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**Article — Published Version**

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Financial Accountability & Management

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*Suggested Citation:* Iloga Balep, Nathalie; Junne, Jaromir (2020) : “Free” and “unfree” money in German prisons: The role of accounting in educating public service users, Financial Accountability & Management, ISSN 1468-0408, Wiley, Hoboken, NJ, Vol. 36, Iss. 2, pp. 171-188, <https://doi.org/10.1111/faam.12228>

This Version is available at:

<https://hdl.handle.net/10419/230118>

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**RESEARCH ARTICLE**

# “Free” and “unfree” money in German prisons: The role of accounting in educating public service users

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[Correction added on 25 January, 2020: In  
the abstract “marked actors” was changed to  
“market actors”]

**Abstract**

This paper explores how public organizations use accounting as a pedagogical instrument for educating individual citizens. Drawing on conceptions of financial literacy and governmentality, our paper presents the findings of a qualitative case study of German prisons and analyzes how accounting practices shape interactions between public organizations and individual citizens. Our findings show how three types of financial accounts—*prison money*, *gate money*, and *private money*—grant prisoners differentiated access to funds. Prison administrators refer to these accounts as “free” or “unfree,” depending on whether prisoners can decide how the money will be used. The study reveals how German law, ministries, and prison administrations attach three basic virtues to prisoner accounts—*legal consumption*, *financial prudence*, and *social responsibility*—in an attempt to include individuals (back) into a population of economically and socially functioning citizens. To public management research, this paper contributes a description of how public institutions employ accounting as a pedagogical technology in interactions with individual citizens. To prior works on financial literacy, we add the idea that educative measures not only produce viable and disciplined market actors, but also transport specific virtues of being a social citizen. Finally, our study discusses how disciplinary and postdisciplinary notions of accounting interact and provide possibilities for governing through freedom—even behind bars.

**KEYWORDS**

accounting, financial literacy, governmentality, new public management, service user

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## 1 | INTRODUCTION

Accounting practices have become a common tool in public organizations for mobilizing specific ideas, concepts, and political agendas in order to guide management and steering. Prior public management and accounting research has shown how accounting instruments enact the New Public Management (NPM) agenda in organizations (Dunleavy & Hood, 1994; Hood, 1991, 1995; Steccolini, 2019). For the sake of more efficient and responsible management, an avalanche of numbers comprising various indicators and performance measures have been introduced to quantify and control the success of administrative processes, individual administrators, and organizations (Brunsson & Sahlin-Andersson, 2000; Hood, 2004; Pollitt & Bouckaert, 2004).

Extant literature has also discussed how neoliberal ideas and programs address individual citizens as users, customers, and co-producers of public services (Köppe, Ewert, & Blank, 2016). The increased interest in the economic agency of citizens has highlighted the relevance of accounting as a means of governing individuals (Miller & O'Leary, 1994; Miller & Rose, 2006; Rose, 1999). More recently, the educational effects of accounting on individuals have been discussed in the context of financial literacy as the link among economic participation, accounting skills, and societal inclusion of citizens (Bay, 2018; Bay, Catasús, & Johed, 2014). The relatively small number of works on the educational role of accounting has mainly focused on how accounting is used to educate individuals about economic rationality and basic calculative capacities. So far, no research has been directed toward the ways in which financial literacy is linked to citizens' legal and social conduct in efforts to foster their integration into society.

Prisons provide a good example of public organizations, which use accounting in their interactions with "service users." Prisoners are often described as service users (National Offender Management Service [NOMS], 2011) and somewhat "involuntary clients" (Ferguson, 2007, p. 396) with limited rights to participate in the economy. Scholarly engagements with accounting in prisons have strongly focused on the theme of prison privatization (Cooper & Taylor, 2005; Mitchelson, 2014; Nathan, 2003; Taylor & Cooper, 2008), mainly in Great Britain. Crowhurst and Harwich (2016), Mennicken (2013, 2014) as well as Avio (1998) enlarged the topic of prison privatization by reflecting on how quantification is used to calculate both economic and noneconomic performance. Although the citizenship status of prisoners is implicitly addressed in extant literature, for example, in discussions about decency and other elements of moral performance (Liebling & Arnold, 2005) or in an analysis of how juvenile delinquents are governed by "rehearsing citizenship" (Triantafillou & Moreira, 2002), the role of accounting in constructing the prisoner as an economic actor has not been fully explored.

Our study aims to explore the role of accounting as an educative measure of public organizations. Drawing on concepts of financial literacy and governmentality, it explores how German prisons use accounting to educate their service users as economic citizens in an attempt to foster their resocialization.<sup>1</sup> A system of personalized financial accounts for each prisoner is used not only to transmit basic economic viability, but also to invoke essential citizen virtues and duties. Prisons are particularly interesting in this regard because as closed-off systems, they represent nearly perfect "laboratory conditions" where a set of accounting practices is imposed on a very heterogeneous group of service users regarding crime, age, social status, family background, education, and others aiming at creating financial equality within the prison and at educating its users toward responsible economic citizenship. In dealing with their inmates, prisons face wicked problems (Ferlie, Fitzgerald, McGivern, Dopson, & Bennett, 2011; Jacobs & Cuganesan, 2014) as they have to simultaneously enact interdependent, competing value sets, such as security and resocialization, rehearsing lawful behavior with criminals, and enforcing restrictions while promoting a responsible approach to freedom—in short, how to govern through freedom, even behind bars. Prisons provide a particularly interesting case for our study as exclusion from and inclusion into society is continuously renegotiated with prisoners who appear, as a specific group of public service users, particularly precarious in terms of lawful, economic, and social behavior.

First, our findings direct attention to the pedagogical impetus of the state, which uses accounting instruments to address marginalized service users as economic citizens. Through accounting, the state aims to gradually educate and prepare prisoners for re-entry into a population of free market actors. This attempt highlights the importance accorded to economical skills and virtues for being a good and functioning citizen. Prisoners are marginalized because they are

held captive, have only restrained liberties, and live in a closed-off environment that is rather hostile and coercive. Still, they remain citizens and keep specific rights, such as the right to vote, during their prison stay. Prisoner accounts accord at least certain financial possibilities to prisoners considered particularly important elements of economic citizenship. Second, our analysis reveals how prisoner accounts promote a distinct form of financial literacy, one that embraces social virtues purported to facilitate resocialization. Although the concept of financial literacy commonly focusses on basic calculative skills and compliant market activities, financial literacy in our case comprises social responsibilities necessary for resocialization. In our case study, a system of prisoner accounts is used to (re)educate prisoners with the aim that they become more autonomous economically. The money prisoners earn while working in prisons is divided into “free” money to use for personal needs within the facility (*prison money*) and “unfree” money that has to be saved up mandatorily to take care of themselves after release (*gate money*). Once the gate money account is filled, more “free” money is at the prisoners’ disposal that can be used like prison money but also—and this is encouraged by the facilities—for liabilities and to incur financial responsibilities towards others (*private money*). Prisoners are thus addressed with the aim to make them become well behaving and conforming members of society. Finally, our study shows that correctional measures are not limited to disciplinary forms of power, as laid out in Foucault’s (1977) analysis of Bentham’s panopticon. Instead, our paper highlights how correctional measures extend to postdisciplinary ways of governing, that is, through accounts, which draw on individual choice and freedom as primary resources. To public management research, our study of German prisons thus contributes a paradigmatic example of how public organizations employ accounting practices as both educational and correctional measures.

The remainder of the paper is structured as follows. The theoretical background (Section 2) of this study draws on financial literacy and governmentality studies. These works help highlight how accounting can be employed to educate citizens in the interest of including them socially. We then describe the (Section 3) research design and methods for gathering and analyzing our empirical data and (Section 4) explain the particularity of prisoner work and its remuneration in German facilities. In the findings section (Section 5), we illustrate how a system of prisoner accounts is used for the re-education of prisoners as economic citizens. A discussion of our findings concludes the paper (Section 6).

## 2 | THEORETICAL BACKGROUND: ACCOUNTING AND SOCIETAL INCLUSION

Economic participation has become an essential element of citizenship (Miller & O’Leary, 1994). The concept of citizenship has moved away from a mere status or entitlement to a combination of different characteristics, obligations, and responsibilities (Newman, 2010). Being a citizen has been described as going along with being a user (Barnes, 1999), a consumer, a co-producer, a responsabilized agent (Fotaki, 2011), or a claimant, especially in social welfare systems in most Western countries (Köppe et al., 2016). In the context of NPM, citizens have been featured as users and customers of public services, for whom the services ought to be optimized or who may choose different service options on quasi-markets (*ibid.*). These conceptualizations mark a shift of the image of citizens toward economic activity and choice.

In the second half of the 20th century, the image of the citizen changed from being an individual shaped by social influences and relations to a group, to an economically active actor, informed customer, and entrepreneurial self (Rose, 1999):

In this new field, the citizen is to become a consumer, and his or her activities to be understood in terms of the activation of the rights of the consumer in the marketplace (Rose, 1999, p. 165).

Within this logic—commonly referred to in a broad sense as neoliberalism—all citizens are regarded as potential human capital and entrepreneurs that should participate in market exchanges (Bröckling, 2016; Foucault, 2008; Rose, 1999; Weiskopf & Munro, 2011).

Prior research has shown that a shift toward the economic agency of citizens has increased the relevance of accounting as a technology of government (Miller & O’Leary, 1994; Miller & Rose, 2006; Rose, 1999). Building on

Foucault's (1977) works on disciplinary power in prisons and his ideas on how power and knowledge jointly construct individuals (Foucault, 1980), Miller and O'Leary (1987) and Hoskin and Macve (1986) have argued that accounting facilitates the exercise of disciplinary power by providing visibility of individual patterns of (economic) behavior. They argue that the introduction of standard costing and budgets has allowed norms and standards of behavior to be attached to individual subjects. As a result, individual behavior can be monitored for potential deviations, and sanctions can be applied.

In his works on governmentality, Foucault argues that technologies of government, such as accounting, are always intricately linked with political programs, such as neoliberalism or resocialization, as well as with individual subjects. Foucault understands governmentality as "the ensemble formed by institutions, procedures, analysis and reflections, calculations, and tactics that allow the exercise of this very specific, albeit very complex, power that has the population as its target, political economy as its major form of knowledge and apparatuses of security as its essential technical instrument" (Foucault, 2009, p. 108). For Foucault, apparatuses of security complement disciplinary forms of power by developing more indirect mechanisms and tactics that align free individuals with a population. Power (2004), Robson (1992), and Neu, Everett, and Rahaman (2015) build upon these ideas to highlight "how accounting and auditing practices facilitate the construction of disciplined and ethical subjects" (Neu et al., 2015, p. 50).

*Subjectivizing here has two aspects: it refers to the possibility of being subject to regulation or control by another; but it also includes the fundamental presumption of an individual who is free to choose, and indeed obliged to choose, albeit often by reference to financial norms or standards.*

(Miller & Power, 2013, p. 563)

Next to its subjectivizing capacity, accounting plays territorializing, mediating, and adjudicating roles in shaping society (Miller & Power, 2013). Accounting is said to have the tendency to territorialize social and professional realms by constructing or extending calculable spaces wherever possible (Mennicken & Miller, 2012). At the same time, accounting facilitates mediations among different realms, actors, and domains, even if they seem contradictory (Miller & Power, 2013). This capacity of accounting can also be seen to tackle or deal with wicked issues coming from multiple causes, interdependencies, and competing value sets (Ferlie et al., 2011; Jacobs & Cuganesan, 2014). Furthermore, accounting adjudicates, for example, through audits and performance measurements (Miller & Power, 2013) that are used to responsibilize individuals. Yet, this is not done in a neutral way: practices of accounting carry with them sets of ideas that alter discourses about costs, calculations, or metrics. Accounting shapes organizational practices and citizens' behavior "in its own image" (Miller & Power, 2013, p. 581).

Economic participation, accounting skills, and social inclusion are often linked in discussions on financial literacy (Bay, 2018; Bay et al., 2014). The lack of financial literacy can marginalize certain groups of a population, for example, elderly people or people with disabilities who may encounter problems making sense of quantified information (Junne, 2018; Junne & Huber, 2014). Yet, the issue is not limited to certain groups in society. Demands of knowledge about all kinds of financial issues such as pension, life insurances, investments, and savings accounts have proved to be generally high for contemporary citizens (Erturk, Froud, Johal, Leaver, & Williams, 2007; Finlayson, 2009; Williams, 2007). Issues of indebtedness and personal bankruptcies are widespread, suggesting that many individuals are unable to process and manage their financial situations as expected (Bay, 2018). The financial literacy needed to interpret financial accounts must be learned and taught, and is constructed and guided through specific communication (Abrahamsson, Englund, & Gerdin, 2016; Bay, 2018; Mouritsen, 2004; Qu & Cooper, 2011).

A relatively small number of works in financial literacy literature discuss how accounting is used to (re)educate individuals as financially responsible and knowledgeable citizens (Ahrens, 1996; Bay, 2011; Roberts & Scapens, 1985). Yet, the dissemination of neoliberal ideas may actually be implemented through accounting practices, rather than political discourses (Lapsley & Hyndman, 2016). Accounting's ability to educate and integrate individuals in the public sector has been addressed to some extent in the context of social welfare (Bracci, 2014; Junne, 2018; Junne & Huber, 2014;

Needham, 2014), and in the world of popular culture (Bay, 2018; Jeacle & Carter, 2012). Public organizations' role in (re)including citizens as active members in society has further been touched upon in works on the pedagogical state (Newman, 2010; Pykett, 2010). One main aspect discussed in these works is how states address economic inclusion through education programs, which aim to make all citizens participate in the market. Against the common critique of the pedagogical state as a bureaucratic "nanny state" that infantilizes adults, Newman (2010) and Pykett (2010) reflect on the paradoxes of pedagogical practices as being both constraining and enabling at the same time. Citizen subjects are obliged and encouraged to participate in training courses, and to conform to specific rules, while also being taught to develop skills that allow them to make their own decisions and reflect critically. What has not been touched upon so far in extant literature is how accounting practices transmit a literacy that goes beyond the practical calculative skills necessary to become a viable economic actor, but actually addresses specific social norms associated with "good" economic citizenship. We turn to the empirical case of German prisons to investigate how they attempt to govern and (re)educate individuals as economic citizens through accounting—here: prisoner accounts.

### 3 | RESEARCH DESIGN

In order to explore the role of accounting—here: prisoner accounts—as an educative measure in prisons, we used a case study research design (Eisenhardt, 1989; Yin, 2003). Our investigation of the German prison sector was part of a larger international research project exploring the role of quantification such as financial accounts, statistics, performance indicators, or evaluations used for steering in the public sector. From the beginning of 2017 to the end of 2018, we undertook 50 semistructured in-depth expert interviews lasting between 45 and 90 min in criminological services, ministries of justice, and prison administrations in three of the 16 German federal states (*Länder*). Our interviews were fully transcribed and translated into English by the authors wherever necessary. To gain access to the ministries and prisons, we had to assure our interviewees absolute anonymity and the use of the data for our research project only. Research data are therefore not shared.

The three states (from now on "Land A," "Land B," and "Land C") chosen for the interviews include one large territorial state, one territorial state in the former German Democratic Republic (GDR) and one city-state. The diversity of these states is particularly suitable for representing Germany's (legal) heterogeneity. We began our interview series in each Land in the ministry of justice. This gave us insights into overall land-specific issues, helped us to make our choice of suitable prisons to visit, and most importantly granted us the necessary formal access to these prisons. To have a comparable sample, we chose to focus on the most "standard" prisons, meaning that we excluded prisons merely for pretrial custody, female offenders or juveniles as well as semiprivate and high-security prisons.

Our choice of interviewees in the prisons depended on their involvement in administrative and managerial tasks and therefore concentrated on directors, controllers, and heads of departments. We thus focused on the regulatory level (ministries) and on the managerial level in prison facilities and did not include the so-called street-level such as correctional officers into our sample. More importantly, we did not interview prisoners, which can be considered as a limitation of this paper. Our paper discusses the employment of prisoner accounts from the perspective of administrators and regulators and therefore focusses on intended or perceived effects and does not include prisoners' perspectives on the instrument. Insights in Land C were particularly rich with regard to our subject both through interviews and through documents, so that we chose to set a special focus there. Our insights from the other two states, however, support and complement the findings from Land C. Find an overview on our interviewees in Table A1.

During our participations in 11 conferences among members of the ministry of justice and the prison directors in Land B, we gained valuable and complementary insights into prisoner work, finances, and the linkages to the prisoner accounts. The importance of these interconnected topics became particularly obvious in several verbal disputes on what kind of work was useful for prisoners, how much prisoners should be paid for their work, and in how far their behavior during the sentence should impact their access to the funds of their financial accounts. Our data collection also draws on internal documents that we were granted access to during our visits in the prisons. These documents concern concrete numbers such as exact salaries and sums to save or to spend as well as anonymized requests for

purchases from prisoners. Further, we rely on archival materials such as parliamentary requests and their responses as well as law texts on prisoner accounts giving us more detailed, supporting, and contextualizing information on our subject. Both internal documents and archival material were particularly valuable to profoundly understand and explain the system of prisoner accounts (see Section 5.2).

We analyzed the empirical material following an abductive approach. Using our empirical material as our main source to generate new theoretical ideas, we repeatedly went back and forth between our collected data and existing theoretical concepts (Alvesson & Kärreman, 2011; Mantere & Ketokivi, 2012). Extant theoretical concepts on governmentality, financial literacy, and the different roles of accounting helped us understand our material and carve out the empirical story.

## 4 | CASE CONTEXT: PRISONER WORK AND REMUNERATION

In 2006, a federalist reform of federalism introduced a strict principle of subsidiarity, giving each of the 16 federal states in Germany the right to pass their own penal laws. Differences in these laws propel discussions on the fairness of such diversity until today. Although the Federal Law of Penal Execution that was introduced in 1976 provides a binding framework constraining the autonomy of the 16 states (Rowe & Turner, 2016), they differ especially in their interpretation of the two overall and in part competing aims resocialization and security (Feest & Bammann, 2011; Rowe & Turner, 2016). In some of the state laws, resocialization is stated first, and others explicitly give the same weight to both. Political changes can again affect the interpretation and ranking of both issues heavily in practice. The Federal Law of Penal Execution introduced both mandatory work for prisoners as well as the system of financial prisoner accounts. Since the reform of federalism, four states have formally suspended mandatory prisoner work. As prisoner work is considered to be one main factor fostering resocialization, these states also aim at proposing work to the prisoners, however, on a voluntary basis. Other states have “softened” the regulation by adding that, for example, scholarly measures can be paid and exempt from work. All other states hold on to mandatory prisoner work, but demand the work to correspond to the prisoners’ preferences and abilities.

Prisoners who work or are trained in prison systems—either on a voluntary or mandatory basis—receive a basic remuneration that also differs from state to state. The calculation of the final payments is based on five remuneration categories of prison work, which depend on the required level of skill, the type of work, and the state’s individual regulations. Prisoner’s daily wages roughly range between 8 and 13 Euros—much lower than the legal minimum wages outside of prison. Prisoners in a closed prison system do not contribute to their statutory pension. However, prisons make payments to unemployment insurances, as if prisoners were paid according to a collective wage agreement.

Discussions about prisoners earning and using money often refer to the principle of alignment (*Angleichungsprinzip*) in Paragraph 3 of the Federal Law of Penal Execution. This principle states that conditions in prisons have to reflect the living conditions outside of prison as much as possible. Prisoners are not only restricted with regard to how much money they can earn during their detention, but also with regard to how they can use that money. This is a means to secure the egalitarian principle among prisoners laid down in penal law and to avoid conflicts and dependencies due to economic differences (Deutscher Bundestag, 1975, p. 23).

## 5 | FINDINGS: ATTEMPTS OF RE-EDUCATING PRISONERS AS ECONOMIC CITIZENS

In this section, we illustrate how the system of prisoner accounts is built up and becomes more elaborate during a prisoner’s sentence. The re-education of prisoners as economic citizens begins with the “loss of financial sovereignty” (Section 5.1). With the loss of access to cash and very restricted access and use of other financial means at the beginning of a sentence, prisoners are introduced to “the system of prisoner accounts” (Section 5.2), which is managed by prison

administrations. Even though the basic rights related to prisoner accounts are given and set by law, prison administrators may use prisoner accounts for disciplining or rewarding prisoners' behaviors and therefore to link "prisoner accounts and conduct" (Section 5.3). Finally, administrators use prisoner accounts with the aim of "educating economically responsible citizens" (Section 5.4) by guiding prisoners toward more socially responsible behavior.

## 5.1 | Loss of financial sovereignty

Imprisonment and the loss of freedom go along with a loss of financial sovereignty. Prisoners are made as equal as possible in economic terms. When a suspected or convicted person becomes a prisoner, all cash, objects of worth, and official documents such as IDs, visa, driver's licenses, and insurance cards are confiscated. Cash is transferred to an account that the prison runs for the prisoner. From that moment on, individuals have to make all financial transactions via an accounting system controlled by the prison administration. In order to foster legal forms of consumption, transactions among prisoners are not allowed—with regard to both money and alternative currencies such as tobacco, telephone cards, or other goods, substances, and services:

*We perform restrictions here. [...] Any business among prisoners is forbidden, although we cannot prevent prisoners from giving gifts to each other, especially when they are released. [...] But we can restrict the use of such gifts. Still, [prisoners] remain legal subjects. (head of department, 2.2, Land C)*

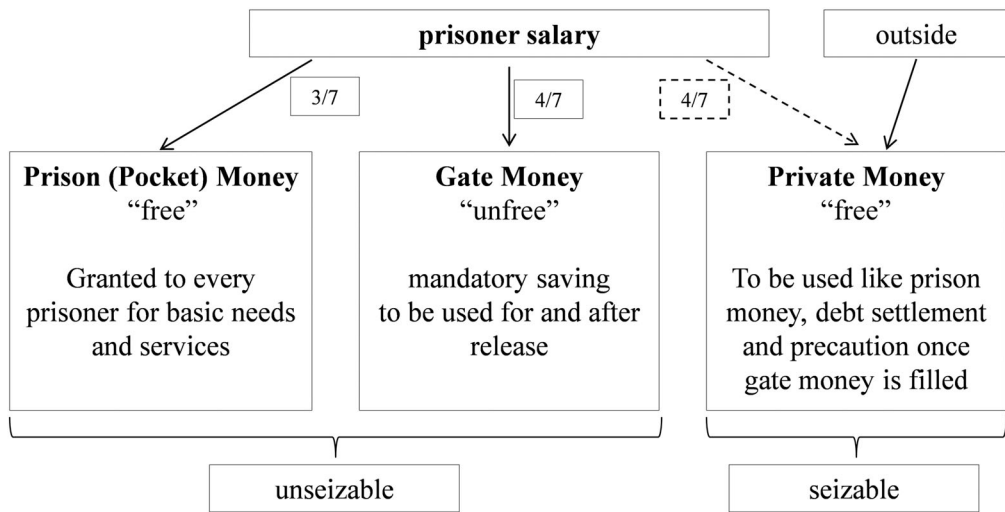
Prisoners have only restricted access to their private bank accounts. By sending transfer forms to their bank by mail, prisoners can still use their money outside of prison. However, as bought goods cannot be brought into prison, the money outside is only useful for business transactions, ongoing rents, alimonies, or other transfers to third persons. In addition, prisoners can transfer money to their personal *private money* account. However, this money can only be used within the prison and thus its use is limited and surveilled:

*Behind prison money is the idea that not everyone is rich and can receive money transfers [...] of let's say 2,000 Euros per month. If one could do so, he'd have someone who cleans for him, someone who cooks for him and would just pay them. [Through the accounts] everybody has the same amount of money. We are all equal. There are no dependent relations. This is also why we don't allow 'big trading'. This is what we call when the people trade TVs and DVD-players. Everything that is worth over 20 Euros cannot be passed on without our permission because we often suspect a trade deal and possibly also a dependency. (head of department, 2.2, Land A)*

Although prisoners do not lose their contractual capability or any legal rights concerning their finances, practical restraints render the running of a business and managing one's own financial situation from prison a rather difficult task. Prisoners can in principle still sign contracts and are allowed to take part in negotiations and decision-making. However, prison rules—no internet, no mobile phones, restrained visits, and others—complicate all transactions and strongly limit prisoners' contractual capacity. Paperwork, orders, and documents to sign all have to pass the prison administration and can easily take 1 week or longer to process. Prisoners on release in open prisons are much more flexible and can do their work nearly as they have done before besides restrictions such as not being allowed to leave the work place, be it for lunch, or a business meeting. The restriction of having no free access to money earned still remains.

As a result, prisoners in all types of prisons lose a large portion of their financial self-determination. All financial exchanges channeled through prisoner accounts are surveilled and controlled by the prison administration. Yet over time, gradually and through individuals' cooperative conduct, small bits of economic sovereignty are granted back to prisoners. For example, as we will describe in the next sections, prisoners may take part in controlled shopping experiences, settle debts, or participate in financial prudence measures.<sup>2</sup>





**FIGURE 1** System of prisoner accounts

## 5.2 | The system of prisoner accounts

All money earned by prisoners is administered within a system of three types of accounts: each prisoner has access to *prison money*, *gate money*, and *private money* (see Figure 1). Prison administrators refer to the accounts as “free” and “unfree” money, depending on whether or not the prisoners can decide (at least to a certain extent) on how to use it. The accounts also differ in whether creditors can claim payments from these accounts.

*Prison money* constitutes three sevenths of the income of working prisoners. This sum cannot be seized by creditors. This money can only be used within the facility and only in the form of vouchers, which should enforce legal consumption of goods within the prison; no cash is given out within the prison in order to keep transactions visible for prison administrators and to hamper the formation of a shadow economy. Prisoners are allowed to spend about 80–110 Euros per month in the prison’s supermarket, for orders from the prison’s shopping catalogue or for other services provided by prison facilities (such as laundry). Prisoners can also order from regular online providers with their prison money, but goods have to be approved (for example, TVs cannot be web enabled) and payments have to be made via the prison administration. Prisoners who are unable to work due to age, pregnancy, sickness, or other reasons and do not have sufficient *private money* are granted *pocket money* of roughly 30 Euros per month to be used within the prison.

In most federal states, four sevenths of the payments received by prisoners are mandatorily saved into a *gate money* account. Upon release, prisoners receive the sum saved, which corresponds approximately with 2 or 3 months of minimum living expenses. Gate money is intended to serve as a financial precaution and the “social security” (Deutscher Bundestag, 1983) of the released. It takes prisoners up to 2 years to save up the mandatory amount—average prison terms are less than 2 years long. Because *gate money* has come to replace social welfare in the first months after release, a few states have decided to abolish this specific account. Considering this, it would be more advantageous for prisoners to spend the gate money in prison and then receive social welfare directly after release. In states without *gate money*, earnings go directly to the *prison money* and the *private money* accounts. Yet, most federal states favor the gate money system to foster financial prudence, as it corresponds well to the popularity of numerous types of insurance, saving accounts, and financial retirement plans in the wider German public. Prisoners themselves also defend gate money accounts, for example, through petition activities (Schweikert & Lestingi, 2015).

*Private money* accounts hold the money that prisoners bring into their detention from outside. After the obligatory sum has been saved in the *gate money* account, everything going beyond the three-sevenths paid into the *prison money* account is transferred to the *private money* account. The money in this account, however, is seizable by creditors and

in addition to paying off debts, it also helps fulfil other types of financial obligations, such as alimony payments. In case prisoners do not have any further financial obligations, they can—under the above restrictions—use their “free money” as *prison money*, even outside of prison if a formal request to the prison administration is made. Additionally, every 3 months, prisoners are allowed extra-shopping with a separate, predefined amount of their free *private money* or from the *private money* they have received from outside.

### 5.3 | Prisoner accounts and conduct

Restrictions on prisoners’ finances differ from prisoner to prisoner, as accounts are directly linked to prisoners’ behavior and history. Favorable conduct is rewarded with increased financial choices, whereas misconduct is sanctioned with restrictions and detriments. In Land C, prisons have installed a bonus/malus system. Prisoners are divided into three groups, labeled “basic,” “developing,” and “probation,” depending on whether they cooperate, conform to the rules, and follow the goals defined in their individual sentence plan.<sup>3</sup> First-time detainees or those known as well behaving prisoners usually start detention in the second category—the “developing group”—and receive a vote of confidence from administrators who take a “leap of faith” (head of department 2.1, Land C) that they do not need to enter the “basic” group. Prison administrators described three aspects of prisoner behavior most relevant to decide to which treatment group they are assigned:

*The treatment category applied depends on an inmate’s behavior and we look at three different aspects of that. First of all, it is important whether an inmate is conspicuous in a disciplinary sense for the head of department [...] Then there is the work behavior, because it is a crucial issue according to penal law. [...] And the third aspect is the cooperativeness. How does he participate in the therapeutic measures defined in his sentence plan? (head of department 2.2, Land C)*

Problematic cases are categorized into the basic group and well-cooperating prisoners and/or prisoners close to release ideally work their way up to the probation group. The eligibility to make extra-shopping payments is one incentive for moving into a better group. Although prisoners in the probation group may use the daily work payment rate multiplied by a factor of 12 for extra shopping, the developing group allows the daily rate multiplied by the factor 10 and the basic group only allows the daily rate multiplied the factor 8. This currently amounts to 157.80 Euros for the probation group, 131.50 Euros for the development group, and 105.20 Euros in the basic group that may be spent on extra shopping. This system rewards compliant and responsible behavior with more financial freedom and choice—and disciplines deviant behavior with the stay in less privileged detention groups:

*We’re talking about the principle of alignment [see chapter 4] again. [...] If [the prisoner] believes that he needs to buy the sixth pair of sneakers outside from his welfare money and to eat crispbread for the rest of the month then it’s his decision. I’m doing the same in here [this department]. He can of course also choose to buy five pairs of sneakers from his private money. But he can also choose to do what the sentence plan says about the regulation of his debts. If he then buys the fifth pair of sneakers, I, as the head of department, tell him: ‘You’re not moving into the probation group, yet. Your sentence plan says debt settlement and you’re doing nothing for your creditors.’ (head of department 2.2, Land C)*

The stay in less privileged detention groups goes along with a less positive legal prognosis, which again affects the possibility of earlier release or the relaxation of sanctions. As one head of department explained to us, prisoners have a “duty of cooperation” (2.1, Land C) concerning the steps prescribed in their sentence plans. This includes conduct toward prison staff and other prisoners, work behavior, addictions, and his or her debt situation. When a prisoner participates in debt regulations, pays compensation for damages caused by his or her crime, and acquires techniques and

skills for handling everyday life issues through social training, increasing the chances for a positive prognosis. With this prognosis comes perhaps an earlier release:

*I have a catalogue with several criteria concerning different areas of life. By talking to the inmate and together with his or her records I estimate how things are going for the inmate. Is he/she for example good at handling money? How are his/her finances? And I make a judgment on the family situation, to gain a whole picture. And then I have reference tables that help me estimate whether the inmate has a higher or a lower risk of relapse. (psychologist 1.1, Land C)*

The system of prisoner accounts is not only used to motivate, but to urge detainees to work. Prisoners unwilling to work are sanctioned insofar as they receive no *pocket money*, in addition to paying detention costs of around 10 Euros per day. This means those unwilling to work “walk out of jail with a backpack full of debt” (deputy director 2, Land A). As one prison director puts it:

*When [a prisoner] refuses to work, we are not forcing him to, but then comes a disciplinary measure, then comes the detention costs [...] and that hits them hard of course. (prison director 1, Land A)*

Money is thus used as a disciplinary tool that sanctions deviant behavior, incentivizes prisoners to work, prescribes how to save money in a specific way, and forces prisoners to manage funds in various accounts. However, in order to avoid worsening the situation of the prisoners at release, sanctioning measures are not really enforced:

*We don't let them pile up more debt. We can't do that. Instead we of course see that we don't make things worse than they already are. With inmates who don't want to work, we would be nagging and complaining until they say 'I can try'. (prison director 2, Land C)*

Detention costs are therefore used as a threat rather than a real disciplinary measure. The actual disciplinary measure is the “obtrusiveness” (prison director 2, Land C) of the prison staff in relation to a prisoner’s surveilled economic conduct.

Although the effects of replacing free access to money through prisoner accounts are intended to prevent cover-ups or new offenses outside of prison, they are also used to prevent criminal or otherwise harmful activities within the prison. On the one hand, the replacement of cash by vouchers avoids internal trafficking and bribery, at least partly. On the other hand, through their individually assigned accounts—*prison money* or *pocket money* in particular—prisoners do not entirely lose touch with their own financial means, which can even have securing effects, as one interviewee describes:

*[Work] is in any case a structuring measure, that keeps the people from having stupid ideas and secures the prisoners a certain revenue. Otherwise they receive a pocket money, but this is nothing. When the people don't have money, they have to organize tobacco for themselves somehow. This supports subcultures as well as structures of oppression and structures of dependence. (Criminologist 1, Land A)*

The most basic function of the prisoner accounts is to channel all economic activities of prisoners into legal ways. Yet, the system of prisoner accounts is not only seen as a way to guide prisoners’ behavior through finances, but it is also intended to teach a form of financial literacy. This kind of financial literacy is augmented with citizen virtues that invoke a sense of economic responsibility and prudence aimed at facilitating prisoners’ resocialization. This extends the pedagogical impetus to address prisoners’ social affiliations and obligations, and thus renders prisoner accounts about much more than just calculative skills.

## 5.4 | Educating economically responsible citizens

The closed economy of a prison facility serves as a sort of “training field” (head of department, 2.2, Land C) for practicing the financial responsibilities (and possibilities) of the world outside of prison:

*As part of the social trainings that I do with inmates, I also do one unit on how they can handle their debt. That is also a personal expertise of mine. And of course I counsel them to a certain extent. That is part of the sentence plan when somebody has unpaid debt. For example, when somebody goes to work regularly and receives about 95 Euros prison money per month, this inmate could take the stance to say this money is unseizable. But as a head of department I can tell him: ‘Listen! With the job you are doing now, your gate money will probably be filled up in six months. Now you have 95 Euros at your disposal each month, and you trade them in for chocolate and coffee. You don’t even smoke! What about paying 5 Euros to the court cashier every month. That doesn’t hurt you and is only one pack of coffee less. But you are showing them that you are willing to pay [your debts].’ And then I again offer him the carrot and say: ‘Eventually you will have your gate money filled up and then they can confiscate 130 Euros per month [which continues to go to the seizable account of private money]. If you want to get rid of only one half of that amount, you are smart to make a deal with them to pay by instalments. You pay only half the amount because you have to buy some clothes for example. But this will only happen if you have proven your willingness to cooperate and pay before.’ That way I get them. But they are not forced to do so. (head of department, 2.2., Land C)*

A majority of prisoners are already in debt at the moment they are arrested. Many others incur debt at the latest once they are convicted, given the financial obligations they have for repaying the costs of the trial to the court cashier. Most prisoners are released with debt—very few because of work refusal, most because of earnings that are too little for their ongoing financial obligations. Due to this need, prisons propose debt counselling and training on how to responsibly use money as standard treatment measures:

*The regulation of debts, payments to the court or obtaining payment agreements are part of it. Sending pocket money to the children outside. We lead the inmates strongly into thinking for themselves: Do I need to buy these three tobacco packages or can I send ten Euros to my son outside? We do all of that with the social training in the departments. (head of department 2.3, Land C)*

The system of accounts forces prisoners to give up some responsibility until their overall situation stabilizes. Once treatment measures take effect and with the support of a coach, prisoners are urged, encouraged, and seduced to slowly take back control over their finances in a more responsible way than before. This includes debt repayment as well as social responsibilities to family members and friends. In this way, accounts are used to support therapeutic treatment measures in prisons:

*[The accounts] serve to control the economic behavior of inmates. To a certain extent that is intended to train him for his budget management outside [the prison]. He receives a small amount of money that is at his free disposal. He can decide what he wants to do with it. And at some point, when he has stayed a little longer, when the gate money is complete, he also receives that part of his money on top, which also trains his behavior. It is the same thing you usually do with children: you start with small amounts of pocket money that the child may use freely and can decide upon on his own. And later, at their confirmation for example, they have a big account, into which all relatives have paid some confirmation money, and then they can think about what they actually want to do with the money. ‘Buy a stereo system? [...] A bicycle? Or a moped? Or do I save it for my driving license?’ That has a similar effect! (head of department, 2.2, Land C)*

Further, earning money—no matter how restricted its use is—is seen as a therapeutic and resocializing measure in itself:

*Work is important and to have a structure, that is important, and an income of course, because money is also very important and very, very, very important for self-esteem. (head of department 3.1, Land A)*

To offer legal ways to spend their *prison money* or *pocket money*, all prisons provide their detainees special in-prison shopping facilities where certain groceries or care products can be bought. Available products undergo special checks to avoid typical misuse problems, such as injuring oneself or others, using the material to build weapons or tools, or using ingredients to produce alcohol, drugs, and other forbidden substances. All prisons cooperate with a specialized supplier. This “controlled shopping” takes place either once or twice a month through either a catalogue where prisoners can mark their choice or through so-called “sight shopping” (*Sichteinkauf*) in a real on-site store. Even though “sight shopping” is rather popular among prisoners as a monthly event, many prisons opt for the catalogue option. This is because there are enormous time- and personnel-consuming efforts necessary for implementing security measures that go along with “sight shopping.” Instead of cash, prisoners use a sort of voucher that states how much account money they have at their disposal.

In an attempt to make prison conditions resemble the outside world and train financial literacy for legal consumption, prisoners have to pay for telephone costs and for using washing machines or tumble dryers. With regard to responsabilization and money, prisons permit prisoners to wear their private clothes if they take care of (and pay for) the washing themselves. Even though EU law unconditionally allows prisoners to wear private clothing and although prisoners and practitioners constantly criticize that prisoners in Germany are forced to pay for such services, prison administrations justify their system by arguing that, in addition to saving costs, such measures responsabilize and educate prisoners, and thus foster resocialization. Finally, in some prisons, prisoners can use their *private* or *prison money* to buy or sometimes rent additional equipment and devices like televisions (when allowed), water cookers, or coffee machines for their cells. In Land B, where gate money was abolished, they justify the absence of this particular account with more financial responsibilities:

*Now the prisoners are obliged to prepare for their release already during their sentence. In that way, the responsibility of the prisoners is enlarged as they have to take care of being able to buy a ticket for public transportation or make sure that someone picks them up. Already during your stay in prison you have to make sure for yourself that you get home and that you get in touch with the authorities. (head of department 1.1, Land B)*

Prisoners in open prisons have a particularly privileged status. Open prisons let their prisoners leave the premises for work, family, and leisure on a strictly controlled but regular basis to facilitate their resocialization. Oftentimes the prisoners spend only their nights within the facility. Prerequisites for a transfer into an open prison are, for example, positive prognoses, short sentences, or flawless previous behavior during detention. Still, day release prisoners’ financial funds are managed through the prison system of accounts and through a binding prioritization list (outlining how to spend funds) set in penal law. For the use of their salary, day release prisoners are formally involved in negotiations with the prison administration and sign a so-called “payment plan.” Prison administrators also engage once prisoners receive job offers to avoid potential exploitation. Usually, prison administrators negotiate working hours and salaries with employers. Salaries are then transferred to the bank account of the prison (with reference to the prisoner’s name) and then forwarded to the respective prisoner accounts. Prison administration’s involvement highlights how transactions are still monitored by the prison, despite prisoners’ near complete restoration of financial control and increased freedom to participate in the outside economy. Though the degree of free choices and economic responsibility increases substantially if detainees cooperate, there are relative maximums for prisoners on day release.

## 6 | DISCUSSION

Our findings provide evidence of a sophisticated system for managing the flow of money in German prisons, which assigns financial accounts to individual prisoners. The arrangement of the accounts forces, urges, and seduces prisoners toward legal ways of consumption, financial self-reliance, prudence, and responsibility with the hopes of improving their chances of “functioning” as members of society after their sentence. In order to discuss these findings, we reflect on three roles of individualized accounts in the context of the German prison sector: First, we look at accounting as a way for public organizations to interact with individual service users; second, we explore how accounting is used with the aim to develop financial literacy (Bay, 2011, 2018) and citizen virtues that are intended to foster social inclusion; third, we reflect on accounting and the dynamic combination of different modes of power and subjectification in prisons (Miller & Rose, 2006).

First, to public sector accounting, this paper contributes an in-depth study of how accounting can become a socio-therapeutic technology used by public organizations for educating service users. The case of German prisons provides evidence for how state institutions use accounting to interact with individual citizens with the aim of fostering responsible economic citizenship and social inclusion. This research complements prior studies that have focused on the use of accounting for administrative processes and performance measurements within public organizations, such as prisons (Crowhurst & Harwich, 2016; Mennicken, 2013, 2014). It does so by exploring the role of accounting in interactions of public organizations with citizens—namely, as a correctional and pedagogic tool for governing prisoners. This paper thus contributes a detailed description of how accounting instruments have started to territorialize (Miller & Power, 2013) interactions between public organizations and service users, especially with the aim to facilitate their (re-)inclusion into society. The different types of personalized accounts provide concrete calculable objects for guiding prisoner’s conduct concerning legal consumption, financial prudence, and social responsibility. This territorialization, however, remains partial, as the physical space of the prison, the routines of openings and closings, and direct social interactions between prisoners and wardens remain in place. Yet, the system of accounts for controlling prisoners’ finances is a central element in these interactions. How prisoners behave financially, made visible through the system of accounts, is an important proxy for forecasting prisoners’ ability to reintegrate into society and to adjudge how to proceed, for example, in deciding whether prisoners should be transferred to open prisons or released early.

Second, the findings show how a system of different accounts is used as treatment measures for promoting a distinct form of financial literacy, which is linked to citizen virtues. This too serves as preparation and as a central proxy for determining a prisoner’s potential successful reintegration into society. Bay (2011, 2018) has already linked citizenship with financial responsibility and argued that this necessitates financial literacy, whereas the education of financial literacy comprises substantial elements of power. This prior literature focused on school education (Bay et al., 2014) and a TV show for educating indebted Swedish households (Bay, 2018). The case of German prisons shows how the concept of financial literacy can be useful in analyzing interactions between public organizations and service users. It reveals a distinct way in which prisoner accounts were enacted to inform detainees. Financial literacy is constructed in a basic form (small payments to decrease debts, minor restrictions on personal consumption to make transactions to family members, and saving up for at least the first weeks after release), which is considered to serve as a prerequisite for resocialization. Our analysis contributes to prior works by showing how financial literacy can comprise citizen virtues. The findings show how the three prisoner accounts are used to train prisoners in different citizen virtues: a legal form of consumption (*prison money*), financial prudence to prepare for the months after release and to bridge the transition phase back into society (*gate money*), and assuming more financial responsibility for one’s consumption, debts, and family (*private money*). By incorporating these three citizen virtues, the system of accounts serves as a central instrument in operationalizing the abstract, overall aim of resocialization as stated in the law.

Third, the case also illustrates the relation of different facets of power enacted in the system of prisoner accounts. Although prisons served as prime example for disciplinary power in Foucault’s (1977) work, the findings show how prisoner accounts can also serve to subject prisoners to postdisciplinary forms of power, extending the prisons’ repertoire of techniques to subjectivize prisoners. Prior research has shown how accounting can serve as a technology for

disciplinary power (Miller & O'Leary, 1987) but also for neo-liberal governmentality, where accounting facilitates the construction of individuals as entrepreneurs, entrepreneurial selves, or risk takers (Bröckling, 2016; Foucault, 2008; Rose, 1999; Weiskopf & Munro, 2011) that have become tokens for economic citizenship (Miller & O'Leary, 1994; Miller & Rose, 2006; Rose, 1999). Our findings contribute to this research by showing how these two forms of power combine in one accounting system and form a "multivalent and transformable framework" (Foucault, 2009, p. 35). This capacity of (prisoner) accounts to address, relate, and mediate between multiple dimensions and actors helps to address the wicked issues (Ferlie et al., 2011; Jacobs & Cuganesan, 2014) in the interaction between prisons and prisoners, part of which apply to all public organizations and their relation to their service users. The differentiation in subaccounts allows prisoners to pursue different aims simultaneously and to become part of a pedagogical and correctional system—one that is geared toward re-including deviant individuals back into a population of responsible market actors. Depending on the behavior of individual prisoners, the same system of accounts can dynamically shift to be used for disciplinary actions (e.g., restrictions on spending patterns); alternatively, if a delinquent cooperates, it can be used to transfer responsibility and open up possibilities for self-control and freedom (e.g., more flexibility in the use of funds, open custody, probation, and early release). It is the prisoner's "free" choice—yet within a set of given limits. With such means, prisons have expanded their repertoire away from legal codes and disciplinary mechanisms toward more neoliberal and complex forms of government. Although prisoner accounts render individuals equal, shape behavior, and discipline, they also serve to teach economic responsibility by drawing on the freedom ambitions and capacity for self-control of prisoners. Together prisoner accounts mediate between the life in prison and the future life outside; they prepare individuals for a kind of basic economic viability, which is in accordance with specific social values.

The seduction of prisoners to become better citizens raises some critical issues. Seduction is often inextricably linked to conviction and manipulation—as it is in the case of prisoner accounts. Prisoner accounts rely on indirect mechanisms to expand state power to correct prisoners' aspirations and will. It is usually not made explicit that accounting has become such an integrated part of a pedagogical apparatus, which might open the door for abuse in all sorts of interventions that used to be the exclusive domain of therapists or psychologists. For administrators and policy makers, this implies that the agenda inherent to accounting instruments, such as the prisoner accounts, should be made explicit and that accountability mechanisms, such as audits or second-order controls, that are linked to pedagogical and therapeutical expertise can be put into place to prevent abusive uses of the system.

Overall, the case analysis provides a variation on the theme of economic citizenship, which is usually linked to entrepreneurship, entrepreneurial selves, and risk takers (Bröckling, 2016; Foucault, 2008; Miller & O'Leary, 1994; Miller & Rose, 2006; Rose, 1999). The economic citizen, as reflected through the instrument of prisoner accounts, appears to be a market participant in the most basic and conservative sense: spending only earned money and what the system of accounts allows, focusing on the most basic needs of everyday life, paying off debts, avoiding new ones, and favoring financial prudence over risk. All restraining and normalizing rules attached to prisoner accounts produce the ideal of an economic citizen in its minimal viable form, rather than the idealized image of enterprising selves. Resocialization features economic reintegration with regard to the minimal economic skills and financial literacy necessary to live an independent life. Although criminals who have enriched themselves illegally might still count as enterprising selves, the "corrected" economic agency promoted by prisoner accounts aims at something else. Prisoner accounts set out to achieve a rudimentary basis for legal and economic survival, while also fostering a sense of responsibility for oneself and others. A follow-up of the actual effects of prisoner accounts on performance, conduct, and development of released prisoners could be promising issues for further research and possibly give evidence that prisoner accounts indeed foster resocialization by governing through freedom—even behind bars.

## ACKNOWLEDGMENTS

We gratefully acknowledge funding by the Deutsche Forschungsgemeinschaft (DFG) (Project No. 627097) under the Open Research Area Scheme (Project Title: QUAD – Quantification, Administrative Capacity, and Democracy). Earlier versions of this paper have been presented at the International Research Society for Public Management (IRSPM)

conference 2018 in Edinburgh as well as at the International EIASM Public Sector Management Conference 2018 in Lund where this paper has benefitted from all participants' comments, especially from Peter Triantafyllou, Henk ter Bogt, Anna Thomasson, and Sue Newberry. For their valuable inputs, we also want to thank our colleagues in Hamburg, Nadine Gerhardt, Claudia Meister-Scheytt, and Alexandra Palt. In particular, we want to thank Tobias Scheytt, Christian Huber, and Jacob Reilley for providing extensive and thorough feedback at all development stages of the manuscript. We also thank Jacob for his careful support in language editing. Very importantly, we would like to thank the two anonymous reviewers for their felicitous and encouraging comments helping us to improve and sharpen this paper's line of argument. Finally, we are especially grateful to all interviewees from the ministries of justice and prisons for their support that has made this study possible.

## NOTES

- <sup>1</sup> We choose the term "resocialization" over "rehabilitation," not only because this is the term used in the German prison sector, but also to highlight the integrative aspect of prison work. Former prisoners not only get rehabilitated in the sense that they have been washed off their criminal past through their sentence, but moreover they have to be prepared for re-entering society, an aspect we find to be well-translated in the term "resocialization."
- <sup>2</sup> We use the term "prudence" to describe what is called *Vorsorge* in German meaning preparing financially for retirement, inability to work due to sickness, and assuring oneself for all kinds of other risks life holds.
- <sup>3</sup> Sentence plans document the criminal history, progress, specific needs, educational background, and other relevant information on individual prisoners. Prison administrators cooperate with the prisoners in creating their individual sentence plan and updating it every 6 months. Sentence plans organize the treatment prisoners receive during their stay, such as language classes, anti-violence trainings, drug therapies, professional or scholarly education, and, particularly relevant with regard to prisoner accounts, debt counselling.

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**How to cite this article:** Iloga Balep N, Junne J. "Free" and "unfree" money in German prisons: The role of accounting in educating public service users. *Financial Acc & Man.* 2020;36:171–188. <https://doi.org/10.1111/faam.12228>

## APPENDIX

**TABLE A1** Overview of interviews

|   |           |
|---|-----------|
| <b>Total number of interviews:</b>  | <b>50</b> |
| Geographical spread   |           |
| Land A:   | 28        |
| Land B:   | 11        |
| Land C:   | 11        |
| System levels   |           |
| Management (prison directors/controllers):  | 16        |
| Management (heads of department):   | 21        |
| Other organizational members (psychologists, etc.)  | 1         |
| Formal regulatory actors (ministries):  | 7         |
| Other regulatory actors (criminological research institutes on federal and state level; other experts): | 5         |