labor markets and the sociospatial control of wealth. Thus, white people fared well compared with people of color, most of whom were deliberately, if craftily, excluded from the original legislation; men received automatically what women had to apply for individually; and urban industrial workers secured limited wage and bargaining rights denied household and agricultural fieldworkers.

This quick look at the crumbling foundations of the old order, which gave way to the possibility of astonishing prison growth, raises the urgent topics that this book addresses: money, income, jobs, race and ethnicity, gender, lawmaking, state agencies and the policies that propel them to act, rural communities, urban neighborhoods, uneven development, migration and globalization, hope, and despair. Today's political-economic superstructure is grounded in the radical failures and counterrevolutionary successes of an earlier era, as exemplified by the antagonism between insurgents and counterinsurgents in 1968.

HOW TO USE THIS BOOK

How and why, then, did California go about the biggest prison-building project in the history of the world? In my view, prisons are partial geographical solutions to political economic crises, organized by the state, which is itself in crisis. Crisis means instability that can be fixed only through radical measures, which include developing new relationships and new or renovated institutions out of what already exists. The instability that characterized the end of the golden age of American capitalism provides a key, as we shall see. In the following pages, we shall investigate how certain kinds of people, land, capital, and state capacity became idle—what surplus is—what happened, and why the outcomes are logically explicable but were by no means inevitable.

A few words about scholar activism, and then our tale begins. Happily, the Social Science Research Council has taken an interest in what scholar activism is and does, and a group of us are writing a book about it. For readers of the present book, the key point is this: the questions and analyses driving this book came from the work encountered in everyday activism "on the ground." However, the direction of research does not necessarily follow every lead proposed from the grassroots, nor do the findings necessarily reinforce community activists' closely held hunches about how the world works. On the contrary, in scholarly research, answers are only as good as the further questions they provoke, while for activists, answers are as good as the tactics they make possible. Where scholarship and activism overlap is in the area of how to make decisions about what comes next. As this project grew from a modest research inquiry into a decade's lifework, so too did the need to figure out a guide for action.

We simultaneously make places, things, and selves, although not under conditions of our own choosing. Problems, then, are also opportunities. The world does not operate according to an analytically indefensible opposition that presumes that "agency" is an exclusive, if underused, attribute of the oppressed in their endless confrontation with the forces of "structure." Rather, if agency is the human ability to craft opportunity from the wherewithal of everyday life, then agency and structure are products of each other. Without their mutual interaction, there would be no drama, no dynamic, no story to tell. Actors in all kinds of situations (farms, neighborhoods, government agencies, collapsing economies, tough elections) are fighting to create stability out of instability. In a crisis, the old order does not simply blow away, and every struggle is carried out within, and against, already existing institutions: electoral politics, the international capitalist system, families, uneven development, racism.

As the example of racism suggests, institutions are sets of hierarchical relationships (structures) that persist across time (Martinot 2003) undergoing, as we have seen in the case of prisons, periodic reform. Racism, specifically, is the state-sanctioned or extralegal production and exploitation of group-differentiated vulnerability to premature death. States are institutions made up of subinstitutions that often work at cross-purposes, but that get direction from the prevailing platforms and priorities of the current government. Capital, the wealth of the profit system's development ability, is also a relation, since it could not exist if workers did not produce goods for less than they're sold for and buy goods in order to go back to work and make, move, or grow more stuff. As private property, land is also a relationship—to nonowners, to other pieces of land, to mortgagers, and to land that is not privately owned. And the state's power to organize these various factors of production, or enable them to be disorganized or abandoned outright, is not a thing but rather a capacity—which is to say, based in relationships that also change over time and sometimes become so persistently challenged, from above and below, by those whose opinions and actions matter, that the entire character of the state eventually changes as well.

This book is about enormous changes and alternative outcomes. It pauses at many different points both to show how resolutions of surplus land, capital, labor, and state capacity congealed into prisons, and also to suggest—and in the last chapters to argue—how alternative uses of the resources of everyday life might otherwise have been organized. It is thus a book for everybody who is fighting against racism, old or new, for fair wages, and especially for the social wage (in sum, for human rights). The conclusion proposes ten theses for activists who seek to craft policies to build the capacity—the *power*—that propels social change organizations, which are the backbone of social movements (Horton and Freire 1990).

TWO

THE CALIFORNIA POLITICAL ECONOMY

Fifth- or sixth-largest among the world's economies, California passed the trillion dollar gross state product mark in 1997, a level nominally equal to U.S. domestic product in 1970. However, the wealthy and productive state's poverty rate rose in the national rankings, from thirtieth in 1980 to fourteenth in 2001. Relative poverty, which compares incomes within states, also snared more households, pushing California into the company of historically poor states such as Louisiana, New Mexico, Mississippi, West Virginia, and Kentucky; with populous New York and Texas, where prisons have also expanded significantly; and with the classically bifurcated District of Columbia, which has both the highest per capita income and highest poverty in the country (Reed 2002). What happened?

GROWTH

California's diversity has always been its strength and challenge. Those who fashioned the Golden State's dominant political, economic, and cultural institutions exploited resources and methods acquired locally, nationally, and internationally. The region's development into metropolitan and agricultural empires required extensive labor power, huge infusions of public and private capital, lengthy networks of human, water, and product transport systems, and a state sufficiently powerful to maintain order and promote expansion amid complexity.

Nineteenth-century California experienced rapid changes in both population and land control. The transition following U.S. victory in the Mexican War featured the implementation of state tax and currency laws that enabled Anglo power brokers to obtain Mexican haciendas cheaply. At the same time, federal and state financial and land subventions underwrote California's railroad incorporation into the U.S. empire, ensuring that local products would have access to national markets and beyond (Bean 1973; Pisani 1984). These two movements of landownership concentrated into relatively few hands both the incentive and the power to shape regional development trajectories. Their power was not absolute; federal and state programs facilitated rapid Anglo settlement of the vast state by the inducements of cheap or even free land, and homesteaders confronted big capital in political and gun battles alike (Caughey 1940; Bean 1973), with big capital winning when it was not divided against itself (McWilliams 1946; Pisani 1984).

Not everyone who immigrated was a homesteader, and neither were all workers—immigrant or native born—of European origin. California's labor force has always been diverse (Saxton 1971; Bean 1973; Almaguer 1994). Asian, Mexicano, African, and Anglo men and women came on their own or were recruited or coerced to mine gold, build railroads, and perform industrial, artisanal, agricultural, and service work (Bean 1973). As is generally the case in the United States, differences among workers, cast as race, ethnicity, citizenship, gender, and locale, have both structured and been structured by labor markets (Caughey 1940; Saxton 1971; Barrera 1979; Almaguer 1994).

California conferred particular form on these structures. As simultaneously U.S. colonizers in what had formerly been part of Mexico and controllers of a new state in the U.S. Union, the dominant Anglos organized labor and propertied classes according to Black-white, European–non-European, and Protestant-Catholic hierarchies (Saxton 1971; Almaguer 1994). Through legislative edicts and institutional practices, state, capital, and labor power blocs manipulated the unique characteristics of the population to designate a "changing same" (Jones 1967) of those who counted as members, servants, and enemies (Saxton 1971) of the emerging "*Herrenvolk* republic" (Saxton 1990). California's extension and specification of the normative U.S. racial state (Omi and Winant 1986) also served to sanction genocide as the final solution to the problem of how to acquire indigenous people's coveted lands (Caughey 1940; Stannard 1992).

Nineteenth-century California developed an industrial and agricultural proletariat rather swiftly. In addition to the gradual dispossession of Mexicanos and of Anglo homesteaders whose farming failed to pay, many workers idled by depletion of goldmines or completion of railroads had no recourse but to seek wage employment in factories and fields (Daniel 1981; Jacqueline Jones 1992). Organized labor had different rates of success around the state. Victories for white workers in the San Francisco Bay Area—many of whom were veterans of radical struggles elsewhere—were offset by across-the-board defeats for all workers in

Los Angeles and the inland agricultural counties. Capital triumphed in courtrooms (McWilliams 1946; Bean 1973; cf. Forbath 1991) and through state-sanctioned vigilante terror (Bean 1973; McWilliams [1939] 1969). California's white supremacist, anti-capital Workingmen's Party (1877–80), which emerged briefly from the economic strife of the 1870s, left as its principal legacy the 1882 federal law excluding Chinese immigration (Caughey 1940; Saxton 1971; Bean 1973). Ample but generally disorganized and segregated labor formed the nucleus of the state's rapid growth into the next century.

In addition to labor, both metropolitan and agricultural development required ample water, and, starting at the turn of the twentieth century, projects funded from federal and state coffers transformed relatively arid land into parcels suitable for farm or residential development (El-Ashry and Gibbons 1988; Pisani 1984; Gottlieb 1988; Hundley 1992). While state-developed water was sold cheaply to nearly all agricultural buyers, those with large holdings could exploit economies of scale to obtain capital for improvements, pay the high cost of transport charged by the railroad monopolies (Preston 1981; Reisner 1986; Howitt and Moore 1994), and hire cheap labor in large numbers to work the fields (Daniel 1981).

Urban-made goods, such as autos, tires, steel, aircraft, and ships, joined petroleum and rural commodities—cotton, fruit, vegetables, dairy products, lumber, cement—in California's annually expanding basket of goods. The state continued to promote development by providing both direct industry subventions (e.g., aircraft in Los Angeles [Lotchin 1992; Oden et al. 1996]) and key infrastructural amenities, such as harbors and highways, that both stimulated demand and enabled transport (Bean 1973).

Power blocs also designed municipal and intergovernmental mandates, residential restrictive covenants, and other tools to keep the state's burgeoning wealth in the reach of some and out of the reach of others (Mike Davis 1990; Weber 1994; Oden et al. 1996). The system was not static, but it was, for most of the state's history, fairly reliable. By organizing themselves politically and economically into spatial and social enclosures, U.S.-born white Californians guaranteed the conditions through which they could reproduce their collective, if not individual, supremacy (Almaguer 1994; Walker 1995).

The Great Depression threatened the racial capitalist state's progress. The period's enormous dislocations of capital and labor hit California with political as well as economic severity (Bean 1973), heightening the natural antagonisms between capital and labor and occasioning both urban and rural struggles to advance labor's cause (Bulosan 1943; McWilliams 1946; Bean 1973; Mike Davis 1990; Weber 1994; Walker 1995; Don Mitchell 1996). In the cities, radical and Congress of Industrial Organizations (CIO) activists brought together great mobilizations, capped by the San Francisco / West Coast General Strike of May–July 1934 (Caughey 1940; Dowd 1997). In the countryside, Filipino, Mexicano, and other migrant farmworkers worked with communists and the CIO to organize some of the biggest, and bloodiest, agricultural labor battles in U.S. history (Bulosan 1943; Daniel 1981; Weber 1994; Don Mitchell 1996). If capitalists engaged in urban struggles invoked the specter of "communism" (Dowd 1997), race was the bogeyman of rural class war (Weber 1994; Don Mitchell 1996; Woods 1998).[1] Dense relations among Filipino, Mexicano/Chicano, African, Chinese, and Japanese workers and labor contractors and their mostly Anglo employers took on new complexity when waves of Anglo Okies poured into the state in the later part of the depression, prompting inter-Anglo class and status strife (Bulosan 1943; Morgan 1992; Weber 1994). Upton Sinclair's 1934 gubernatorial campaign, with its call to End Poverty in California (EPIC), won 38 percent of the vote, but Sinclair lost to Republican Governor Frank Merriam, a political cipher who had inherited the office. Overall, in concert with federal programs, the reformist strategies of New Dealers and Progressives defused urban struggles (Linda Gordon 1994; Faue 1990) and undermined rural ones (Weber 1994; Don Mitchell 1996). But it was international, rather than class, war that made the biggest difference to California's future fortunes.

The "creative destruction" of World War II boosted the California and national economies out of depression. The state's military industry was large, consisting of both converted capacities and assembly lines developed specifically for production of war matériel (Lotchin 1992); by 1940, the federal government was investing 10 percent of its spending in California, a state that comprised 7 percent of the nation (Bean 1973). Millions, including several hundred thousand African Americans, moved to California to build war machines, and while wartime wages were indexed to race and gender, workers across the board made more money than they had ever dreamed possible. This prosperous period (1938–45) changed the state's demographics, and particularly the racial structure of cities, as Black homeowners established communities in San Francisco, Oakland, Berkeley, Richmond, and Los Angeles (Bean 1973; Scott and Soja 1996).

Although the war occasioned wartime domestic antiracist militancy (C. L. R. James 1980), the social organization of war-making—especially racial segregation of the armed forces, and the dispossession and internment of West Coast, primarily Californian, Japanese Americans—preserved white supremacy. In the postwar period, the repeal of de jure school segregation (1946) and the declaration that restrictive covenants on real property were unconstitutional (1948) provoked long-lasting pro-apartheid activism on the part of white Californians. Their political labors culminated in a state constitutional amendment, organized by the realtors' association and passed by two-thirds of the electorate, that guaranteed the right of home and other property owners to refuse to sell to anybody for any reason (Bean 1973).[2] Thus, while some domestic changes wrought by warfare had lasting effects on the state's political and social economy, other changes proved illusory, in the near term at least.

Along with phantom social gains, the period's profits seemed in danger of evaporating after the hot war's end; however, public and private sector power blocs wagered the state's economic future on the burgeoning military-industrial complex and became major players in the Pentagon-centered movement to maintain expansive military preparedness in the postwar era (Markusen et al. 1991; Gregory Hooks 1991). "Industrial heartland" manufacturers generally reconverted war industry capacity to production of consumer or producer goods (Markusen and Yudken 1992). But in California, as throughout "the gunbelt" (Markusen et al. 1991), the political-economic strategy was to seek increased federal investment in the form of prime Department of Defense (DOD) contracts. California coupled aerospace (Markusen and Yudken 1992) with electronics research and development (Saxenian 1995) to achieve the highest dollar volume of prime DOD contracts of any state from 1958 on (Markusen et al. 1991). Rising with the South during the Cold War (Schulman 1994), California developed major military-industrial districts, heavily concentrated in Los Angeles and Santa Clara ("Silicon Valley") Counties (Markusen et al. 1991; Oden et al. 1996; Saxenian 1995). With its dependence on defense secured, California became the exemplary "military Keynesian" (Turgeon 1996; Mike Davis 1986) or "welfare-warfare" (O'Connor [1973] 2000; cf. F. J. Cook 1962) state.

The massive infusion of wealth designated for aeronautical and electronic warfare innovations required a new and specialized labor force (Markusen and Yudken 1992; R. W. Gilmore 1991; Geiger 1993), prompting the state to make enormous investment in educational infrastructure. Historically, California had followed the national postsecondary trajectory. Land-grant agricultural and mechanical colleges were established in the wake of the 1862 federal Morrill Act. Public and private senior research universities, such as Stanford and the University of California, developed in the late nineteenth century in tandem with the diversification and consolidation of the modern business corporation (Chandler 1990; Geiger 1985) and the expansion of U.S. imperialism. To produce, under the sign of Sputnik (1958), sufficient professional, managerial, and technical strata for the theoretical and applied challenges to come, the state crafted an unprecedented "master plan" for higher education, which pledged an appropriate postsecondary education at public expense to every high school graduate (R. W. Gilmore 1991; Walker 1995).[3]

Through the 1960s, California's relative stability depended on interlacing the military complex with consumer and producer-goods manufacturing, agriculture, resource-extraction industries, and high levels of consumption (Mike Davis 1986; Walker 1995). The state's population grew with the economy, doubling between 1950 and 1970 to over 20 million people (Teitz 1984). The federal interstate highway system and the State Water Project (SWP) allowed for extensive and intensive residential and commercial development. People and firms could be spread further and further afield thanks to excellent roadways. The guarantee of water well into the next century facilitated increasingly dense development in the relatively arid Southland and served also to subsidize Central Valley agriculture via low-cost sale of the project's surplus water to growers (Reisner 1986).

Politically and numerically, Anglos continued to control the state. However, opportunities for advancement, opened to all Californians by federal mandates that were the outcome of antiracist struggle, led to the making of new political formations. Groups opposed to inequality used campuses and desegregated armed forces units as places to promote causes and forge alliances that differed from, but often complemented, neighborhood- and work-based mobilizations; by these means, activists renovated possibilities for broad-based radical coalitions that had not been evidenced since the urban and rural strikes of the 1930s (R. W. Gilmore 1991, 1993b).

The reasons for activism centered on the period's uneven achievement of "domestic reform and . . . productivity sustained by mass purchasing power" (Mike Davis 1986: 181). In other words, a key feature of military Keynsianism only partially reorganized the structures of the racial state. Economic inequality is a political problem. African Americans who had migrated from the South and East to fight their way into wartime industries (C. L. R. James 1980) and their California-born children were poorer in real terms in 1969 than they had been in 1945, because after the hot war was over, most were pushed out of war matériel jobs, whose pay levels could not be duplicated in other sectors (Soja and Scott 1996; Ong and Blumenberg 1996). Thus, extreme poverty concentrated in Alameda County, Los Angeles, and other regions where Black people had settled (Himes [1945] 1986; Sonenshein 1993; Walker 1995; cf. Massey and Denton 1993).

The 1965 Watts Rebellion was a conscious enactment of opposition (even if "spontaneous" in a Leninist sense) to inequality in Los Angeles, where everyday apartheid was forcibly renewed by police under the direction of the unabashedly white supremacist Chief William Parker (Sonenshein 1993).[4] In Oakland, the Black Panther Party was conceived as a dramatic, highly disciplined, and easy-to-emulate challenge to local police brutality. Militant Black urban antiracist organizing that focused on attacking the concrete ways in which "race . . . is the modality through which class is lived" (Stuart Hall 1980: 341) emerged from many decades of struggle in the bloody crucible of revolution against *both* southern apartheid *and* its doppelgänger in northern cities (Dittmer 1994; Kelley 1990; Newton 1996).[5] As Richard Walker (1995) notes, the Black Power movement inspired complementary Brown Power (Chicano: both urban [Acuña 1988] and rural [United Farm Workers (Pulido 1995a)] variants) and Yellow Power (Asian American) movements (Pulido 2005).

In 1967 the system began to come apart symbolically and materially. During the Summer of Love, as thousands of flower children flocked to San Francisco to repudiate the establishment, California lined up its *anti*-antiracist coercive forces behind the vanguard Panther Gun Bill (Bean 1973; Donner 1990; Newton 1996)[6]—all of this at the same time that the rate of profit began its spectacular decline (David Gordon 1996). The 1969–70 recession hit California harder than the rest of the United States because of deep cuts in military spending (Teitz 1984). Unemployment in the state nearly doubled, even though total personal income hardly wavered from its steady upward climb (CDF-CEI December 1975). Notably, the layoffs of thousands of aerospace engineers, although in the end temporary (Teitz 1984), provided an important foundation for invigorating active consciousness of a normative racial state—regardless of reports on civil disorders that concluded "institutional racism" to be a structural problem in the nation and the state (California, Governor's Commission 1965; United States, Kerner Commission 1968).[7] Thus, at the historical turn that set the stage for California's restructuring, power blocs rising from the Sunbelt (Kevin Phillips 1969; Schulman 1994), including California's Governor Ronald Reagan and U.S. President Richard Nixon, began to propose "law and order" as the appropriate response to domestic insecurity, whatever its root causes (Kevin Phillips 1990; Newton 1996).

CRISES

After several years of relative relief underwritten by new rounds of military investment, California entered another slide in the world recession of 1973–75. For the United States, the recession was a deliberate structural adjustment, effected through monetary policy—the 1971 abandonment of the gold standard in August and devaluation of the dollar the next winter (Mike Davis 1986; Shaikh 1996). Workers responded in 1974 with major strikes around the country, including a number of stoppages—especially in transport and communication—in California (CDF-CEI October 1975).[8] They also swept Democrats into office in state and congressional elections, with California no exception. However, high unemployment and high interest rates undermined the power of traditional big organized labor in California and elsewhere: workers in government sectors and in dominant industries, such as transport and steel, were disciplined by the Federal Reserve's strategic manipulation of the cost of money to divest labor of its already circumscribed midcentury gains (Dickens 1996; N. Lichtenstein 1982).

The state's chronic urban unemployment (Oliver et al. 1993; Grant et al. 1996) deepened in concert with rural displacements—with unemployment running highest in inner cities and in rural counties most reliant on resource extraction and agriculture (Bradshaw 1993; CDF-CEI 1977). Mining and lumber significantly reduced operations throughout the state during the 1970s (CDF-CEI 1977). In agriculture, the devastating drought of 1975–77 drove smaller farmers into bankruptcy; many who stayed in business borrowed heavily to finance irrigation improvements and changed crops to exploit the growing international market in specialty produce (Howitt and Moore 1994; Watts 1994b). Labor-replacing innovations in major agribusiness commodities such as cotton pushed thousands of farmworkers into the production of labor-intensive, minimally organized crops such as berries and nuts (Bradshaw 1993; cf. Wells 1996). Wages have never recovered from the freeze during this key period of urban and rural labor disciplining, either in the United States as a whole or in the Golden State (David Gordon 1996; Arnold and Levy 1994; Greenhouse 1997).

During the 1970s, immigration swelled the state's labor force, particularly in the Southland (Waldinger and Bozorgmehr 1996), the San Francisco Bay Area (Walker 1995), and around inland valley farms (Bradshaw 1993; Walker 1995). The newcomers came from all over the world, but most were from Mexico, followed by other Central American countries, especially El Salvador and Guatemala (Sabagh and Bozorgmehr 1996; Walker 1995). Complementing natural population increase, immigration after 1973 inaugurated the epochal shift of the state's majority from Anglo in 1970 to not Anglo, with no single group filling the majority void, by about the year 2000. Thus, at the same time that low-wage urban and rural industries could profitably exploit substantial pools of workers who lacked both union and citizenship protections, the social structure as a whole began to come apart because of the raw, numerical threat to white supremacy represented by unorganized, but densely concentrated, new and old Californians of color.

After a brief infusion of federal job funds in 1977, the interscalar federal-state consolidation of the postwar era started to come apart in such key areas as education funding and employment opportunities for "individuals without strong marketable skills" (CDF-CEI December 1977: 6). The federal retreat required subnational polities and institutions to take responsibility for social problems whether they wanted to or not, forcing them to deal with the newly dispossessed, who ranged from unemployed youth to financially needy students to homeless families. The contemporary rise of the local state, celebrated by so many geographers, represents in part a generally reactionary move to reexternalize, or keep external, such social burdens and fiscal costs (see, e.g., Lake 1992, 1994).

When voters initiated the taxpayers' revolt with 1978's Proposition 13, California municipal and state treasuries had substantial surpluses (as was the case throughout the United States as a whole), with annual revenues comfortably exceeding expenditures (CDF-CEI November–December 1977; Gramlich 1991). Proposition 13 shielded real property from periodic reassessment and set a maximum tax rate, thus depriving municipal governments of a prime source of revenue; as a result, whereas in 1977–78, K–12 school districts received 51.7 percent of their budgets from property taxes, the percentage was only 18.1 percent in 1988–89 (Chapman 1991: 19). The compensatory implementation of regressive taxes such as sales tax and user fees helped ensure that as local governments drew down their reserves and then tightened their belts, the poor would have higher relative costs and fewer services than their richer neighbors.

California's reliance on military-industrial outlays increased steadily from 1976–77 forward, when the value of DOD prime contracts hit one of many high marks (fig. 3; CDF-CEI December 1977, December 1985). Highly paid DOD-funded positions were concentrated in research and development (Markusen et al. 1991); this, combined with a decline in military assembly-line work (Oden et al. 1996), constituted another wedge in the long bifurcation splitting apart the state's industrial, racial, and political structures (fig. 3). The location of defense and other high-technology jobs (Soja 1989; Oliver et al. 1993) exacerbated the state's residential and income segregation (Walters 1992; Mike Davis 1990; Bullard et al. 1994). Between 1980 and 1984, DOD prime contracts achieved new highs and California continued to command a disproportionate share of income from the trillion dollar arms buildup under the Carter and Reagan administrations, most of which went to higher-wage workers (Oden et al. 1966).

Thus, in advance of the 1980–82 recession, the ensuing boom, and the great recession of 1990–94, the path bifurcating Califor-

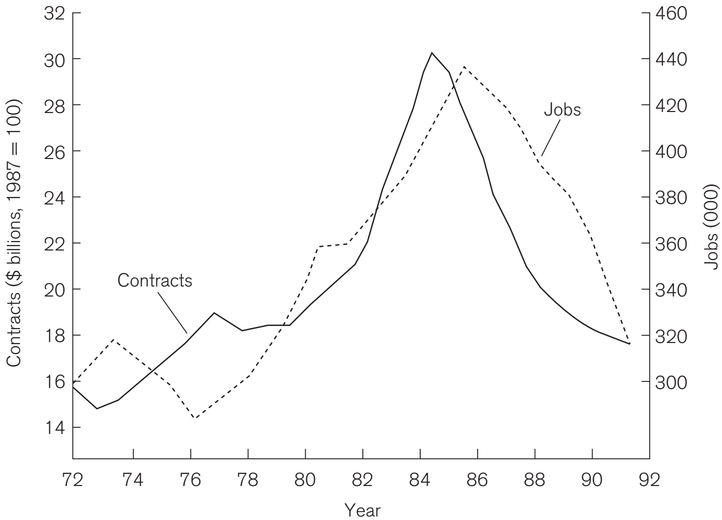


FIGURE 3. Defense prime contracts and manufacturing jobs, 1972–1992. Source: Kroll and Corley 1994.

nia into richer and poorer had already deeply grooved the political-economic landscape. Between 1969 and 1979, while voters schemed to make tax revenues stick in smaller and smaller territories to ensure minimal income redistribution, poverty among California's children rose 25 percent (Teitz 1984). The rising cost of shelter undermined the buying power of flat wages, and the sum of these effects carried forward into the 1980s (CDF-CEI 1975–82).

In 1980, the prime rate hit 21 percent; in 1982, unemployment surged to 10.5 percent. These stunningly high figures repeated, with a difference, the state's experience of the mid 1970s, when the prime reached 12 percent (1974) and unemployment 10.5 percent (1975). Economists competed to explain the high interest–high unemployment coupling once thought to be mutually exclusive (Krugman 1994). The importance of the explanatory transition lies not in whether a new theory would serve as a reliable guide for action, but rather in how the public, high-profile scramble for a new theory served popularly to delegitimate the Keynesian approach to mitigating crisis, and set the stage for more deliberately undoing the welfare state (Krugman 1994; Grant et al. 1996).[9] The safety net came under attack at two levels: technically, it was condemned as a device that distorted markets by providing an employment disincentive for low-wage workers, who, in the aggregate, keep wages—and therefore prices—under control. Colloquially, the safety net was characterized as a hammock in which the undeserving poor (like Ronald Reagan's much-publicized welfare queen) lounged while industrious Anglos labored or looked for work.

The structure of manufacturing employment started to change dramatically during the 1980–82 recession. There are two general explanations for job losses in high-wage sectors. Either, as in the case of automobiles, plants had reached full amortization and management decided not to reinvest in place (Bluestone and Harrison 1982); or, as in the case of some primary metals, management either made the wrong investments or invested in labor-replacing technologies (Walters 1992; Arnold and Levy 1994). High-growth sectors, such as apparel, command wages of only about 60 percent of the average wages paid to employees in all industries (Arnold and Levy 1994).

California continued to be a manufacturing state, but it produced a different mix of goods, which meant that manufacturers drew from different labor market segments (David Gordon et al. 1982; Storper and Walker 1984). The disorganizing effect of structural change further undermined union power that had been disintegrating since the previous decade; of the few 1980s strikes around the country that capital and state took note of as possible precedent-setters, California's sole entry was the Kaiser Permanente strike of October–December 1986 (CDF-CEI 1989).[10] It was not until 1988, for example, that labor advocates could muster sufficient political authority to increase the state's minimum wage from $3.35 to $4.25 per hour; while for the typical household in 1984 and 1985, the average annual cost of rent and utilities ranged from $5,386 in Los Angeles to $6,983 in the Bay Area (CDF-CEI 1989).

Areas outside the major urban cores also experienced the intensified division between richer and poorer. Statewide, in 1982, the median house price exceeded $100,000 (CDF-CEI 1982)—62 percent higher than the national average—while per capita income, at $13,410, was only 15 percent over the national measure (California State Public Works Board 1993a–d). High housing prices, tied to and exacerbated by the high cost of money, pushed many middle-income earners seeking homeownership to move to counties where farmlands were rapidly converting to suburbs (Walters 1992; Sokolow and Spezia 1994). The desert counties east and southeast of Los Angeles and Stanislaus County in the Great Central Valley east of the Bay Area appealed to priced-out metropolitan housing markets. Developers built bedroom communities for commuters willing to drive two hours or more each way (Walters 1992; fig. 4).

Beset by unemployment and poverty rates running 67–200 percent above metropolitan levels (CDF-CEI 1982; Walters 1992), rural counties and towns not located on the commuter path tried to diversify their economies by recruiting small man-

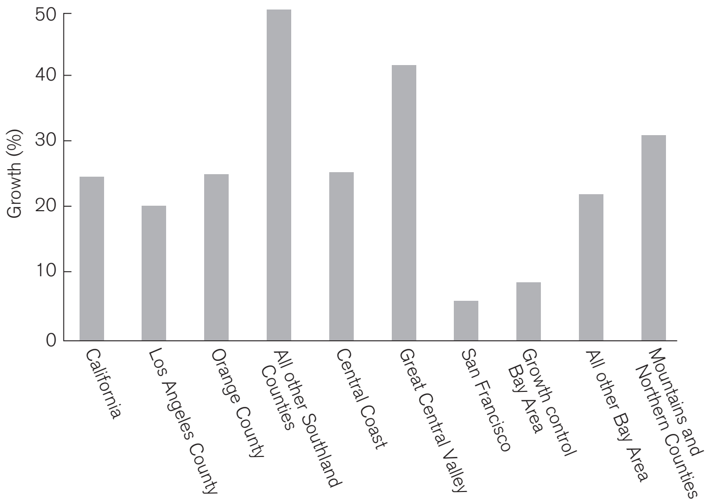


FIGURE 4. Population growth by region, 1980–1990. Source: Walters (1986) 1992.

ufacturing or back-office work (Bradshaw 1993). At the same time, California's food exports, which had been competing in the burgeoning "global food regime" (Watts 1994b), lost market share as a strong dollar forced up prices, increasing farmer bankruptcies and farm consolidations (Sokolow and Spezia 1992; Walters 1992). At the end of the day, places passed over for development fell even further behind, while development projects in high-unemployment localities summoned new entrants to the disorganized, low-wage segment of the labor market, diluting the chances for residents most in need of jobs (Bradshaw 1993; cf. Bartik 1990, 1991; Storper and Walker 1984; Chinitz 1960).

Money capital played a major role in restructuring California's built environment. Astronomical interest rates encouraged savings and loans directors to lend well beyond their capacity and falsify the value of collateral in order to look solvent for auditors and shareholders, as well as to pay themselves hefty fees (Henwood 1997). The building boom of the 1980s included both residential and nonresidential development; and the latter's overvaluation, combined with a sluggish rental or sales market for such spaces, plunged major institutions such as Lincoln Savings into bankruptcy. In rural areas, the Bank of America, a major agricultural lender from the 1920s onward, had a rash of foreclosures on farms in the Great Central Valley (Gottlieb 1988). Meanwhile, federal Farm Credit System loans aggressively marketed in the 1970s came due in the 1980s, when farmers could not pay, forcing debtors to sell collateral or default. The farm debt crisis was so severe that the Farm Credit System Board asked Congress for a $74 billion bailout (for nationwide defaults) in 1985—at the same time that failed savings and loans were tapping *their* federal insurance fund. But if unruly capital had recourse to governmental guarantees, both unruly and docile labor had a harder row to hoe.

California's safety net unraveled rapidly in the hands of Reagan's ideological successor in Sacramento, George Deukmejian. During the run-up to the 1982 gubernatorial election, it had appeared that the Democratic candidate, Tom Bradley, a retired policeman and African American in his fourth term as Los Angeles mayor, would prevail against the Republican candidate, a Sunbelt lawyer with deep roots in the Central Valley. Running against taxes, spending, and crime, however, Deukmejian won, although by a margin of less than 1 percent; in the rematch four years later, he won by a landslide. In his first term, Deukmejian achieved one of the nation's first workfare programs: whereas in

1977, 20 percent of the state's job growth was funded by cooperative federal and state programs guaranteeing employment for youth who wanted work but could not find it (CDF-CEI 1978), by 1985, California started to require paid jobs of women who were already full-time mothers, and often full-time students as well (Paddock and Wolinsky 1985). Indeed, although education seemed to be a protected arena during the campaign, the Deukmejian administration's actual spending undermined the Master Plan for Postsecondary Education. Education fees rose dramatically at nominally tuition-free institutions, and the continuity and coordination between the educational segments—community colleges through research universities—while not altogether abandoned, were displaced in favor of product specialization, efficiency, and competition (R. W. Gilmore 1991).

Planning for state and regional growth foundered in the Republican administrations of Governors George Deukmejian (1982–90) and Pete Wilson (1990–98). Indeed, the Democratic administration of Governor Jerry Brown had produced the last general plan in its first term (1974–78), and thereafter Sacramento produced no unified vision for, or coordination among, the many planning agencies in the government (Bradshaw 1992; Arnold and Levy 1994). As they had done with Proposition 13, voters stepped into the breach, and used initiatives to try to control change; but their reach grasped symptoms rather than causes of the state's disorder. In essence, California's voters—dominated by Anglos with jobs—were trying to reconcile the disjuncture between the state's 1984–89 boom and the insecurity more and more people experienced in their everyday lives. Ironically, though unsurprisingly, they looked to state power to resolve contradictions even while telling themselves, and elected officials, that government was the problem (Mike Davis 1993b, 1993c; Walker 1995).

When the California economy crashed in 1990–91, the crisis overlapped and interlocked with the previous periods of deep restructuring that reached back into the early 1970s. Premonitions of the state's crash cropped up as early as the October 1987 stock market bust, and the recession proper lasted for three years. California lost 730,000 jobs—548,000 of which were in the Southland (CDF-CEI 1996). The Los Angeles basin job-loss concentration reflected the dual dilemmas of defense industry downsizing and a stagnant market for commercial airplanes (Oden et al. 1996).

Fifty years of defense dependency is hard to undo. The shift in available employments from high-wage to low-wage manufacturing (especially apparel) and service-sector jobs (Oden et al. 1996) brought into potential competition workers whose traditional labor market niches had been destroyed in twenty years of restructuring (table 1). The 1992 Los Angeles uprising shared some elements of spontaneity with the 1965 Watts riots, but what made it politically powerful was its "multicultural" nature (Mike Davis in Katz and Smith 1992); while the 1992 uprising against police brutality resulted in more police control of the streets, it also lowered segregation among grassroots activists (Gooding-Williams 1993; R. W. Gilmore 1993b; Madhubuti 1993). Activist voters responded as well and tried to enclose the effects of restructuring—and poor people's responses to it—by implementing extreme measures. They voted to exclude immigrants from social services with Proposition 187 (1994); to imprison more people for life with Proposition 184 ("three strikes" [1994]); and to monopolize opportunities in public sector education, employment, and contracts with Proposition 209 (anti–affirmative action [1996]).

TABLE 1 EMPLOYEES IN PRINCIPAL CALIFORNIA MANUFACTURING INDUSTRIES, 1980–1995

(thousands)

Sector	1980	1995	Percentage Change
Instruments	102.4	166.5	61.5
Textiles	12.4	19.1	54.0
Apparel	102.4	146.9	43.5
Print and publishing	124.5	149.8	20.3
Rubber, misc.	61.2	70.9	15.8
Lumber and wood	46.3	52.2	12.7
Chemicals	65.7	69.1	5.2
Paper and allied products	37.3	38.8	4.0
Food and related items	182.5	179.5	−1.7
Furniture and fixtures	49.0	44.5	−9.1
Stone/clay/glass	50.4	44.2	−12.3
Industrial machinery	227.6	191.9	−15.7
Fabric. metal prod.	138.8	118.1	−14.9
Transport. equip.	266.3	163.2	−38.7
Primary metal	47.6	32.2	−32.4
Petroleum and coal	31.7	20.7	−34.7
Leather products	10.5	6.6	−37.1
Electric and electronic	358.0	219.6	−38.7
Miscellaneous	43.2	38.5	−10.9
Totals	1,957.8	1,770.5	−9.6

SOURCE: California State Controller, *Annual Report,* 1995.

TRANSITION

California functioned as "the principal engine of U.S. economic growth" (Walker 1995: 43) during the postwar "golden age" (Glyn et al. 1990) and used resources from defense-dependent prosperity to provide state residents with broadening protections from calamity and opportunities for advancement. While the legitimacy and use of welfare-state strategies to soften the effects of crises declined rapidly starting in the 1980s, the downhill path was blazed by the depression of the mid 1970s, the diminution of the Anglo majority, and the efforts by taxpayers to govern more directly through voter-made law that focused on fiscal control. An indicator of changes to come was the 25 percent increase in children's poverty between 1969 and 1979. The abandonment of the weakest members of society bespoke a fundamental change in the state's future responsibility for the alleviation of adversity and inequality. And, in fact, the poverty rate jumped again, rising 67 percent between 1979 and 1995, to afflict one in four of the state's children (Walker 1995).

The loss of high-wage, well-organized blue-collar jobs, and their replacement by high- or low-wage disorganized work, meant that an important platform from which to struggle in the realm of workplace and electoral politics had disappeared as well (Storper and Walker 1984; Katznelson 1985). Radical opposition had been crushed in the early part of the 1970s, and the disciplining power of underemployment and inflation, combined with discouraging memories of lost battles, may well have conspired to produce general quiescence, even when the state's economy boomed from 1984 to 1989, and again from 1993 to 2000. Thus, while workers did not agitate for activist state intervention in the form of Keynesian guarantees, activist voters demanded that the state become leaner and meaner, except when directed to do otherwise.

Although they claimed to pay strict attention to the will of the voters, the state's power blocs followed only half the instructions, becoming meaner but not leaner. Relocations of capital and labor meant that successful electoral candidates would have to build new political relationships across sector and space; for example, the suburbanizing inland counties were not the same places, politically, socially, or economically, that they had been when ruled by citrus or other grower elites. Tom Bradley's twin defeats suggested that most voters at the gubernatorial level rejected the urban welfare state.

The postwar pragmatic care once unevenly bestowed on labor was transferred, with an icing of solicitude, to capital. The state focused on capital's needs—particularly on how to minimize impediments, and maximize opportunities, for capital recruitment and retention.[11] However, having abandoned even the shadow of a Keynesian full employment / aggregate guarantee approach to downturns, the power bloc that emerged from the 1980s on faced the political problem of how to carry out *its* agenda—how, in other words, to go about its post-Keynesian state-building project—in order to retain and reproduce its victories (Hobsbawm 1982; Gregory Hooks 1991). Capital might be the object of desire, but voters mattered. The upheavals of the prior twenty-five years had idled many productive capacities, including labor, land, and finance capital. Having been elected under crisis conditions, Governors Deukmejian and Wilson consolidated their administrations around the anticrime theme they had popularized. The state built itself by building prisons fashioned from surpluses that the newly developing political economy had not absorbed in other ways.

CRISIS AND SURPLUS

In "Questions of Theory" (1988) Stuart Hall and Bill Schwarz provide a useful definition of crisis. "Crises occur when the social formation can no longer be reproduced on the basis of the preexisting system of social relations" (96). The pivotal verb "to reproduce" signifies the broad array of political, economic, cultural, and biological capacities a society uses to renew itself daily, seasonally, generationally. Crisis is not objectively bad or good; rather, it signals systemic change whose outcome is determined through struggle. Struggle, which is a politically neutral word, occurs at all levels of a society as people try to figure out, through trial and error, what to make of idled capacities.

For example, when a major employer leaves a place, the individuals and households dependent on it for wages face a crisis, as does the state—at all levels—dependent on tax revenues paid by capital and workers. What are possible outcomes of crisis? Households can reorganize internal relations of authority and dependence according to who can find work or receive income assistance, creating both tensions and opportunities that significantly alter "traditional" household hierarchies. Community institutions, such as churches, unions, or street gangs, can gain or lose adherents and experience new pressures because of excessive or vanished reliance on the services and security they provide. Indeed, the expansion of community-based institutions can be a direct result of the state's reduction of social services—such as school programs. The state can also step up policing, under its mandate to maintain internal order, due to actual or imagined antisocial behaviors among idled workers or disenchanted youth. New power blocs can form around the remaining legitimate areas in which the state's power can be exercised, such as law and order, local development, or moral directives for civilian behavior. Indeed, the weakening of old social, political, and cultural forms opens the way to a wide variety of new alliances, institutions, movements, all of which are coaxed, but not directed, by already existing practices. Nothing is guaranteed, but tendencies are hard to buck.

Crises are spatially and sectorally uneven, leading to different outcomes for different kinds of people in different kinds of places (cf. Smith 1984; Walker 1995). The devaluation of the Golden Gulag's four key components created the conditions of possibility explored in "The Prison Fix" (chapter 3), "Crime, Croplands, and Capitalism" (chapter 4), and "Mothers Reclaiming Our Children" (chapter 5).

What is surplus, and how is it related to crisis? In political economy, surplus and crisis derive from a single, extremely complicated, relationship. The purpose of capitalist business activity is to make a profit, and profitability is dependent on both keeping wages as low as possible, while selling all goods produced. In fancy terms, this means that implicit in capital's imperative to accumulate is an equal necessity to disaccumulate (Wolff 1984). Systemic failure to disaccumulate constitutes crisis.

In an economy that is driven by individual consumers whose capacity to buy is tied to the fortunes of regional industrial sectors, ups and downs are likely to occur with some regularity—what's known as the business cycle. The problem is that the "down" part of the cycle does not have a guaranteed bottom; and when the bottom falls out, what's left is a mess of surpluses—in short, a crisis. The worker-consumer, who has to work to buy and buy to work, is central to this drama—and hence to this book.[12]

The actual effects of crisis in a particular society are not necessarily paralyzing; rather, they invite remedies that take many forms, and therefore produce varying outcomes that are as likely further to shake up, as to settle, the original political-economic upheaval. Such remedies include moving capital out of a region altogether, or moving it out of production (research, development, or manufacture) into other investment venues such as land or financial markets, where short-term returns seem predictable (Harvey [1982] 1989). Since such investment decisions are not centrally coordinated, they might provide relief for individual investors or firms but not do much to resolve the crisis for the broad mass of people who are vulnerable to its effects. By contrast, the government can step in, as a "collective capital" (Negri [1980] 1988; Harvey [1982] 1989; cf. Foglesong 1986) to remedy crises by borrowing surplus money capital and using the proceeds to guarantee aggregate demand by way of income supports or similar programs—thereby restoring to capital its expansive momentum (Keynes [1936] 1973). The limits to the power of such collective action are found in (but not necessarily produced by) the complexities of political boundaries (borders, tariffs, and racial, gendered, and international divisions of territories and labor markets).

Surplus and crisis, then, are two sides of the same coin. The problems arising from overaccumulation—what makes surplus *crisis*—are not only economic, but also political, and therefore social. The idling of workers, the development of far-flung (labor or commodity) markets, and the immobilization of capital in devalued land are problems that require political organization—such as state building (Gregory Hooks 1991) or subaltern activism (Pulido 1996)—to solve. Political organizing produces new social relations that can, if reproducible, form the basis for a new social order (Hall and Schwarz 1988).

So far we have reviewed how capitalism as a mode of production produces the conditions for its own undoing; the production of surplus is necessary, or else there's no profit, while the overaccumulation of surplus is crisis. The system does not, however, mechanically function irrespective of time and place; crises are historically specific and their generalities play out in particular ways in particular places. Next I review the theoretical and empirical evidence for the existence of four surpluses that were key to the size and strength of the California prison expansion project.

The deepening division of California into richer and poorer is a function of what Richard Walker (among others) identifies as three "central contradictions" (Walker 1995): (1) the changing mix of jobs and industrial and residential location; (2) Anglos' fear of their demotion to minority status, coupled with capital's differential exploitation of labor market segments defined by race, gender, locality, sector, and citizenship; and (3) the state's failure to put idled capacities back to work through infrastructural, educational, employment, and other projects. As the multigenerational abandonment of California's children to poverty shows, wealth does not circulate the way it used to. "Some power resources appear to be increasing within the system, while others appear to be declining" (Mike Davis 1986: 181). It is to this summary contradiction, expressed as four surpluses—of finance capital, land, labor, and state capacity—that we now turn.

THE FOUR SURPLUSES

Surplus Finance Capital This section looks at the political economy of surplus finance capital as it emerged in California in the form of municipal finance capital. Municipal financiers design and sell bonds to raise money for public, and certain private nonprofit, projects that contribute to the public good.

We have seen that as the golden age of U.S. capitalism drew to a close, the major changes in the forces, relations, and geography of accumulation that rocked the capitalist world in general had specific regional effects in California. Between 1973 and 1989, according to David Gordon (1996: 80–81), the share of gross domestic product (GDP) paid out as property income increased (dividends by 25 percent and interest by 67 percent), and the share of GDP invested in plant and machinery halved (from 4.4 to 2.2 percent). Gordon's evidence substantiates the general theory, outlined in the previous section, that when the rate of profit falls, capital works differently than when the rate is on the rise. The shift is not immediate, because there is a lag between the profit peak and the peak of productive investment (Sherman 1997). However, value that is not in motion is not capital; thus, when productive investment opportunities wane, owners of surplus move their wealth into nonproductive income-generating investments in order to be assured of constant returns (Harvey 1989a; cf. Arrighi 1994). The credit system, the province of finance capital, is such a venue. Whereas in times of expansion, credit complements reserves, in periods of overaccumulation, "speculative fever . . . in paper assets of all kinds" emerges as a means to activate idled capital (Harvey [1982] 1989: 325).

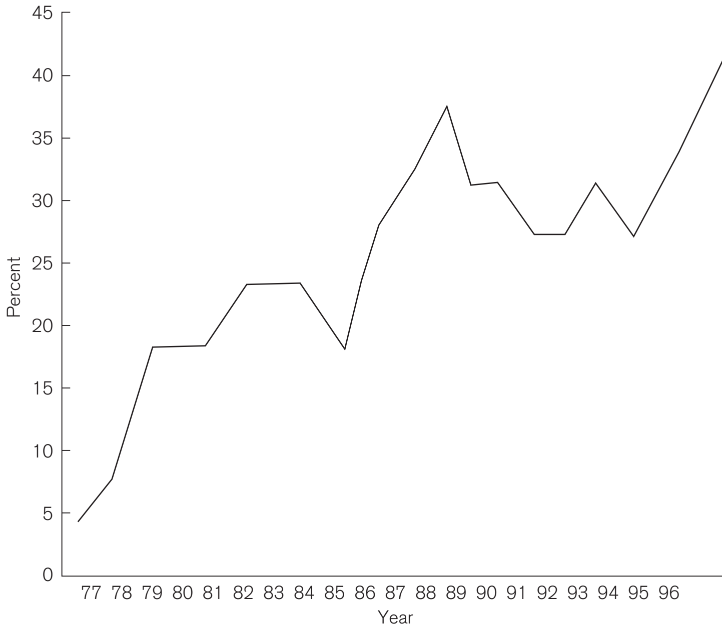


FIGURE 5. Growth in the ratio of property/proprietors' (profit) income to total income, 1977–1996. Source: CDF-CEI 1977–97.

The ratio of property and proprietors' income (interest, dividends, rent, and profits) to total income grew by 40 percent in California between 1977 and 1996, as illustrated in figure 5. Although there have been peaks and valleys along the route, what is striking is the surge in the late 1970s, the pivotal plateau of the early 1980s, the subsequent surge in the mid 1980s, and the overall steadiness of the upward trend. For those in command of the growing property surplus in the late 1970s and early 1980s, California's productive investment opportunities were limited by the fact that the state's corporations, along with U.S. corporations as a whole, were financing declining plant and equipment expansion from retained earnings (CDF-CEI 1977; Flanigan 1996; Brenner 2002). And, in the case of major industries such as aerospace and electronics, the Carter-Reagan boom in federal defense outlays generously supplemented cash on hand (Oden et al. 1996). As a result, the burgeoning surplus required other investment outlets if it was to keep expanding. Between 1980 and 1989, interest as a share of total property income expanded from 73 percent to 85 percent, even as the prime rate declined from 21 percent in 1980 to 10.5 percent in 1989 (fig. 6). During the speculative fevers of the 1980s, municipal bonds were attractive sources of tax-exempt, mid- and long-term income, serving to balance portfolios weighted by short-term, or high-risk, investments such as junk bonds.

While as a category of capital, finance capital is highly mobile, individual firms that match surplus with borrowers are often, if not always, "embedded" (Granovetter 1985) in particular political-economic geographies (cf. Chinitz 1960). Such limitation is particularly true of firms that specialize in municipal finance. Federal law requires state governments to regulate municipal finance; thus firms in the municipal sector must organize their work on a state-by-state basis (Sbragia 1996). Because public finance capital is raised by, or with the direct approval and control of, the state, the key issue for finance capital is public policy as it establishes and maintains legitimate areas for the accumulation of public debt (Sbragia 1996; see also Gramlich 1994). More than 80 percent of public infrastructure in the United States is owned by state and local governments, and its "net value per person" increased steadily for twenty-five years in the

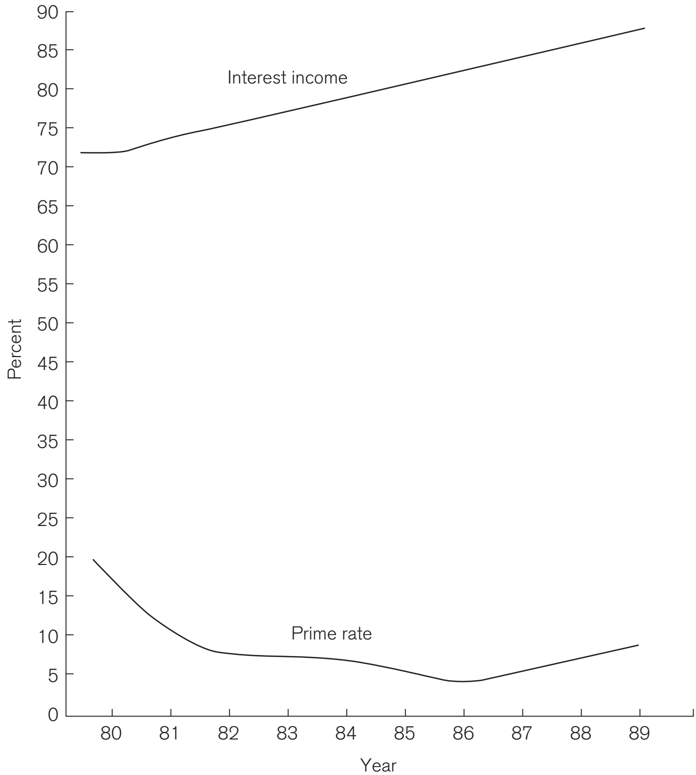


FIGURE 6. Rise in interest income as a percentage of property/proprietors' income and decline in the prime rate, 1980–1989. Source: CDF-CEI 1980–89.

post–World War II period (Gramlich 1994).[13] From 1949 to 1973, the principal components of the stock owned by state and local governments were highways, streets, and educational buildings. The total value of this stock doubled in real terms, with the per capita value of the principal components double that of all other facilities and equipment—respectively, $4,000 and $2,000. As in so many other categories of political-economic analysis, 1973 represents a turn: the share of public wealth located in highways, streets, and educational building began to diminish, while other capital investment rose at a modest rate. Twenty years later, their values converged at about $3,000 per category per capita—indicating both that the type of spending changed and the volume of spending flattened, suggesting a possible investment opportunity for private capital.

California's infrastructure did not escape the general trend of neglect starting in the late 1970s (Kirlin and Winkler 1984; Walker 1995). Stunned by the successes of the Jarvis-Gann "taxpayer revolt" launched in 1978, the Brown administration defaulted on its constitutional duty to formulate general plans for development—a political omission that extended throughout the Deukmejian administration and well into that of Governor Pete Wilson (Bradshaw 1992; Trombley 1990; CDF-CEI 1997). At the same time, the California constitution requires that voters approve any debt that encumbers their full faith and credit (California State Public Works Board 1985).[14] In the "revolutionary" times of the late 1970s and early 1980s, elected officials at both the state and local government levels became increasingly unwilling to ask, much less able to persuade, voters to commit to long-term debt, even for previously popular improvements such as parks (Trombley 1990).

In this context, the crisis for finance capital specializing in public debt centered on remedying the new political difficulty of directing surplus, via municipal bonds, into the nation's largest state economy (Sbragia 1996; see, for examples, Hurtado 1995;

Gilpin 1995; Flanigan 1996; Truell 1995). In addition to California's sheer creditworthy size, Sacramento's attractiveness to finance capital lies in the fact that historically most of the state's bond deals have been negotiated rather than competitive. Until the stock market crash of 1987, the profit municipal financiers made on negotiated deals was considerably higher—as much as double—than on competitive issues (Simonsen and Robbins 1996).[15] In a competitive deal, the state designs and documents the issue using its own staff and then puts out an invitation to all eligible underwriters to bid for the opportunity to sell it. In a negotiated deal, the state brings in expert firms who shape the issue, negotiate a price with the state, and take the deal to market—pocketing their profits. Therefore, not only do successful firms make more money in negotiated deals, but they also become deeply embedded as political players in state institutions (legislature, Department of Finance, Treasurer, Public Works Board) where the issuance of debt is an unevenly legitimated exercise of social and political power.

Like all capital, finance capital is amoral yet politically active; growth rather than purpose leads. The expansion of privately held surplus value in California occurred on the heels of long-term public disinvestment and reduced opportunities for private investment. California-based municipal financiers could solve the economic problem by developing public markets for private capital. Given the state's long neglect of infrastructure, and its overall wealth in spite of crises, California's potential capacity for public debt was quite large. The emergence of Keynesianism in the 1930s was designed to mitigate this mismatch. However, in the post-Keynesian 1980s and 1990s, the situation was different, with severe political limitations constraining the state's ability to exercise its capacity and keep private capital in motion—a topic further examined below. But first we shall take a different view of the problems inherent in the spatial control of capital by looking at surplus land.

Surplus Land Uneven development is both a process and a product of capitalism's creative destruction (Smith 1984, 1996). As capital migrates spatially or sectorally in order to enhance its capacity to expand, whatever capital abandons—buildings, machinery, labor power, land—is devalued and its price consequently goes down. Neil Smith details the structural determinants of the flow of capital through urban land in order to illuminate how the movement of "capital rather than people" is a leading indicator whose sociopolitical symptoms include both gentrification and official racial class war carried out through criminalization and policing (Smith 1996: 70). The movement of capital across and through rural land follows similar rhythms of disinvestment and revaluation (Harvey [1982] 1989; Bradshaw 1993). Rural economies, no less than urban manufacturing and service centers, are integrated into broader economic flows, via transnational social divisions of labor (Robin Cohen 1987; Sayer and Walker 1992; Meiskin-Wood 1995) and global consumption regimes (Watts 1994a and b). Resource depletion, mechanization of agricultural labor processes, and closure of manufacturing and other employment establishments can devastate rural economies that lack flexibility due to their tendency to be dominated by monopolies or oligopolies (Markusen 1985, 1987; Storper and Walker 1989; cf. Chinitz 1960).

Politics, demographics, previous rounds of investment, and other factors affect where capital goes and when and why it accumulates (Smith 1984, 1996; Massey 1984). As Smith argues, capital's movement is contradictory, tending simultaneously toward equalization and differentiation. *Equalization,* a function of the necessary expansion of capital, is the process through which the "earth is transformed into a universal means of production" (Smith 1996: 78; Harvey [1982] 1989). The transformation is not even across all space at all times, and *differentiation* results from the "spatial centralization of capital in some places at the expense of others" (Smith 1996: 79). The phenomenon of surplus land lies in the nexus of these contradictory tendencies. In California, while the population of nonmetropolitan areas has been growing faster than the urban centers of Los Angeles and San Francisco (see fig. 4), not all rural land taken out of production has been converted to suburbs (Walters 1992; Bradshaw 1992; Kuminoff et al. 2001; cf. Smith 1996).

Changes in the extent of California farmland provide evidence for the existence of surplus land and its relation to disinvestment. Figure 7 shows the change in California farmland in the postwar period. Some 80 percent of California's annual developed water output goes to croplands (Howitt and Moore 1994), which account for 92 percent of all irrigated acreage, with the balance of farm acres being grazing land (Sokolow and Spezia 1992). While total farmland declined after 1954, the number of irrigated acres increased until 1978. Since the peak, approximately 100,000 acres of irrigated land have been taken out of production each year. The literally "sunk" capital in irrigated lands includes the technologies by which water is carried to crops: wells, ditches, pipes, pumps, rainbirds, and so forth. When

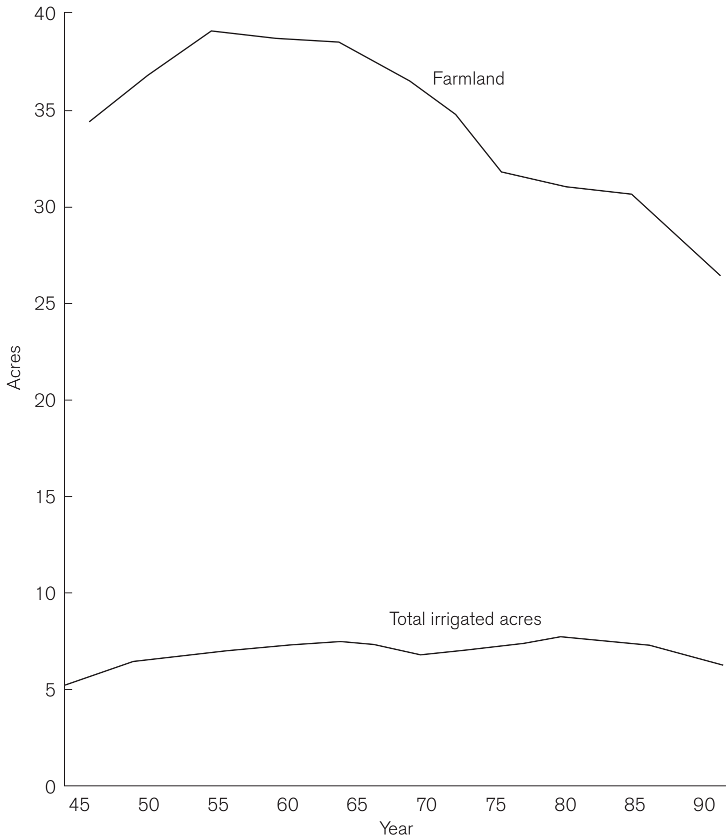


FIGURE 7. California farmland and irrigated land, in millions of acres, 1945–1987. Source: Sokolow and Spezia 1992.

farmers take irrigated land out of production, they abandon, or disinvest in, water-bearing infrastructure as well as other improvements—such as soil enhancement, or tiling to prevent subsidence—that made the land productive.

But why take irrigated land out of production? The interrelated forces of drought, debt, and development serve as explanatory factors. The severe drought of 1976–77, preceded by several dry years, raised the specter of a permanent water shortage. Farmers responded to the crisis in different ways. Some took part in federal programs that pay farmers who agree to idle lands on which they would otherwise have grown federally designated "surplus crops" (Howitt and Moore 1994; Gottlieb 1988). Other growers used land as collateral to borrow money so that they could invest in the latest irrigation technologies or drill deep wells to supplement aqueduct-provided Sierra snowmelt with fossil water from ancient aquifers. Investor-farmers included both those who planned to keep growing the same commodity, such as cotton, and those wishing to change crops (Reisner 1986; CDF-CEI 1978). And finally, some farmers got out of the business altogether, discouraged by the prospect of expensive water.

The efforts employed in the late 1970s did not stabilize the situation as hoped. By the early 1980s, both state water planners and independent analysts proposed that some acres temporarily idled during the drought should be taken permanently out of production (El-Ashry and Gibbons 1988). In 1982, voters defeated a measure to build a new water system, the Peripheral Canal, whose rejection undermined any expectations that the state would soon provide a subsidized solution to water scarcity as it had in the past (Gottlieb 1988).[16] At the same time, a string of sodden El Niño winters (1981–83) destroyed many crops, forcing heavily indebted farmers into bankruptcy (Reisner 1986), while debt drove others out of business when a surging dollar priced their products out of the export food market (Gottlieb 1988; Hundley 1992). Some bankrupt farmers were bought out by larger solvent ones, resulting in even greater centralization of agribusiness (Walters 1992; see also chapter 4). In other cases, lending institutions took title to land through foreclosure, without necessarily having a market in which to sell the seized collateral (Gottlieb 1988). And finally, some farmers sold to developers, consigning the land to suburban conversion (Sokolow and Spezia 1992).

While more than 80 percent of irrigated farmlands are in the Great Central Valley and the Inland Empire desert counties, where suburbanization has been most intensive, not all of the 100,000 acres taken out of production each year have been automatically converted to suburban development. As a corollary, not all growers who have left agriculture have been forced to do so by debt or drought. Some, such as those in the Fresno-Clovis area, found it counterintuitive to continue investing in farmland, however productive, when residential developers were paying up to five times the price that land traded for farming could command (Walters 1992; see also Carey Goldberg 1996).[17] And yet not all lands taken out of production lay in development's immediate path. Why did farmers who could invest stop? Perhaps the intensification of Fresno-Clovis area suburbanization, and Fresno County farmlands' 50 percent decline in price (in real dollars) between 1978 and 1982, is partly explained by the phenomenon of anticipatory disinvestment, with owners figuring that further improvements to farmland destined for development would be wasteful (Walters 1992; Smith 1996). The combination of these forces—drought, debt, and development—was a central means by which land surpluses emerged in the 1980s amid massive suburbanization.

The removal of irrigated lands from production far exceeded the rate of land use for suburbanization. Some 76 percent of the irrigated land in California is in the Great Central Valley. The surge in the gross population in the valley over ten years added 1.1 million people to the area. The average California household in that area is 2.8 people (CDF-CEI 1989). If all new households represented new houses built on suburbanized farmland, at the average of three houses per acre (Sokolow and Spezia 1994), residential development over ten years would absorb about 122,000 acres, or about 16 percent of the idled acres in the Great Central Valley. Thus we can see that the idling of land, and the coming of suburbanization, did not produce a transfer of land uses, but rather stiff competition between places trying to attract developers' capital to absorb the surplus land.

The second source of surplus, related to but not identical to the first, is the land in and about depressed towns throughout rural California; this is the counterpart to the surplus land produced in central cities upon which gentrification capitalizes (Smith 1996). Surplus land is not empty land. Devalued residential, retail, manufacturing, and other built improvements are symptoms of stagnant or shrinking local economies (Bradshaw 1993). High unemployment can serve as a guide for locating surplus land, because it is an indication that capital has reorganized in, or withdrawn from, the area. An example of reorganization is investment in labor-saving technology: capital is still there, value is still produced, but less value circulates as wages. In other words, the local production of surplus land—or labor—can go hand in hand with a rise *or* a fall in the local production of surplus value, as we shall see in chapter 4.

The 1980s ushered in a period of intense suburban/exurban development of rural land at the same time that an unprecedented surplus of land also emerged. For some, the surplus converted into capital, because developers bought the farm. For others, the surplus constituted crisis, in the form of both "fictitious" costs (declining income produced from land use) and real costs (taxes, insurance, maintenance) necessary to maintain a nonproductive asset. The relative (and in some cases absolute) abandonment of this land, as capital concentrated and centralized elsewhere, also constituted for rural areas—as for urban—the simultaneous abandonment of labor, to which we shall now turn.

Relative Surplus Population California's restructuring since the early 1970s included the reorganization, or the termination, of many capital-labor relationships that had been secured through struggle during the golden age. All kinds of workers experienced profound insecurity, as millions were displaced from jobs and entire sectors. Poverty more than doubled. Racist and nationalist confrontations heightened, driven by the widely held—if incorrect—perception that the state's public and private resources were too scarce to support the growing population, and that some people therefore had to go. But as has always been the case, more people *came,* with immigrants reconfiguring the state's demographic composition. The ferment produced a growing relative surplus population—workers at the extreme edges, or completely outside, of restructured labor markets, stranded in urban and rural communities. In this section, we shall review the theoretical basis for why this surplus developed. Then we shall look at the raw dimensions of California's surplus population: its size and how it has grown. And finally we shall zero in on some more detailed characteristics of the relative surplus population in the five counties of the Los Angeles region, where 60 percent of state prisoners are produced.

Capital must be able to get rid of workers whose labor power is no longer desirable—whether permanently, by mechanical or human replacement, or temporarily by layoffs—and have access to new or previously idled labor as the need arises. These necessities, as Marx's ([1867] 1967) science of capital accumulation demonstrates, are not due to the personalities or preferences of heads of firms: CEOs who resist such "adjustments" to the labor force jeopardize profits. The progressive nature of capitalism requires *the* essential commodity—working people's labor power—in varying quantities and qualities over space, sector, and time.

As systemic expansions and contractions produce and throw off workers, those idled must wait, migrate, or languish until—if ever—new opportunities to sell their labor power emerge. While Marx formulated the category "abstract labor" in order to theorize the origin of value, his writings acknowledge that workers have specific social characteristics drawing them into, or locking them out of, specific labor markets. Marx's analysis concerning capitalism's long-term tendency to bifurcate, with increasing wealth for the few and immiseration for the many, centers on the production of what he called the "pivot" of labor power supply and demand—the "relative surplus population" or "reserve army of labor" (Marx [1867] 1967: 640–48).[18]

One indicator of the "relative surplus population" in the U.S. political economy is the hegemonic principle of a non-accelerating inflation rate of unemployment (NAIRU). According to the theoretical framework that guides the Federal Reserve Bank—the nation's gatekeeper against inflation—unemployment should "naturally" hover above 6 percent of the labor force that wants to work (Corbridge 1994; Krugman 1994). Mainstream economists no longer assume that an interventionist state can determine the acceptable mix of unemployment and inflation, as was argued by A. W. Phillips in 1958. At the same time, again, in mainstream economics, tight labor markets indicate possible price rises, due to labor's power to raise up wages under conditions of labor shortages (Sherman 1997; Hunt and Sherman 1972; Krugman 1994).

Table 2 is a macro snapshot of California's growth from 1973 to 2000 in five categories: total state population, labor force, employment, unemployment, and prisoners. The relative surplus population is represented in the latter two categories.[19] Two striking trends have developed over time. In the 1970s, the rate of increase in the labor force and employment was about equal, even though unemployment hit extremely high levels during the period. In the period 1980–94, with two additional recessions, employment failed to keep up with the labor force, and the number of prisoners goes off the chart. The overall trend is for labor force growth to exceed employment growth by about 4 percent. The sum of the state's average annual number of unemployed persons, plus the average annual number of prisoners, is about 1 million. These million constitute the empirical minimum of California's relative surplus population, because the number does not include anybody who wants to work but is not registered with either the California Employment Development Department (EDD) or the CDC.

If NAIRU explains the systemic existence of the relative surplus population in the most abstract neoclassical macroeconomic terms, its sociological presence is bounded by the fatal coupling of power and difference, which resolves relationally according to internally dynamic but structurally static racial hierarchies.[20] In

TABLE 2 CALIFORNIA POPULATION, LABOR FORCE, JOBS, UNEMPLOYMENT, AND PRISONERS, 1973–2000

(thousands)

Year	Total Population	Labor Force	Jobs	Unemployed People	Prisoners
1973	21,250	8,910	8,286	624	22.5
1974	21,646	9,317	8,638	679	24.7
1975	22,042	9,539	8,598	941	20.0
1976	22,438	9,896	8,990	906	21.0
1977	22,834	10,367	9,513	853	19.6
1978	23,235	10,911	10,137	775	21.3
1979	23,700	11,268	10,566	702	22.6
1980	24,006	11,584	10,794	790	24.5
1981	24,278	11,812	10,938	875	29.2
1982	24,805	12,178	10,967	1,210	34.6
1983	25,337	12,269	11,095	1,187	39.3
1984	25,816	12,503	11,631	980	43.3
1985	26,403	12,981	12,048	934	50.1
1986	27,052	13,332	12,442	890	59.5
1987	27,717	13,737	12,946	791	66.9
1988	28,393	14,133	13,385	748	76.1
1989	29,142	14,518	13,780	737	87.3
1990	29,976	14,750	13,747	1,003	97.3
1991	30,575	14,833	13,714	1,119	102.0
1992	31,187	15,187	13,805	1,382	104.3
1993	31,810	15,700	14,130	1,570	115.5
1994	32,155	15,450	14,122	1,328	124.8
1995	32,291	15,412	14,203	1,209	131.3
1996	32,501	15,512	14,392	1,120	141.0

(continued)

TABLE 2 (continued)

(thousands)

Year	Total Population	Labor Force	Jobs	Unemployed People	Prisoners
1997	32,985	15,947	14,943	1,004	152.5
1998	33,387	16,337	15,368	969	158.2
1999	33,934	16,597	15,732	865	162.1
2000	34,480	17,091	16,246	845	161.5

SOURCES: SPWB 1986, 1993, 2001; CDC 1994b; CDC, 2002.

the rubble of extensive restructuring, individuals and families have developed alternative modes of social reproduction, given their utter abandonment by capital. These modes include informal economic structures for the exchange of illegal and legal goods and services (W. J. Wilson 1987); social parenting, especially by women, in extended families of biological and fictive kin (Collins 1990; Stack 1996); and the redivision of urban space into units controlled by street organizations (Bing 1991; cf. Fanon 1961). The "concentration effects" (W. J. Wilson 1987) of sociospatial apartheid (cf. Massey and Denton 1993) also include high rates of intentional and accidental violence, leading to premature death from a wide range of causes (Greenberg and Schneider 1994; Bing 1991), and persistent but hostile interaction with state agencies, especially welfare, family services, courts, and the police (W. J. Wilson 1987; R. W. Gilmore 1993).

At the most abstract level, about a million people in California have been locked into isolated enclaves by being locked out elsewhere. Changes in labor-market structures have had particularly harsh effects on African American men in the prime of life (Miller 1996), while displacing other workers as well (Grant et al. 1996; Leiman 1993). Underemployment and worklessness are higher among men than among women of similar demographic profile. The lower-echelon jobs produced by more recent rounds of investment in regions where jobs making and moving things have disappeared are either native-born women's (low-paid, nonbrawny) work, or secondary market jobs targeting recent male or female immigrants (Sassen 1988; Grant et al. 1996). The lower a man's income, the more likely he is to have been unemployed, and a disjuncture of skills and expectations exacerbates the difficulty of marginalized workers finding new jobs. Finally, Black men are 30 percent more likely than their white counterparts to have lost permanent jobs between 1979 and 1989, with the long-term effect that only 51 percent of Black men have *steady* employment, compared with 73 percent twenty-five years ago—although 90 percent of all Black men work at least part of the time (Nasar 1994).

The five-county Los Angeles region is the origin of 60 percent of state prisoners.[21] A comparison of census data for 1970, 1980, and 1990 reveals that while the region's Black men who work have closed the racial wage gap, all but the most highly educated have experienced steady declines in employment. The lower the educational attainment, the more precipitous the drop (Grant et al. 1996). Black women who have moved out of traditional labor market niches (such as domestic service) have gained higher-paying clerical and technical employment in the finance, insurance, and real estate (FIRE) and governmental sectors. However, the correlation between education and employment still holds, with steadily declining workforce participation among Black women with less than high school diplomas. The organization discussed in chapter 5 constitutes a gradually and self-consciously politicized consequence of these bifurcations.

Increased underemployment and joblessness is not an exclusively African American domain, however, although Black people are disproportionately represented in it. Between 1970 and 1980, the earnings of Chicanos[22] aged 25–34 in the Los Angeles region declined from those of the previous decade, and although earnings improved in the 1980s, they did not regain the old highs. At the same time, Chicanas did not experience a compensatory gain serving to maintain household income levels (Ortiz 1996). During the same period, overall joblessness for young adult Black men increased 25 percent, while that of white males in the cohort decreased. However, when education is factored in along with age, a different picture emerges: among the less-educated, joblessness increased for both groups—by 84 percent among Black men and 30 percent among white men (Ong and Valenzuela 1996).

The spatial configurations of Los Angeles's secondary school dropout rates, heavy industry closures, and technopole development show how rates of underemployment and joblessness, while meeting a need for capital, are not apolitically visited upon workers (Oliver et al. 1993; see also Massey and Denton 1994): the "market" did not do it. Rather, the post-Keynesian state participated in the production of the relative surplus population through specific actions and inactions. Twenty years of laissez-faire economic policy have politically and ideologically freed capital to move (Oliver et al. 1993; cf. Bluestone and Harrison 1982). Defunded community-based organizations no longer provide services and training to youth, and abandoned educational programs no longer provide opportunity for advancement (Oliver et al. 1993). The state registers its indifference in the growing dropout rate—as high as 63–79 percent in some Black and Latino high schools (Oliver et al. 1993; cf. Horton and Freire 1990). Changes in public policy with respect to the working poor have contributed to the abandonment of entire segments of labor, with the result that the "social safety net has been replaced by a criminal dragnet" (Oliver et al. 1993: 126). Examining California by region, Dan Walters ([1986] 1992) arrived at similar findings for all of the state's metropolitan areas.

These selected examples indicate who is in the relative surplus population. The numbers do not include the unemployed fraction of California's half-million agricultural workers—mostly immigrant and native-born Latinos—who migrate through the state's annual harvests (Walker 1995; Landis 1992).

Capital's requirement for a relative surplus population, in one of the world's richest political-geographic formations, provokes crisis on a number of levels. For each jobless individual and household, the crisis centers on daily and intergenerational reproduction. For voters, the crisis centers on how to ensure that the surplus population, who rebelled in 1965 and 1992, is contained, if not deported. In tightening labor markets through deportation of reserve labor force cadres to prison or abroad, fear-driven voter-made laws may seem contradictory for capitalism (cf. Foglesong 1986); but the contradiction may only be an illusion when employers are able to exploit actual and implied undocumented workers' political powerlessness. Voter-made laws—which imply an identifiable stratum of electorally expressed "common sense"—can also provoke new struggles in a rapidly restructuring state, where newly dominant blocs seek to exercise power in an era characterized by a crisis of state legitimation. This brings us to our fourth and final surplus, that of state capacity.

Surplus State Capacity Insofar as the capitalist state must both help capital be profitable, and keep the formal inequality of capitalism acceptable to the polity (Habermas 1972; Hirsch 1983; Negri [1980] 1988), it develops fiscal, institutional, and ideological means to carry out these tasks. These means—or capacities—are made up of laws and lawmakers, offices and other built environments, bureaucrats, budgets, rules and regulations, rank-and-file staff, the ability to tax or borrow, and direct access to mass communication and education to produce "primary" definitions of social reality (Skocpol 1985; Stuart Hall et al. 1978; Gramsci 1971). The historically specific arrangements of these capacities—how they are combined, and to what end—indicate the "balance of power relations" in the social formation as a whole (Negri [1980] 1988; Mike Davis 1986).

The balance of power, in turn, is explained—or legitimated—through politically fought-out interpretations of seemingly neutral overarching principles (the Constitution, individual freedom, equality) that, in common sense and law, ideologically bind state and society (MacKinnon 1989; O'Connor [1973] 2000; Stuart Hall et al. 1978; Stuart Hall 1986).[23] When a new bloc attains state power, it must "renovate and make critical already existing activity" by using the ideological and material means at hand to transform its intervention from an ad hoc to a durable presence in society (Gramsci 1971; Hobsbawm 1982).

The short-lived Keynesian state had secured a general balance of power by developing agencies that promised to guarantee uses for surplus when markets failed. Keynesian institutions congealed legitimacy and revenues into highly differentiated, but reproducible, units of state power (Piven 1992). Income and employment programs for workers, infrastructural programs for capital, and subsidy programs for farmlands were designed to keep surpluses from again accumulating into the broad and deep crisis that had characterized the Great Depression.

The uneven development of the New Deal's "creative government" (Baldwin 1968) resulted not only from the uneven capitulations of capital to a massive social wage but also—and perhaps more so—from the desperately dense relationships between southern (and western) and northern Democrats. The racial, industrial, gender, and regional divisions reflected in eligibility for and the scope of New Deal agencies and programs institutionalized Jim Crow without speaking his name (see, e.g., Mink 1995; R. W. Gilmore 2002b). In other words, the anomaly that emerged in the 1930s was not only the welfare-warfare state, but also the extension of regional norms to national relationships (e.g., county-determined eligibility for federal aid to dependent children). The political remains of those agencies form the armature of the workfare-warfare state.

The peculiar welfare-warfare, or military Keynesian, state form began to lose its legitimate ability to manage crisis, and thus to reproduce itself and endure, at about the time the profit rate started to flatten and then fall in the mid to late 1960s. As we saw in chapter 2, we can witness the delegitimation of redistribution of income via the welfare function in any number of positions espoused from 1965 on, from revisionist liberal to New Right. Another way to look at the problem is to investigate shifts in the structure of taxation, which both reveal profound reconfigurations of power (understood here as responsibility, which is also authority and autonomy) between levels of the state, and newly emerging relationships between all kinds of capitalists and all kinds of workers. These dynamics exhibit no less unevenness than what characterized the interlocking and overlapping periods of the Great Depression, World War II, and the Cold War through the mid 1960s. The point here is a simple one: now things are different, but the difference is grounded in history, not conspiracy or mechanical certainty.

Marx observed that "tax struggle is the oldest form of class struggle" (1867; cited in O'Connor [1973] 2000: 10). When examined abstractly, tax struggle appears to be a *general* indicator of state illegitimacy. However, the historical specificity of actual tax revolts is evidence of opposition to the *particular* means by which the balance in power relations is realized as a *particular* state form.[24] The way the New Deal bureaucracy and agency formation happened indicates the complexity of "class struggle" and also points to how inter- and intraclass antagonisms are waged through, in, and as the state. In other words, the rejigging of power, dynamically played out in tax struggle, is not achieved along pure lines of capital and labor. For example, businesses stuck in particular political geographies (e.g., tourism or agriculture) might support different tax schemes from firms that are more mobile, while multinational corporations can promote hikes or cuts inimical to small business interests (O'Connor [1973] 2000; Foglesong 1986). High-wage labor might try to shield its relative prosperity from low-wage and unemployed workers. In the aggregate, however, tax struggle is a struggle over who gets to keep the value that produces profit. The struggle is decoupled from the economic point of production (the factory or firm) and often explosively recoupled in the political milieu of the state.

In the California case, the rhythms of tax reduction are strong indicators of structural change and, as table 3 demonstrates, show how the Keynesian state's delegitimation accumulated in waves, culminating, rather than originating, in Tom Bradley's 1982 and 1986 gubernatorial defeats. The first wave, or capital's wave, is indicated by the 50 percent decline in the ratio of bank and corporation taxes to personal income taxes between 1967 and 1986 (California State Public Works Board 1987). Starting as early as 1968, voters had agitated for tax relief commensurate with the relief capital had won after putting Ronald Reagan in the governor's mansion (Mike Davis 1990). But Sacramento's efforts were continually disappointing under both Republican and Democratic administrations (Kirlin and Chapman 1994). This set in motion the second, or labor's, wave, in which actual (and aspiring) homeowner-voters reduced their own taxes via Proposition 13 (1978).[25] The third, or federal wave, indicates the devolution of responsibility from the federal government onto the state and local levels, as evidenced by declines of 12.5 percent (state) to 60 percent (local) in revenues derived from federal aid. The third wave can be traced to several deep tax cuts the Reagan presidential administration conferred on capital and the wealthiest of workers in 1982 and again in 1986 (David Gordon 1996; Krugman 1994).

The sum of these waves produced state and local fiscal crises following in the path of federal crisis that James O'Connor ([1973] 2000) had analyzed early in the period under review when he advanced the "welfare-warfare" concept. As late as

TABLE 3 THREE WAVES OF STRUCTURAL CHANGE IN SOURCES OF CALIFORNIA TAX REVENUES, 1967–1989

First Wave: Bank and Corporate Taxes per Dollar of Personal Income Tax[a]	
1967	72 cents
1986	36 cents

Second Wave: California State and Local Government Revenue Sources[b]

Source and Year	*Percentage*
Personal income	
1977–78	12.5
1988–89	16.8
Sales and use	
1977–78	16.1
1988–89	16.5
Property	
1977–78	25.1
1988–89	12.7
Fees and charges	
1977–78	6.8
1988–89	15.8
Enterprises	
1977–78	19.6
1988–89	22.3
Other taxes	
1977–78	15.4
1988–89	15.8

TABLE 3 (continued)

Third Wave: Federal Aid to California State and Local Governments (% of general revenues)[c]

Year	State	Local
1981	25.8	6.7
1988	22.6	2.7

SOURCES: [a]SPWB 1987; [b]Chapman 1991: 19; [c]Chapman 1991: 16.

1977–78, California state and local coffers were full (CDF-CEI 1978; Gramlich 1991). By 1983, Sacramento was borrowing to meet its budgetary goals, while county and city governments reached crisis at different times, depending on how replete their reserves had been prior to Proposition 13. Voters wanted services and infrastructure at lowered costs; and when they paid, they tried not to share. Indeed, voters were quite willing to pay for amenities that would stick in place, and between 1977–78 and 1988–89, they actually increased property-based taxes going to special assessment districts by 45 percent (Chapman 1991: 19).

In this historical context, old markets for certain fractions of finance capital, land, and labor were dying, while new ones had not yet been born that might absorb the surpluses. The central contradiction for the waning welfare-warfare, or military Keynesian, state was this: the outcomes of tax struggle translated into delegitimation of programs the state could use to put surpluses back to work, while at the same time, the state retained bureaucratic and fiscal apparatuses from the golden age. The massive restructuring of the state's tax base in effect made surplus the Keynesian state's capacities. However, the state did not disappear—just as surplus workers, or land, or other idled factors of production do not disappear. Rather, what withered was the state's legitimacy to act *as* the Keynesian state. The state's crisis, then, was also a crisis for people whose protections against calamity, or opportunities for advancement, would be made surplus by the state, into which their hard-fought incorporation was only ever partial and therefore contingent. A related crisis, for the entire surplus population, rested on how absolutely they would be abandoned and whether their regulation would take new forms.

It is possible, of course, that the post-Keynesian state could shrink. Figure 8 shows the trends for the state's general fund and the numbers who voted for governor in elections from 1978 to 1994. Legitimacy diminished, and the state budget grew. The best explanation for the budget expansion is that the underlying conditions that led to the waves of tax revolts on the part of capital, labor, and the federal government continued to be in flux, and therefore the challenge for maintaining a general balance of power required an excess of resources at the California level. This would suggest that the new power bloc's intervention has not achieved hegemony. But a corollary to such an explanation might be that the new power bloc cannot rejig power in the figure of the state with any greater cost-efficiency than it has already exhibited. The "big stick" approach used by U.S. capital to discipline labor requires an enormous, expensive industrial bureaucracy (David Gordon 1996); the same thing may be true of the capitalist state in crisis.

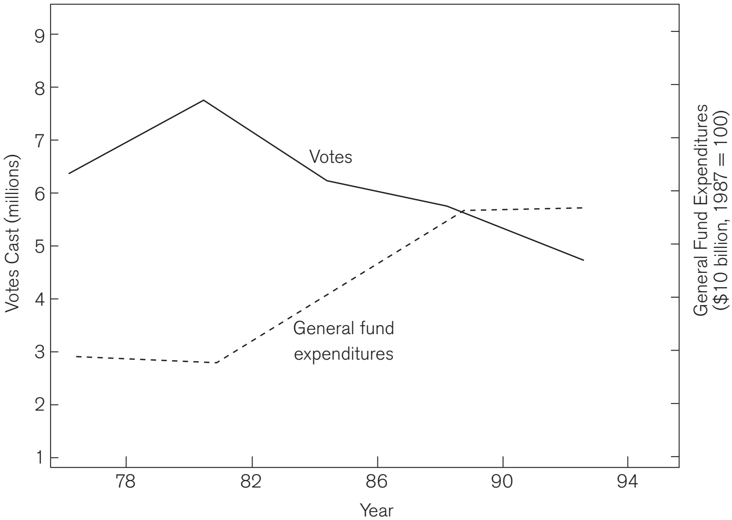


FIGURE 8. Votes cast for governor and general fund expenditures, 1978–1994. Sources: *Los Angeles Times,* November 9, 1978, November 3, 1982, November 6, 1986, November 8, 1990; Martin 1994; California State Controller, *Annual Report,* 1982, 1995.

CONCLUSION

As we shall see in the detailed analysis that follows, the new state built itself in part by building prisons. It used the ideological and material means at hand to do so, renovating its welfare-warfare capacities into something different by molding surplus finance capital, land, and labor into the workfare-warfare state. The result was an emerging apparatus that, in an echo of the Cold War Pentagon's stance on communism, presented its social necessity in terms of an impossible goal—containment of crime, understood as an elastic category spanning a dynamic alleged continuum of dependency and depravation. The crisis of state capacity then became, peculiarly, its own solution, as the welfare-warfare state began the transformation, bit by bit, to the permanent crisis workfare-warfare state, whose domestic militarism is concretely recapitulated in the landscapes of depopulated urban communities and rural prison towns. We shall now turn to the history of this "prison fix."