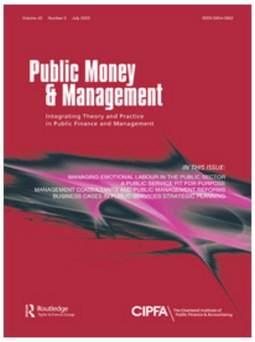

Routledge
Taylor & Francis Group

Public Money & Management

ISSN: (Print) (Online) Journal homepage: https://www.tandfonline.com/loi/rpmm20

The market doesn't care

Mary Corcoran & Kevin Albertson

To cite this article: Mary Corcoran & Kevin Albertson (2023): The market doesn't care, Public Money & Management, DOI: 10.1080/09540962.2023.2244851

To link to this article: https://doi.org/10.1080/09540962.2023.2244851

© 2023 The Author(s). Published by Informa UK Limited, trading as Taylor & Francis Group

Published online: 15 Aug 2023.

Submit your article to this journal

View related articles

View Crossmark data

Full Terms & Conditions of access and use can be found at
https://www.tandfonline.com/action/journalInformation?journalCode=rpmm20

PUBLIC MONEY & MANAGEMENT
https://doi.org/10.1080/09540962.2023.2244851

Routledge
Taylor & Francis Group

OPEN ACCESS Check for updates

The market doesn't care

Mary Corcoran [a] and Kevin Albertson [b]

[a]School of Social Sciences, University of Keele, UK; [b]Manchester Metropolitan University Business School, UK

IMPACT
This article theorizes some consequences of skewing relational (care) labour into more transactional forms of marketized public service areas; with particular reference to contracted criminal justice services in England and Wales. The authors attribute this to an interplay of the incentives of the corporate sector and those of governments which form a collective 'artificial intelligence' promoting marketization. This creates unintended consequences. Whereas corporate incentive structures minimize transaction costs and optimize profit, recent UK governments have incentivized economic productivity over socially beneficial indicators in public services. The article finds that narrowly transactional calculations of value in the commissioning of care services may produce short-term fiscal incentives for commissioners (usually the state) and corporate suppliers and 'care resellers', but generate longer-term supply-side problems. The article concludes by signposting how more pluralistic forms of collaboration among government, commerce and third sectors can be differently—and more socially—conceived. There are lessons to be learned in the article for all capitalist economies.

ABSTRACT
Governments marketize the delivery of care supposedly for reasons of economic efficiency or innovation. The authors theorize that marketization is, in fact, motivated by government incentives which increase transactional activity, creating the illusion of (economic) growth. This occurs at the cost of devaluing relational aspects of social care, with consequences for workers and users. The voluntary sector is especially construed as a domain where social productivity is supposedly reliant on strong relational values, and distanced from primarily transactional, profit-pursuant activity. Marketization of this sector presents a clear example of depreciating relational values relative to transactional economic activity.

KEYWORDS
Artificial intelligence (AI); corporate economy; criminal justice; incentive structures; marketization; public governance; relational economy; voluntary sector

Introduction

This article identifies the jeopardies that can arise as a consequence of skewing relational (care) labour into more transactional forms. We examine the primacy of transactional calculations of value in the contracting and commissioning of these services to highlight how narrow economic valuations may produce short-term fiscal incentives for commissioners (usually the state) and corporate suppliers and 'care resellers', but generate longer-term supply-side problems. In turn, this is linked to criticisms that excessive emphasis on narrow performance metrics and 'payment-by-results' regimes devalues the status of much relational labour and diminishes monetary compensation for the full—social—value of caring service.

There are lessons to be learned here for all capitalist economies—notwithstanding the focus of this article is on the UK. In particular, we illustrate our theorization referring to the time period which saw the expanded integration of voluntary sector productivity in offender management in England and Wales. The national offender management model, adopted in 2005, opened up swathes of probation and resettlement contracting opportunities to the voluntary sector until the failed privatization of offender probation (the Transforming Rehabilitation programme: 2014–2020; see Maguire & Raynor, 2006) dashed confidence in that strategy. While reorganizing to meet the demand for contracting out extended opportunities to provide care and support services—such as housing, community supervision, substance misuse programmes, education, advisory and health services—the voluntary sector experienced an intensification of competitive and output-oriented service models in order to function within mixed-market service economies. We argue this furthered shifts from relationally-oriented to transactionally-oriented service delivery—undermining innovation and efficiency in the sector and accentuating the appropriation of value from these services by subtracting emotion work as a monetizable element of care work. Transactional costs are factored into market-based paradigms, but associated social costs and benefits are not fully accounted for in such models.

Defining penal 'care'

It is necessary to clarify the meanings surrounding *care* in a *penal* context, as these are often understood as binary values—especially where they are positioned as adversarial concepts (for example: either protection *or* restraint; attention *or* supervision; rehabilitation *or* punishment). In practice, it is a domain assumption that 'caring' segues with sanctioning powers and obligatory compliance—a phenomenon known as the 'penal-welfare matrix'. For example, prison authorities have statutory duties not only to incarcerate individuals, but to keep them in 'safe and secure custody' and to 'rehabilitate' them—implying legal duties of care (HM Government, 1999). Police, prison and

© 2023 The Author(s). Published by Informa UK Limited, trading as Taylor & Francis Group
This is an Open Access article distributed under the terms of the Creative Commons Attribution License (http://creativecommons.org/licenses/by/4.0/), which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited. The terms on which this article has been published allow the posting of the Accepted Manuscript in a repository by the author(s) or with their consent.

probation officers structure aspects of their occupational identities around their caring roles and the burdens of emotional labour (Crawley, 2013). In other correctional settings, such as probationary, community supervision or treatment services, criminal justice mandates are implicated in programmes to different degrees of gravity. For example, individuals may attend addiction treatment or domestic violence perpetration programmes as an element of their sentence. Non-attendance or non-co-operation are potentially sanctionable as a breach of sentence. Providers (often third sector or for-profit) are usually contractually obliged to monitor and report on clients' progress (Maguire et al., 2019). Treatment and offender management practices rationalize that involuntariness and precautionary sanctions are necessary to secure client engagement for their own good, thereby facilitating tacit cultures of 'coerced care' (Seddon, 2007).

However, it does not necessarily follow that services are mere vehicles through which penal logics suppress alternative models of caring. Rather, care and control cannot be easily disaggregated, and therefore links between these objectives are complex, taking sometimes subtle forms, and, crucially, are managed or brokered by staff working directly with service users. Faced with the contradictions of situational decision-making, workers exercise discretion in regulating or sometimes counteracting rules or conditions that they may judge to be unsuitable for their service users (Lipsky, 1980). Staff may therefore broker the rules through perceived expressions of care by resisting, ameliorating or unwittingly aggravating conditions (Corcoran & Fox, 2013). As we discuss below, conflicts can arise when relationships are perceived by staff to be undermined in rationalized, transactional working environments.

Theorizing the incentive to marketize

In the following section, we theorize the continuing drive to marketize ever more aspects of economies of care, despite continuing problems with that approach. Historically, this commenced with the transference of care from the 'private' relational domain (represented by family, religious groups, charities, volunteer groups) to the public/corporate economic (transactional) domain (Hall, 1992). The momentum of marketization gathered pace as charities and nongovernmental organizations (NGOs) increasingly received government funding to provide public services under privatization programmes (Salamon, 2015). In this context, marketization involves the accentuated commoditization of care.

The actors in the economy

The increasing reliance on market forces to, in effect, deliver government policy has been much noted in the criminological and social sciences literature (see, for example, Albertson et al., 2020 and references therein). Often such marketization has been justified as promoting efficiency (usually economic efficiency) based on sound evidence. However, if we consider the privatization of probation in England as an example, it has been informed rather less by 'evidence-informed practice' and rather more by 'policy-based evidence' (Senior, 2016, p. 423; and cf. Weiss, 1979 with respect to the use of evidence in social policy in general). This debate is clearly ongoing: as highlighted by Stafford et al. (2023).

This begs the question: On what basis are these policy decisions made? In the following, we seek to theorize this question. In light of the tendency for policy to skew evidence, we consider government's stated and revealed preferences to induce a theory which explains the adherence of public policy to marketized principles.

It has been argued, (Lincoln, 1854, p. 221) that 'The legitimate object of government, is to do for a community of people, whatever they need to have done, but can not do, at all, or can not, so well do, for themselves in their separate, and individual capacities'. It would appear that one of the many things that communities of people cannot do on their own is spontaneously to form mutually beneficial societies. As Hobbes (1651, chap. XIII) would have it, without overarching co-ordination, government and a social contract to promote human commonwealth, people's lives would be 'solitary, poore, nasty, brutish, and short'. Hobbes envisaged such a government, commonwealth or state as an automaton (*ibid*., introduction); what we might nowadays term a collective intelligence or artificial intelligence: AI. The frontispiece of Hobbes' book makes this clear with the ruler, 'Leviathan', shown being made up corporally by the individuals who both obey, comprise and motivate it.

This observation has further been developed by economists in their models describing decision-making in the various sectors of an economy: individuals; households; firms; and government (cf. Zsolnai, 2018, p. 151). These are modelled as autonomous decision-making agents. It is reasonable to regard individuals as examples of intelligence; households, firms and governments are analysed as forms of collective intelligence or AI. Such analyses are not limited to economics; we may note modern corporate law in the USA which definitions corporations as 'artificial persons' (Cornell Law School, 2023). Thus households, firms and governments can be modelled through the consideration of their motives as if they were but a single 'artificial' intelligence.

Persons, artificial or otherwise, have their own incentives and will develop algorithms designed to achieve these. Any analysis of the interplay between the corporate and government sector must therefore be clear as to what is the incentive structure of each. We examine each of these below.

The incentive structure of the corporate sector

In *The Theory of the Firm*, Holmstrom and Tirole (1989) argue (p. 63) firms (economic corporations) may be modelled as a single entity representing 'a complex joint decision process within a network of agency relationships' designed to 'minimize transaction costs'. That is to say, inter-personal relationships are subordinated to the process of increasing returns from economic transactions; such transactions arising from production and sale of goods and services. Below, we consider firstly the mechanisms of production and the likely algorithms developed to promote corporate goals in this aspect of the economy. We go on from there to consider the sale of such output.

As noted by Albertson and Whittle (2022) the prime inputs of economic production are not, as some would have it, Labour and Capital (Robinson, 1953) but, rather, Resources, Knowledge and Energy: RKE. Without these three inputs no economic production is possible. Humans contribute to production, of course: but their input may be classified as one, other or both in the provision of energy or knowledge.

It follows that those in a position to enclose and commodify these prime inputs: resources; knowledge; and/or energy—in general owners of land or intellectual property—are in a privileged position. Without these, production is not possible. Thus, those with the power to deny the right to use the means of production are in a position to charge a 'fee for access' (Albertson & Whittle, *op. cit.*). Albertson and Whittle, however, do not consider that the value of production is realized through sale of output. Building on their argument, it follows that those who determine who may (or may not) be allowed access to markets can similarly charge for access to the means to trade. Corporate intelligence is incentivized both to produce and sell—and achieving sales revenue requires access to markets.

As a result of possession by some (and hence dispossession of others) of the means of production, or the right to trade in transactional markets, there is the potential wealth may accrue, not to those who create it, but to those who control access to the energy, resources and markets on which production and trade depend. Those who may charge a fee for access are in a position to accumulate what economists term 'unearned income', or 'economic rent' or a 'toll'. This problem of such unearned incomes is well known in economics and dates back to Smith, Ricardo and Mill (see Sayer, 2018 and references therein). In general, the greater the proportion of national income which accrues to those who those who may charge economic rent, the less efficient the economy becomes. This is because resources will be directed towards appropriating income and wealth, rather than creating social value (*ibid.*).

Following Holmstrom and Tirole (1989), it seems reasonable to assume that corporate actors will seek to reduce the cost of transactions, insofar as their expenditure in concerned. We would therefore expect to see many of the costs of production, for example, declining public resources, pollution, congestion, the impact of work on health and safety etc. to be pushed out of transactional markets and remain unaccounted for. As such, costs may not adequately be accounted for—this will lead to social inefficiency.

In sum, firms operating in transactional markets will seek to have as much value created in the market as possible, as it leads to opportunities for value appropriation and increasing incomes; with as great a proportion of costs as possible falling outside of the market. In practice the corporate sector is motivated to privatize social production, but to socialize private costs, so as to increase profits.

The incentive structure of government

If we may accept that governance of the state is likewise carried out by AI, it seems important to consider:

- What is its incentive structure.
- What is it programmed to deliver.
- What are the prospects for perverse incentives to create an existential crisis?

Some political scientists have postulated that the incentive of government is the self-perpetuation of governing functions (Foucault, 2009; Poulantzas, 1994). However, politicians beg to differ. The incentive structure of the state, insofar as the leaders of the UK's main political parties are concerned, is that it should promote 'growth, growth, growth' (BBC, 2022a, 2022b). Growth, in this context, is both implicitly and explicitly economic growth; generally defined as increasing national income—or real income (that is to say with the impact of price inflation taken out). National income, GDP, is variously defined. In the UK it is (supposedly equivalently) defined (ONS, 2016) as (i) the total value of UK output, (ii) the total income generated by such output and (iii) the total expenditures on all finished goods and services produced within the economy. In short, GDP measures the sum of money changing hands in the UK economy, and the machine of government is incentivized to ensure more of it changes hands every year.

It is by no means clear that increasing the amount of money which changes hands annually in the UK is strongly linked to human wellbeing (this is critiqued in a humorous vein in Adams, 1979, p. 1). Apart from anything else, such a measure of wellbeing ignores the distributional impact of financial transactions—that is to say, who benefits, and who does not from increasing national expenditure.

Further, given that increasing expenditure creates 'growth' under this definition, government will be motivated to promote policy which will encourage the transformation of relational interactions (for example parents looking after their own children) into the transactional realm. As we have discussed above when theorizing the motivation of the corporate sector, it is not clear that creating transactional markets for such services will necessarily lead to their efficient production, nor contribute to the social good insofar as they may crowd out relational incentives.

As a result of policy based on perverse incentives, the promotion of increasing national spending as a proxy for human wellbeing may distort the economy away from human flourishing (Fioramonti, 2017). Those who developed growth as a measure were well aware of this at the time, and the debate over what ought to be excluded from GDP is well documented by Fioramonti (*ibid.*). For example, the economist Simon Kuznets wanted to exclude from GDP expenditure on: harmful activities; advertizing; illegal activities; financial speculation; elite housing; and the costs which arise from earning a living (for example commuting to and from work) amongst other dis-services (*ibid.*, pp. 93, 94). Sadly, all such dis-services are included in current GDP statistics: In short, these dis-services are all (wrongly) counted as *supporting* human flourishing in a growth-incentivized paradigm.

One may well wonder why governments are so fixated on economic growth, even at the expense of well-being (Trebeck & Williams, 2019). It is not as if other options are lacking, ranging from: promoting 'genuine progress' (Kubiszewski et al., 2013); degrowth (Hickel, 2020, 2021; for example Kallis, 2011); a-growth (for example Van den Bergh, 2011); and doughnut economics (Raworth, 2012, 2017, 2023). As Kennedy (1968) points out, National Income 'measures everything in short, except that which makes life worthwhile'. As a means to plan national expenditure during wartime, GDP was invaluable—whether its pursuit is appropriate in peacetime is another matter. However, as noted above, based on stated and revealed preferences, the delivery of economic growth is the apparent goal of governments—particularly in post-industrialized economies. Whether this is in response to the preferences of the voting public, we discuss briefly in our penultimate section below.

It seems reasonable to analyse the working of national government as we would the impact of an AI which has been given the task of maximizing financialized transactions in the economy—purportedly to attain social good—irrespective of the elementary contentions in this justification. It follows that the formalization, commoditization and sale of increasing proportions of citizens' activities will be encouraged over informal or relational interactions. Indeed, there has been a marked expansion of civic activity and volunteerism absorbed into formal provision of social welfare in several capitalist countries (Muehlebach, 2012; Putnam, 2000). As such, the triumph of the GDP approach to broader domains of caring labour may be seen in that we commonly refer, not to a commonwealth, but to an 'economy' when referring to the national provision of goods and services.

Implications of the model in the delivery of care

History indicates that governments on their own are insufficient to produce community. Indeed, civic society emerged to fulfil those roles in which the state was less efficient or failing to act (Habermas, 1991). The voluntary sector, in particular, is construed as a domain whose social productivity is supposedly reliant on strong relational values, and ideologically distanced from primarily transactional, profit-pursuant activity (Hall, 1992).

From the above discussion, it is clear governments are motivated to implement policy which will push as much productive activity as possible into transactional markets. Similarly profit-motivated corporate entities have incentives to increase market transactions, insofar as their receipts are concerned. The corporate sector will, however, be motivated to transfer their costs outside of markets, resulting in social inefficiency.

We may further note that transactional markets themselves have been posited to be a form of intelligence—co-ordinating economic activity through a so-called 'invisible hand' (Smith [1759] in Friedman, 1962, p. 112). However, purely transactional markets may well be relatively inefficient compared to markets complemented with relational production—not least because there are so many opportunities for inefficiency resulting from rent-extraction in economic marketplaces.

This may explain why the relational value of 'care work' is persistently under-estimated–despite being an essential characteristic of the services economy: both the state and corporate sector privilege transactional interactions because of their underlying incentive structures. Specifically, although care activities are indispensable features in many areas of human service, in a market context they will be susceptible to being inappropriately measured and inadequately compensated so as to reduce the transactional cost of delivery. This issue reprises long-standing debates about methods of extracting surplus labour value through deskilling, the reduction of labour value by simplifying skilled processes and subdividing tasks, and the separation of 'care' from paid 'work' which fulfils a (frequently gendered) hierarchy of skilled and deskilled labour (Newman, 2013).

Feminist theory offers a rich critical lens for understanding how and why the reproduction of emotional labour is bound to extractive labour value. Hochschild observed this link in her classic study of the commoditization of what she calls 'emotion work' which is bought and sold as a feature of modern care and service industries: 'There are jobs … with relatively low financial rewards and little authority, which nonetheless require a high degree of emotion and display management … Deep acting is more likely to be experienced as part of the job' (Hochschild, 1979, p. 570).

From this literature, we understand that emotions are transactable parts of relational labour, but are also expropriated because emotion-work is discounted as not being 'real' skilled labour. Moreover, far from being extraneous to the delivery of contract services, the emphasis on being the 'caring sector' is framed by voluntary sector contractors as their unique 'selling point', the loss of which may jeopardize their distinctive edge over commercial or statutory competitors.

This suggests that the relational and transactional, properly theorized, are not in a binary conflict, but are in complex and mutually sustained relationships. However, profit extraction in care work is derived from the conversion of relational activities into transactional values, thus underlining the importance of commoditization of human service or care industries.

An illustration from criminal justice markets

Although relationships between the penal charitable sector and statutory agencies have received scholarly attention recently, this discussion does not focus on the debate about the autonomy of charity staff per se (Tomczak & Quinn, 2021). Here, our object is, rather, to illustrate how the automation of care in penal sectors may be attributed to the impact of New Public Management, including the sweeping and undiscriminating use of performance-related and audit metrics which create incentive structures whereby providers are rewarded for accomplishing measurable tasks, but in the process reduced efforts devoted to unmeasured tasks (Newman, 2000; Power, 1997). These techniques may have been introduced to elicit better governance, but in effect produce 'unintended but predictable negative consequences' such as privileging transactional over relational outcomes (Muller, 2018, p. 169). We demonstrate the claim by reference to three critical interfaces where interactions between state agencies and charities have accordingly been subject to artificial structures.

Artificial contract markets

From its Fabian roots to the welfare state and beyond, policy thinkers framed the charity sector in the UK as a vital institution in building the post-war resettlement. The general pattern of semi-autonomous alignment between charities and public services was brought up to date in the 1996 Deakin Report which formulated state–voluntary sector relationships in terms of 'partnerships' and the need for 'compacts' and formal understandings between them (Deakin & Kershaw, 1996). Tony Blair's 'Third Way' offered a new direction for state–voluntary sector relationships around key policy agendas, which emphasised wider roles for charities and business in public service delivery as part of its programme for functional and fiscal reforms. From this period, political agendas for reforming the delivery of policing, probation, court services, prisons, and community-based programmes, moved towards a mixed economy or 'mixed market' partnership approach.

In policy terms, the growth of penal markets (services and programmes appertaining to private actors—both commercial and voluntary sector) has since been seen as a political solution to 'wicked' problems, i.e. deeply-ingrained social problems with complex causes that require protracted policy effort. In crime control, these include the management of high and persistent levels of offending and recidivism (reoffending), a concern with value for money and reducing the fiscal cost of criminal justice interventions, the desire to make public services more economically efficient and to ensure that providers (business, public sector and third sector) produce plausible evidence of the effectiveness of their interventions.

It will be noted that these concerns, though legitimate, all prioritize transactional over collaborative relations. UK charities, following local government, schools, health services, probation and prisons for example, are becoming caught up in an artificial culture of competitive tendering—with its pretence of level playing-fields among competing agencies—even in services which are not likely to deliver profits. Realistically, these are not 'true' markets, where supply and demand interact to incentivize transactions, but quasi-markets (Bartlett, 1995) where services remain substantially under public control and ownership, and where certain functions are put to market via public sub-contracting.

The market, crucially, needs to be co-ordinated, even before one factors in the complexity of imprisonment or probation as practices; let alone the logistics of co-ordination with allied social and policy agencies and resources. Private sector companies are argued to be more effective entities for increasing the coverage of public services, but their performance depends on the competitive pressures of the market or quasi-market. They will only perform at their peak of social efficiency when there is a financial incentive to do so. This is the implication of utilizing markets to address social problems (as we have noted above). Problems which are inherently social will not optimally be addressed only through transactional terms. Moreover, several contenders need to be contracted to perform similar tasks if competitive pressure is to be kept up. This, in turn introduces a source of friction into the operation of probation, offender resettlement, housing or relevant fields.

Several examples of serious contract failure or provider withdrawal exposed government's 'symbiotic overdependency' on corporate oligopolies (Corcoran, 2011, 2014). Under the 2014–2020 Transforming Rehabilitation reforms to the probation services, a radical and artificial pyramid subcontracting model was used. Contracts were awarded to prime contractors or 'community rehabilitation companies' comprising large corporates and charities. These subcontracted operational work to other businesses and charities. Once the contracts were awarded, competition was almost non-existent. Co-ordinating the different agencies was difficult and the community rehabilitation companies often did not know who operated in their area of responsibility. Long-standing pre-existing partnerships and supply chains were disrupted by vertical contract command structures and by competitiveness (Corcoran et al., 2018).

Fictional accountability measures based on output metrics of limited scope

A misguided tenet of the transactional approach is that markets are 'just' because they are morally neutral, that is, they rely on the use of impersonal measures (output, cost/benefit indices) to produce purely rational decisions which are not swayed by bias or favouritism. This claim is supported by reference to the superior objectivity of, often quantitative, measures which reduce complex processes to a simpler, 'value-free' calculus of outputs, and outcomes.

Yet, as Frankfurt (2005, p. 20) reminds us, for a craftsperson, it is 'each minute and unseen part' which attests to the quality of the work. It is not clear how financial performance metrics will motivate the production of the 'unseen', and hence unrecorded, elements of quality. Frankfurt posits that without such attention to quality, production is not finely crafted or meticulous, it is shoddy and, Frankfurt suggests (*op. cit.*, p.21), an example of 'bullshit'. Before we go on, it is worth unpacking this claim.

It might be supposed that payment-by-results regimes and new managerialist practices—with their emphasis on auditing outputs and outcomes—would successfully capture and reward hitherto 'invisible' labour, for example caring. However, success in contract delivery is often measured by standardized, quantified performance metrics: and such metrics can reward only that which is observed. Ultimately, these metrics play a significant ideological function by providing a reference point against which monetizable activities can be measured.

Although the adoption of output metrics does not arise necessarily from fraud or deception, (cf. Frankfurt, 2005, p. 33) the artificial selectivity of data promotes 'workplace bullshit' inasmuch as they disregard the relationship between actual events and desired outcomes. In this sense, metrics 'are not concerned with the truth, inaccuracy, or falseness of their message, but only in its efficaciousness in promoting the desired agenda' (McCarthy et al., 2020, p. 256). Information may not be intentionally falsified but, rather, is inserted into systems in such a way as to conform with the direction in which reporting systems are designed to hold, assess and communicate 'data' (du Gay, 2000).

There is a paradox that, even under managerialist audit cultures, charities' standing as the 'caring sector' continues to be 'sold' (or, rather, advertized) as a unique selling point of the third sector, even while this attribute, 'care', is placed further beyond the scope of monetizable worth in the contract economy. This exemplifies the contemporary extractive economy within which the voluntary sector currently operates. Compelling workers—through payments metrics—to focus their efforts on a narrow range of activities and relationships with clients weakens relational and interpersonal bonds and degrades the experience of work (Sennett, 2012, pp. 148–178). The idea of relational work as something other than a commodity is central to the voluntary sector's self-conception of its contribution and methods, which are presented in terms of 'gift relationships'. It is usual that workers attribute significant value to these transactions, regarding the gift relationship as intrinsic to their relations with service users and as exemplifying their skills (Titmuss, 1970).

Excessively narrow audit regimes thus stimulate diversion of effort to that which gets measured, leading to: goal displacement; gaming of the system; bias towards lower-risk activities; and preferences for 'manageable' client groups. Metrics are not the main culprit, but are features of other rationalizing practices which encourage contractors to trim their programmes and methods to reduce costs, thus reducing the quality or intensity of interventions. As a result of their provision of non-marketizable services, charities consistently cite failure to recover full economic costs, or the necessity to cross-subsidise loss-making—but socially beneficial—contracts from their reserves or profitable programmes as reasons for withdrawing from public service contract markets (Davis & Clay, 2022, pp. 4–10).

The degradation of care

The combined effects of previous developments expanded the effects of pervasive 'bullshit' 'one of the most salient features in our culture' (Frankfurt, 2005, p. 1; and cf. McCarthy et al., 2020) accentuating worker alienation by draining meaning and value from front line service work. In line with their statutory and for-profit partners in supply chains, charity directors and managers prioritized metrics which track lines of business activity and pay enhanced attention to commercial return. Measurement-driven approaches to outputs and outcomes were favoured over the more multidisciplinary or prolonged client-centred work. Staff were nudged towards 'objective' and 'distanced' dispositions towards 'clients', 'customers' or 'service users'. Workforces and volunteers reported widespread depersonalization of relations with service users, compounded by the loss of discretionary decision-making to 'tick box' regimes (Maguire et al., 2019).

What is lost is a sense that connections and relationships are 'intangible assets' in the form of knowledges that are not a finite resource, but which are qualitatively valuable. 'Soft' outcomes are putatively intangible, and therefore rendered immaterial to the calculus of value. Accumulating evidence suggests that the preoccupation with instrumentalist and positivist metrics prioritize simple, linear, static and non-relational models of change over ones that capture the complexity and dynamism of organizational and social systems (Boydell et al., 2008, p. 210).

Observations

Over time, a functional conception of itself has gradually been absorbed by the sector, which increasingly measures its societal contribution by reference to its contribution to the economy. Instead of prioritizing their substantive purpose as the good of society, government and other funders measure charitable success by its contribution to reducing offending through better 'offender management' or related indicators of monetized worth such as increasing public safety. The contribution of voluntary sector expertise and knowledge are reduced to vulgar terms that are consistent with the rationalities of resource efficiency, caseload management and metric-based performance underpinning payment-by results regimes.

A further complication is the evasion of the punishment question by reframing penal contract delivery as a transactional service like any other, rather than carrying specific juridical, political or ethical weighting. One can discern the operation of certain political defences against unwelcome criticisms that commoditizing punishment constitutes a breach of the social contract where solemn powers of penal sanctions and restriction of liberty—which ought to reside solely with the state—are outsourced to private (charitable and commercial) actors. This is justified by an implausible argument relating to the 'division of labour' wherein government and the public sector are responsible for the penal elements of discharging sentences handed down by courts, while the 'caring' aspects only are outsourced. By this logic, the public interest is restricted to regulating contracts.

Some would argue contractors voluntarily enter into the terms of market competition, including the risks of firm failure. In contract law, if contracting providers are losing money or failing to recover full economic costs, the fault lies with them for miscalculating their outlay or underbidding. However, this argument assumes that contracting parties enjoy parity of standing, in the sense that they have rough equality of market power in dictating the terms of any contract. As Nietzsche (1908, p. 112) has pointed out, 'Justice is … reprisal and exchange upon the basis of an approximate equality of power'. The doctrine of formal equality ignores real world factors which shape inequalities in the bargaining power of state funders. The largest charities are overdependent on levels of state funding (Corcoran, 2014), while smaller organizations—which make up the majority of the sector—are highly susceptible to fiscal cutbacks, especially since the economic crisis of 2008.

Implications of the model

We propose that framing government and corporate bodies as AI (as automatons, i.e. abstracted entities which come to share a similar intelligence with respect to human productivity) permits us to identify their stated and revealed preferences. In the case of business, this is to increase revenue and to reduce costs. Revenue may be increased by taking control of (commodifying and privatizing) the means of production. In the case of government, it is to promote economic growth under the assumption that this will promote social progress. The political historian Karl Polyani (1945) predicted such as an example of the melding of the mind of government and the market economy into a composite which he called the 'market state'. We also depreciate claims that government is concerned with efficiency or effectiveness; rather, the evidence shows that—both for government and business—the incentive is to increase the value of economic transactions.

Extraction of value from human labour is material to the profit motive, and the mode of extraction dehumanizes the relational. We suggest the commodification of the labour of care, both as an economic project (raising measures of productivity) and as individually performed and consumed (through work and services), is taken to a socially inefficient extreme. Value extraction involves the treatment of people as machines whose measured performance is to be maximized. However, as Polanyi warned, (1945, p. 76) human labour is a 'fictitious commodity', it is not simply a tool to be produced for sale to capital. To treat care as a saleable commodity risks ultimately leading to the 'demolition of society' (*ibid*.). Similarly Milton Friedman—whom no one would term a socialist—has argued (1962, p. 112), the corporate sector's adoption of 'a social responsibility other than to make as much money for their stockholders as possible' will 'thoroughly undermine the very foundations of our free society'. Both would appear to agree markets don't—or ought not—to care.

Increased oversight of government

If, as we suggest, the incentive for marketization comes not from governmental necessity to promote innovation, hit efficiency targets or generally to improve the market metrics chosen, but in response to the incentive structure which the governmental machine faces—to increase the total transactional value of the economy—the solution to marketization is to change the incentive structure: in short, to increase the accountability of the government to the people.

In the UK, there is evidence that the national government has been out of step with the wishes of the electorate for at least four decades. Under the so-called 'first-past-the-post' system employed to elect the government of the UK, it is neither usual nor necessary for the governing party to enjoy the support of the majority of the voting-age population. The processes of marketization and privatization may be dated back to the 1980s: Yet, the government of Thatcher (1979–1990), which oversaw the introduction of neo-liberal political–economic policies in the UK, enjoyed only 43·9% of the vote in 1979, 42·4% in 1983, and 42·3% in 1987 (Cracknell et al., 2023).

Neither were the policies of the Thatcher government approved by the demos. Amongst those policies, in line with the preoccupation with returning to growth, were tax cuts for the wealthy, a retrenchment of social security and the privatization of public utilities and infrastructure. Yet, the proportion of the British people who supported reducing tax and spending was a tiny minority: It was estimated to be only 9% in 1983, declining to 3% in 1990 and rising slightly to only 4% in 2016 (NatCen, 2017). Similarly, privatization was (and remains) unpopular with the British people whose assets were sold—or, rather, undersold (Laurin et al., 2004)—essentially without their approval. In 2017, for example, the majority of the British people thought the NHS, Royal Mail, the railways, schools, water corporations and energy companies should be in the public sector (YouGov, 2017).

Before we move on from the discussion of the policies of the Thatcher government, however, it is worth considering how her own analysis echoes ours. We have noted the corporate sector is modelled by economists as a network of connexions between economic actors—giving rise to a form of AI. We have argued government may be modelled the same way. The overall approach of government over the last four decades to monetize—to reduce to transactional—interpersonal relationships has shaped our approach to delivering social goods. Other relationships—including: interpersonal; familial; professional; ethical; and normative to specify only a few—have become weaker even as transactional relationships have become accentuated. This has had an impact, not only on government policy, but on society as a whole.

Society can likewise be modelled as a network of interpersonal relationships; as 'a living tapestry' as Thatcher (quoted in Thatcher & Keay, 1987, p. 31) puts it. Thatcher goes on to state 'the beauty of that tapestry and the quality of our lives will depend upon how much each of us is prepared to take responsibility for ourselves and each of us prepared to turn round and help by our own efforts those who are unfortunate' (*ibid*.). Our argument, in sum, is that this tapestry is becoming unravelled as all the threads but the transactional ones are being cut.

A consideration of social norms

To be fair to the machinery of government, we may reflect on our own preferences. As Joseph de Maistre (1811) has noted, 'Toute nation a le gouvernement qu'elle mérite' (quoted de Maistre in Shapiro, 2006, p. 485), 'every country has the government it deserves'. Notwithstanding, we may note in passing the form of government makes a difference: alternative forms of democracy, for example proportional representation, are associated with lower inequality than first-past-the-post systems (Verardi, 2005). Nevertheless, we may well consider whether our society has collaborated in this failure adequately to value the relational aspects of care. If so, now would be an ideal time to reconsider our own perspective. Society, no less than government, requires re-programming to accentuate the relational.

The global Covid 19 crisis threw into sharp relief the gaps between key (or critical) workers—often poorly paid—and the corporate economy. The pandemic exposed as illusory the narrative that the real economy was somehow divorceable from the care economy. Post-austerity and pandemic, the question of care remains an economic and political imperative of our time (D'Alessandro & Floro, 2021). Public clamour for an economics modelled in care is not mere sentiment but is proving to be a test for post-industrialized economies, particularly when governmental promises of a return to growth are not materializing.

An alternative model of corporate intelligence is available: one in which, at the behest of citizens, the democratic state responds to needs in ways that produce systems of care which are productive (in the conventional sense of meeting outcomes) while sensitized to their socially beneficial functions. To do so depends on the public sector both resourcing and engaging with citizens and civil society to make such productive care possible. As Durkheim (1984) would propose, the state may be the 'brain' co-ordinating this, but citizens and civil associations are the hands doing the work. This brain functions as an 'organ of moral thought', i.e. in maintaining group life, as well as the economy, implying the state must listen to, learn from and mediate between the interests of citizens.

Conclusion

Successive UK governments have presented the illusion of growth as a panacea to our economic and social problems. Lack of democratic accountability notwithstanding, it has proven to be a comfortable, if empty, promise. In the absence of appropriate social checks, the machinery of government and of the corporate sector have extended transactional markets into further areas of society which could otherwise be understood as relational networks. This has led to the unravelling, not only of social care, but arguably to our society as a whole.

Our argument adds to the evidence that, in this context, the market does not care—or, at least, it will only deliver those parts of care which accord with increasing profitability. If we wish to prioritize human-oriented social policies, rather than transactionally-driven economic policies in the process of government, we must learn how to re-programme not only government but our own social motivations. The market's 'invisible hand' must be restrained by the democratic state (Friedman, 1962, p. 112) and by our resisting its encroachment into our inter-personal relationships. Ultimately, the market may be a useful tool, but it is a poor master.

Disclosure statement

No potential conflict of interest was reported by the author(s).

ORCID

Mary Corcoran http://orcid.org/0000-0001-8661-3147
Kevin Albertson http://orcid.org/0000-0001-6678-5590

References

Adams, D. (1979). *The hitchhiker's guide to the galaxy*. Pan.

Albertson, K., Corcoran, M., & Phillips, J. (eds.). (2020). *Marketization and privatization in criminal justice*. Policy Press.

Albertson, K., & Whittle, R. (2022). Things can't only get better: Inequality and democracy over a life-span. In M. Nico, & G. Pollock (Eds.), *The Routledge handbook of contemporary inequalities and the life course* (pp. 208–222). Routledge.

Bartlett, W. (1995). *Privatization, non-profit trusts and contracts. studies in decentralisation and quasi-markets (27)*. School for Advanced Urban Studies, University of Bristol.

BBC. (2022a, July 25). *Sir Keir Starmer: UK needs growth, growth, growth*. https://www.bbc.co.uk/news/av/uk-62292281.

BBC. (2022b, November 7). *COP27: Rishi Sunak urges global push on 'clean growth'*. https://www.bbc.co.uk/news/uk-politics-63536770.

Boydell, L., Hoggett, P., Rugkåsa, J., & Cummins, A.-M. (2008). Intersectoral partnerships, the knowledge economy and intangible assets. *Policy & Politics*, *36*(2), 209–224.

Corcoran, M. (2011). Dilemmas of institutionalisation of the penal voluntary sector. *Critical Social Policy*, *31*(1), 30–52.

Corcoran, M., & Fox, C. (2013). A seamless partnership? Developing mixed economy interventions in a non-custodial project for women. *Criminology & Criminal Justice*, *13*(3), 336–353.

Corcoran, M. S. (2014). The trajectory of penal markets in a period of austerity: The case of England and Wales. *Sociology of Crime, Law and Deviance*, *19*, 53–74.

Corcoran, M. S., Williams, K., Prince, K., & Maguire, M. (2018). The penal voluntary sector in England and Wales: Adaptation to unsettlement and austerity. *The Political Quarterly*, *89*(2), 187–196.

Cornell Law School. (2023). Artificial person. https://www.law.cornell.edu/wex/artificial_person.

Cracknell, R., Uberoi, E., & Burton, M. (2023, March 17). *UK election statistics: 1918-2022: A century of elections*. House of Commons Library Research Briefing CBP7529. https://researchbriefings.parliament.uk/ResearchBriefing/Summary/CBP-7529.

Crawley, E. (2013). *Doing prison work: The public and private lives of prison officers*. Routledge.

D'Alessandro, M., & Floro, M. S. (2021, October 14). *Post-pandemic recovery must include the care economy*. https://www.project-syndicate.org/commentary/pandemic-recovery-must-include-care-economy-by-mercedes-d-alessandro-and-maria-s-floro-2021-10.

Davis, L., & Clay, T. (2022). *Recognising social value: A better way for charities and commissioners to work together*. New Philanthropy Capital (NPC). https://www.thinknpc.org/wp-content/uploads/2022/09/Recognising-social-value.pdf.

Deakin, N., & Kershaw, J. (eds.). (1996). *Meeting the challenges of change: Voluntary action into the 21st century: Summary of evidence and selected papers for the report of the commission on the future of the voluntary sector*. NCVO Publications.

du Gay, P. (2000). Entrepreneurial governance and public management: the anti-bureaucrats. In J. Clarke, S. Gewirtz, & E. McLaughlin (Eds.), *New managerialism, new welfare?* (pp. 62–81). Open University Press & Sage Publications.

Durkheim, E. (1984). *The division of labour in society* (1984 ed.). Macmillan.

Fioramonti, L. (2017). Gross domestic problem: How the politics of GDP shaped society and the world. In I. Borowy, & M. Schmelzer (Eds.), *History of the future of economic growth: Historical roots of current debates on sustainable degrowth* (pp. 91–109). Routledge.

Foucault, M. (2009). Alternatives to the prison: Dissemination or decline of social control? *Theory, Culture & Society*, *26*(6), 12–24.

Frankfurt, H. G. (2005). *On bullshit*. Princeton University Press.

Friedman, M. (1962). *Capitalism and freedom*. University of Chicago Press.

Habermas, J. (1991). *The structural transformation of the public sphere: An inquiry into a category of bourgeois society* (T. Burger & F. Lawrence, trans.). MIT Press.

Hall, P. D. (1992). *'Inventing the non-profit sector' and other essays on philanthropy, voluntarism and non-profit organizations*. Johns Hopkins University Press.

Hickel, J. (2020). *Less is more: How degrowth will save the world*. Penguin Random House.

Hickel, J. (2021). What does degrowth mean? A few points of clarification. *Globalizations*, *18*(7), 1105–1111.

HM Government. (1999). *The prison rules, UK statutory instrument 728*. The Prison Rules, UK Statutory Instrument 728. https://www.legislation.gov.uk/uksi/1999/728/contents/made.

Hobbes, T. (1651). *Leviathan*. https://www.gutenberg.org/files/3207/3207-h/3207-h.htm.

Hochschild, A. R. (1979). Emotion work, feeling rules, and social structure. *American Journal of Sociology*, *85*(3), 551–575.

Holmstrom, B. R., & Tirole, J. (1989). The theory of the firm. In R. Schmalensee & R. D. Willig (Eds), *Handbook of industrial organization* (Vol. 1, pp. 61–133). North-Holland/Elsevier.

Kallis, G. (2011). In defence of degrowth. *Ecological Economics*, *70*(5), 873–880.

Kennedy, R. F. (1968, March 18). *Remarks at the University of Kansas*. https://www.jfklibrary.org/learn/about-jfk/the-kennedy-family/robert-f-kennedy/robert-f-kennedy-speeches/remarks-at-the-university-of-kansas-march-18-1968.

Kubiszewski, I., Costanza, R., Franco, C., Lawn, P., Talberth, J., Jackson, T., & Aylmer, C. (2013). Beyond GDP: Measuring and achieving global genuine progress. *Ecological Economics*, *93*, 57–68.

Laurin, C., Boardman, A. E., & Vining, A. R. (2004). Government underpricing of share-issue privatizations. *Annals of Public and Co-operative Economics*, *75*, 399–429.

Lincoln, A. (1854). Fragment on government. In R. P. Basler (Ed.), *The collected works of Abraham Lincoln, Vol. 2 (1953)*. Rutgers University Press.

Lipsky, M. (1980). *Street-level bureaucracy: Dilemmas of the individual in public services*. Russell Sage Foundation.

Maguire, M., & Raynor, P. (2006). How the resettlement of prisoners promotes desistance from crime: Or does it? *Criminology & Criminal Justice*, *6*(1), 19–38.

Maguire, M., Williams, K., & Corcoran, M. (2019). 'Penal drift' and the voluntary sector. *The Howard Journal of Crime and Justice*, *58*(3), 430–449.

McCarthy, I. P., Hannah, D., Pitt, L. F., & McCarthy, J. M. (2020). Confronting indifference toward truth: Dealing with workplace bullshit. *Business Horizons*, *63*(3), 253–263.

Muehlebach, A. (2012). *The moral neoliberal: Welfare and citizenship in Italy*. University of Chicago Press.

Muller, J. Z. (2018). *The tyranny of metrics*. Princeton University Press.

NatCen. (2017). *British social attitudes 34*. The National Centre for Social Research. https://www.bsa.natcen.ac.uk/media/39196/bsa34_full-report_fin.pdf.

Newman, J. (2000). Beyond the new public management? Modernising public services. In J. Clarke, S. Gewirtz, & E. McLaughlin (Eds.), *New managerialism, new welfare?* (pp. 45–61). Open University Press & Sage Publications.

Newman, J. (2013). Spaces of power: Feminism, neoliberalism and gendered labor. *Social Politics: International Studies in Gender, State & Society*, *20*(2), 200–221.

Nietzsche, F. W. (1908). *Human, all too human: A book for free spirits*. Charles H. Kerr & Company. http://www.gutenberg.org/files/38145/38145-h/38145-h.htm.

ONS. (2016, February 4). *National accounts*. https://www.ons.gov.uk/economy/nationalaccounts/uksectoraccounts/methodologies/nationalaccounts.

Polanyi, K. (1945). *The great transformation: The origins of our time*. Victor Gollancz.

Poulantzas, N. (1994). The capitalist state and ideologies. In T. Eagleton (Ed.), *Ideology*. Routledge.

Power, M. (1997). *The audit society: Rituals of verification*. Oxford University Press.

Putnam, R. D. (2000). *Bowling alone: The collapse and revival of American community*. Simon and Schuster.

Raworth, K. (2012). *A safe and just space for humanity: Can we live within the doughnut?* Oxfam Discussion Paper. https://www-cdn.oxfam.org/s3fs-public/file_attachments/dp-a-safe-and-just-space-for-humanity-130212-en_5.pdf.

Raworth, K. (2017). *Doughnut economics: Seven ways to think like a 21st-century economist*. Chelsea Green Publishing.

Raworth, K. (2023). *Doughnut economics*. https://doughnuteconomics.org/.

Robinson, J. (1953). The production function and the theory of capital. *The Review of Economic Studies*, *21*(2), 81–106. JSTOR.

Salamon, L. M. (2015). *The resilient sector revisited: The new challenge to nonprofit America*. Brookings Institution Press.

Sayer, A. (2018). Welfare and moral economy. *Ethics and Social Welfare*, *12*(1), 20–33.

Seddon, T. (2007). Coerced drug treatment in the criminal justice system: Conceptual, ethical and criminological issues. *Criminology & Criminal Justice*, *7*(3), 269–286.

Senior, P. (2016). Privatizing probation: The death knell of a much-cherished public service? *The Howard Journal of Crime and Justice*, *55*(4), 414–431.

Sennett, R. (2012). *Together: The Rituals, pleasures and politics of co-operation*. Penguin.

Shapiro, F. R. (ed.). (2006). *The Yale book of quotations*. Yale University Press.

Stafford, B., Roberts, S., & Pauline Jas, P. (2023). Evaluating commodification and commodifying evaluation. *Public Money & Management*, https://doi.org/10.1080/09540962.2023.2240640

Thatcher, M. H., & Keay, D. (1987, September 23). *Interview for Woman's Own ('no such thing as society')*. Margaret Thatcher Foundation. https://www.margaretthatcher.org/document/106689.

Titmuss, R. M. (1970). *The gift relationship: From human blood to social policy*. George Allen & Unwin Ltd.

Tomczak, P., & Quinn, K. (2021). Practitioner emotions in penal voluntary sectors: Experiences from England and Canada. *The British Journal of Social Work*, *51*(7), 2282–2300.

Trebeck, K., & Williams, J. (2019). *The economics of arrival: Ideas for a grown-up economy*. Policy Press.

Van den Bergh, J. C. (2011). Environment versus growth—A criticism of 'degrowth' and a plea for 'a-growth'. *Ecological Economics*, *70*(5), 881–890.

Verardi, V. (2005). Electoral systems and income inequality. *Economics Letters*, *86*(1), 7–12.

Weiss, C. H. (1979). The many meanings of research utilization. *Public Administration Review*, *39*(5), 426–431.

YouGov. (2017, May 19). *Nationalisation vs privatization: The public view*. https://yougov.co.uk/topics/politics/articles-reports/2017/05/19/nationalisation-vs-privatization-public-view.

Zsolnai, L. (2018). Economic actors and the ultimate goal of the economy. In P. Róna & L. Zsolnai (Eds), *Economic objects and the objects of economics* (Vol. 3, pp. 151–159). Springer.

Mary Corcoran *is Professor of Criminology at the School of Social Sciences, University of Keele, UK. She publishes on the role of NGOs in criminal justice, prisons and resettlement, and penal policy*. https://orcid.org/0000-0001-8661-3147

Kevin Albertson *is Professor of Economics at Manchester Metropolitan University, UK. His recent work considers the implications of a low-to-zero (economic) growth economy, and the wellbeing aspects of relational—as opposed to transactional—socio-economic interactions.* https://orcid.org/0000-0001-6678-5590