Birth of Biopolitics

Chapters 9-12

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Lecture 9: 14 March 1979

I) Context for American neo-liberalism
   A) Shared with German neo-liberalism
      1) Opposition to New Deal / Keynesianism
      2) Post-war socialization / interventionism
         a) "Social pacts" w/ working class rather than international pacts with allies
         b) Fighting in war traded for social security (in broad sense: full employment, etc)
      3) Social programs up through Johnson's Great Society
   B) Unique features of American neoliberalism
      1) American liberalism was foundational from beginning of nation, back in 18th C
      2) Liberalism has been heart of political debate in US for 2 centuries
      3) Thus Keynesianism can appear as extraneous and threatening
         a) Appearing as "socialist" to the right
         b) And appearing as "imperialist and military state" to the left
   C) Thus American liberalism is not just a new theory, but a whole historical way of life
      1) It's a relation btw governors and governed rather than a technique of governors
      2) Thus liberalism appears as / exists as working out of problem of freedom
         a) Ambiguous, global claim for both right and left
         b) Utopian focus constantly revived (e.g., Hayek [later Nozick])
         c) Method of thought / grid of economic-sociological analysis

II) Theory of human capital as extension of economic analysis into previously unexplored [but still economic] domain [labor]
   A) Abstract labor
      1) Classical political economy didn't really explore labor [vs land and capital]
         a) Smith and Ricardo just reduce labor to time (= "neutralization" of nature of labor)
         b) Thus in Keynes labor is a passive factor awaiting activation via adequate investment
         c) And although the neoliberals never argue with Marx
            i) Because of "economic snobbery" ("minor post-Ricardian" etc.)
            ii) If they did, they'd see the same neutralization of labor
               a) Abstract labor = labor power measured in time
               b) Logic of capital is what reduces concrete labor to abstract labor to labor power
      2) Neo-liberals claim abstraction of labor
a) Is not due to "real capitalism"
   i) But only to economic theory of classical economics
   ii) In other words, there has never been a truly economic analysis of concrete labor
b) Thus a whole [Marxist] "anthropology" and "politics" of labor fills the void of what a
   truly economic analysis of concrete labor would have been

B) So neoliberalism = "essential epistemological transformation" changing domain of economics
1) Classical economics analyzes mechanisms of production / exchange / consumption
2) Neoliberals analyze "substitutable choices" (= scarce means w/ mutually exclusive ends)
   a) It's thus not analyzing relations btw things or processes
   b) But analyzing rational structure of a form of individual human behavior
3) So what is neoliberal / "scientific economic" analysis of labor?
   a) It's not seeing it as a factor of production in relation to capital
   b) But it's asking how worker uses the means available to him
      i) What is work as an economic activity, i.e., as a rational choice of means / ends
      ii) That is, how do we take the perspective of worker as an active economic subject?

C) Kernel of theory of human capital
1) If wage = income, and income = return on capital, what then is worker's capital?
2) It's the set of physical and psychological factors of the worker
   a) Worker now IS a machine for generating income
   b) Worker's capital is inseparable from his person, so it's not like other machines
      i) Opposed to labor power as commodity sold on market to enterprise capital
      ii) Worker is now his own enterprise

D) A new form of homo economicus
1) Difference btw classical and neoliberal conceptions
   a) Classical liberals: homo economicus = man of exchange / needs-based utility
   b) Neoliberals: homo economicus = self-entrepreneur [= self-capitalized machine]
2) Consequences: universal production [no more exchange / commodities] (cf. Anti-Oedipus)
   a) No more labor
      i) You don't exchange [commodified] labor power for wage
      ii) You produce a return on your capital
   b) No more consumption
      i) You don't consume commodities (gotten via exchange for wage)
      ii) You produce satisfaction

III) Theory of human capital as enabling possibility of economic analysis of what was previously
     thought to be non-economic [family time, genetics, education, etc]: imperialism of Economics
A) Innate elements [there are a lot of complex issues here; I'm just going to present what F says]
   1) Genetic analysis showing disease risk creates possibility that good genes are scarce resource
   2) And once we have scarcity, we can do an economic analysis of rational choices
      a) Cost / benefit analysis of genetic screening
      b) Qualifications on reproduction market (advertising your good genetic capital, etc.)
   3) So rather than / alongside traditional racism, we have economic / human capital analysis of
      a) Selective abortion
      b) Eugenics

B) Acquired elements
1) Forms of these acquired elements of human capital
   a) Educational investments
      i) Broader than just schooling
      ii) Thus also parental time investment (building qualitatively on *their* human capital)
   b) Medical care
   c) Mobility: cost / benefit analysis: migrants as investors looking to future returns
2) Consequences
   a) Obvious political consequences F doesn't name, but we can
      i) Privatization of public institutions in name of free choice
         (a) School vouchers
         (b) Health care, etc.
      ii) Eliminating social analysis of bad outcomes (IOW, "blaming the victim")
         (a) Poor individual choices regarding specialization
         (b) Poor impulse control regarding current consumption vs investment for future
         (c) Generalizable as "culture of poverty"
   b) But F's real interest lies in analysis of innovation
      i) Marx and others note the tendency of rate of profit to decline
      ii) Schumpeter notes how this is continuously corrected
         (a) Rosa Luxembourg provides imperialism analysis here
         (b) Schumpeter notes role of innovation
      iii) Neoliberals respond
         (a) We can't trust "innovation" as some ethical-econo-psychological characteristic
         (b) We have to see it as return on investments in human capital
            1. Analysis of post-war American / European / Japanese economies
            2. Analysis of Third World economies
            3. Analysis of European economic takeoff of 16th / 17th centuries

Lecture 10: 21 March 1979

I) German ordoliberalism and the ambiguous relation of society and economy
A) "Social policy": seemingly to protect fragile competitive market from society
   1) Objectives
      a) Avoiding centralization
      b) Encouraging medium-sized enterprises
      c) Support for craft enterprises, small business, etc
      d) Increase access to property ownership
      e) Individual insurance
      f) Environmental regulation
   2) "Economic-ethical ambiguity" of notion of "enterprise"
      a) Generalizing enterprise form throughout social fabric
         i) Thus individuals are not tied to one big firm ("company town" as extreme)
         ii) But lives in a "framework of a multiplicity of diverse enterprises"
            (a) Thus individual actions can be felt in those small firms
            (b) And individual is no longer dependent on any one firm
iii) Thus the individual becomes himself a "permanent and multiple enterprise"

b) But all this is done in order to compensate for "cold" / mechanical competition

i) Extending economic model supports "warm" cultural values

ii) = Vitalpolitik or "life policy" (vs cold, mechanical competition)

B) Conclusion: ordoliberal ambiguity = social policy for and against market

1) Protect market from state intervention done to respond to social pressures
2) Protect society from fragmentation via cold mechanism of competition

II) American neoliberalism is much more radical

A) Generalized economic analysis as grid of intelligibility of [traditionally non-economic] social relations / individual behavior

1) Human capital and mother / child relations
2) Birth rate as related to investment in human capital
   a) Compare neo-Darwinist discussion of different species "reproductive strategies"
   b) E.g., low investment / high birth rate vs high investment / low birth rate
3) Marriage as savings on transaction costs of individualized actions

B) Economic analysis as test of government action

1) American Enterprise Institute and cost-benefit analysis of public action
2) Analogy with positivist critique of ordinary language [bit of a tour de force here]
3) Contrast with classical liberal laissez-faire
   a) Classical liberals: market should be isolated from government interference [via rights]
   b) Neoliberals: market should constantly judge government
4) IOW, protect market from government AND refuse to protect government from market

III) Becker et al's analysis of criminality as example of these two analyses

A) Looks at first like a simple return to 18th reformers who also did cost / benefit analyses

1) 18th century reformers did a utility calculation and offered a legalistic solution
   a) Law reduced transaction costs and so was cheapest way of punishing people
   b) So we had overlap of homo penalis (exposed to legal punishment) and homo economicus
2) 19th century notices a paradoxical effect
   a) Law only sanctions acts or crimes but it's the criminal who must be punished
   b) Thus human science creation of homo criminalis and drift away from homo penalis
3) And so we have an "anthropology of crime" replacing mechanics of law

B) Neoliberal analysis: stick to homo economicus as subject of crime

1) Hypothetical neoliberal analysis of 18th C reformers: don't assume utility calculus can be done w/in a legal framework
2) Neoliberal analysis of crime
   a) Definition: crime = action that make individual run risk of penalty
      i) This is close to French penal code (objectively defined in terms of act)
      ii) But neoliberals adopt subjective perspective: what is rationality structure of choices?
   b) This subjective perspective
      i) Not psychology / anthropology
      ii) Just grid of intelligibility of individual qua homo economicus
3) What does this mean about homo economicus as subject / object of economic analysis?
   a) Doesn't mean we consider whole subject as nothing but homo economicus
   b) But it means we can analyze rationality structure of any human action
c) And thus individual becomes "governmentalizable" via economic analysis

C) Consequences of neoliberal analysis

1) Regarding crime
   a) No qualitative difference in crimes (parking infraction vs murder)
   b) No interrogation of criminal for moral / anthropological traits
   c) Criminal is just an investor / entrepreneur accepting risk in expectation of profit
   d) So the system doesn't deal with criminals, but acts on supply of crime

2) Regarding punishment
   a) = means employed to limit negative externalities of certain acts
   b) 18th C tried to connect
      i) Civil reparation
      ii) Individual correction
      iii) Prevention
   c) Neoliberals: two-fold aspect of law
      i) Prohibition with a certain cost of uttering it
      ii) Enforcement as providing "negative demand" to supply of crime
           (a) Quantity of punishment
           (b) Apparatus for detecting crimes
           (c) Judicial apparatus for convicting criminals
           (d) Speed and severity of judgment
           (e) Effectiveness of penalty
           (f) Modifiability of penalty

D) Analysis of "law enforcement"

1) Supply of crime is not indefinitely or uniformly elastic
   a) Shoplifting
      i) Easy to get some reduction
      ii) Very hard to get reductions past a certain point
   b) Crimes of passion
      i) Some would disappear w/ easier divorce
      ii) Others wouldn't be affected by divorce

2) Enforcement itself has costs and negative externalities
   a) Cost: law enforcement investment means less for other options
      i) 18th C aimed at total disappearance of crime
      ii) Neoliberals just want efficient intervention in crime market
           (a) Society is "consumer" (= producer) of conforming behavior
           (b) So we just want to balance supply and negative demand curves of crime
   b) Negative externalities:
      i) Neoliberals do not want / need elimination of crime
      ii) So they do not want / need exhaustive disciplinary / Panoptical society

E) Concrete example of drug market

1) Previous policy was to reduce drug supply
   a) Increased price of drug
   b) Favored monopoly / oligopoly effects of big dealers
   c) Pushes addicts to crime bcs of inelastic demand for some drugs
2) Neoliberal solution: Free up supply of drugs  
   a) Analysis  
      i) Categories of buyers  
         (a) Beginners with elastic demands  
         (b) Addicts with inelastic demands  
      ii) Attitude of pushers  
         (a) Low prices for beginners  
         (b) High prices for addicts  
   b) Policy  
      i) Price manipulations  
         (a) Make new consumer price as high as possible to discourage consumption  
         (b) Make addict price as low as possible to limit crime to pay for drugs  
      ii) Targets: new customers, small dealers, small trade  

F) Conclusion:  
   1) Anthropological erasure of criminal  
      a) No analysis of the "born criminal," the "pervert," etc.  
      b) Every criminal is "responsive" to possible gains / losses [cf. "rational psychopath"]  
   2) Type of society  
      a) Not a disciplinary / normalizing society  
      b) But a differential society  
         i) Fluctuating practices  
         ii) Minority individuals and practices are tolerated  
         iii) Action on rules of game rather than on players  
         iv) Environmental intervention rather than internal subjugation of individuals  

Lecture 11: 28 March 1979  

I) Recap of last week: extension of object of economic analysis  
   A) From neoclassical: any form of allocating scarce resources to alternative ends  
   B) To neoliberal universality:  
      1) From any employment of limited means to one end among others  
      2) To any strategic choice / rational conduct whatsoever  
      3) Or even, with Becker, to any action that "accepts reality"  
         a) That is any system that responds to environment in systematic way  
         b) Thus econ = study of systematic nature of response to environment  
         i) Integration with behaviorism and stimulus-response study  
         ii) F mentions Castel's *Psychiatric Society*  
   II) Relation of government and *homo economicus*  
   A) Background suggests *homo economicus* as resistant to 18-19th C government  
      1) For classical liberals, *homo economicus*  
         a) Pursues own interests which converge spontaneously w/ interests of others  
         b) Thus he must be left alone in order for the convergence of interests to work  
      2) For neoliberals, *homo economicus*  
         a) As responsive to environment
b) Is eminently manageable / governable

B) But F wants to show that homo economicus was correlate of liberal governmentality from start

1) Theory of subject in homo economicus
   a) Not defined by
      i) Freedom
      ii) Opposition of soul and body
      iii) As source of sinful desire
   b) But as subject of individual choices which are irreducible and non-transferable
      i) Irreducible: there is an end point to analysis in preference for non-painful
      ii) Non-transferable: choice made on basis of MY preference
   c) That is, as subject of interest: immediate and absolutely subjective will

2) Can this subject of interest be same as subject of juridical will?
   a) They may not be able to be assimilated, but they can be reconciled
      i) Social contract does this: interest is the empirical source of the contract
      ii) So the legal subject is a "purified" (i.e., rational / calculating) subject of interest
   b) Hume responds that this is confused
      i) Subject of interest is irreducible to subject of right
         (a) You enter the contract out of interest and you stay in contract out of interest
         (b) Subject of interest is "permanent condition" of functioning of subject of right
      ii) Logic of subject of right and subject of interests is different
         (a) Subject of right
            1. Has natural rights; acquires positive rights on basis of renouncing rights
            2. He is thus a "split subject"
         (b) Subject of interest is never split; never relinquishes his interest
            1. In fact only on this basis is there social benefit
            2. A "multiplying and beneficial value through intensification of interest"

3) Thus the economic subject and subject of right have different relation to political power
   a) So homo economicus appears in liberal governmentality
      i) Via economic thought which delimits zone free from political interference
      ii) That is, homo economicus is constituted by political economy critique of govt reason
   b) Not in liberal political thought (social contract theory)

III) Theory of the invisible hand as principle of political economy critique of governmental reason

A) Background
   1) Condorcet: take an individual interest embedded in society
      a) This interest is dependent on an infinite number of things
      b) Nevertheless, each individual effort serves good of all
   2) Homo economicus is thus embedded in "indefinite field of immanence"
      a) Doubly involuntary: accidents befalling him and benefits he provides to others
      b) Doubly indefinite:
         i) Accidents come from non-totalizable field
         ii) And benefits are also non-totalizable
   3) Thus positive nature of economic calculation depends on what eludes calculation

B) This structure of dependent / blind calculation is the meaning of the "invisible hand"
   1) Usual reading
a) This is just smuggled in providential God
b) Who occupies point of economic totalization / transparency / knowledge

2) F's reading of Smith: for invisible hand to bring about social good
a) Each actor MUST be blind to totality and so must ONLY pursue individual interest
b) And ALL political actors must be blind; sovereign cannot pretend to know
   i) Government cannot obstruct individual interest
   ii) Government cannot totalize knowledge of economy

3) Thus economic rationality is founded on unknowability of totality of economy
a) There must be a "multiplicity of points of view"
   i) They are irreducible to each other
   ii) Which assures their convergence
b) The multiplicity cannot be totalized: "economics is an atheistic discipline"

C) Thus economic rationality of liberalism "steals" essentials of that which sovereign rules over
   1) In other words, liberalism is founded on an "essential incompatibility"
      a) Non-totalizable multiplicity of economic subjects of interest
      b) Totalizing unity of juridical sovereign [who rules equally over all subjects of right]
   2) And therefore an "economic-juridical science" is impossible
   3) So here we have the possibility of political economy as critique of governmental reason
      a) Critique here in the Kantian sense: "limits and condition of possibility" of X
      b) Political economics says: no economic sovereign bes of its ignorance of totality
      c) We can thus analyze the debates over government planning / socialism in this light

IV) Conclusion: on a more restricted scale, we see political economy critique of police state
   A) Obviously, contra the mercantilist / administrative state which posits an economic sovereign
   B) But more interestingly contra the physiocrats, who agree that sovereign must not intervene
      1) But country is sovereign's property, so he has right to taxation
      2) The Economic Table allows sovereign to have exact knowledge of economy
         a) So the freedom of economic agents is justified
         b) By the total economic knowledge of the sovereign
      3) Sovereign explains to economic agents / shares his knowledge
   C) So it's physiocracy that Adam Smith opposes
      1) There can be no total economic knowledge possessed by sovereign
      2) Thus [classical liberal] political economy can establish economy as limit of government
      3) And so civil society and not economy will be object of liberal governmentality

Lecture 12: 4 April 1979

I) Intro: discussion of homo economicus (H E)
   A) Characteristics
      1) Non-substitutable and irreducible atom of interest
      2) Cannot be equated with or reduced to subject of right
      3) Does not have same dialectic as subject of right
         a) Subject of right enters contract w/ other subjects by renouncing / transferring some rights
         b) H E is part of economic domain by "dialectic of spontaneous multiplication"
   B) Results for relation of H E to political (sovereign) power
1) Subject of right limits sovereign power

2) He strips sovereign of power by revealing inability to master economic field
   a) In Middle Ages through 17th C, God's intentions were inscrutable
   b) Now it's the economic realm that is "impenetrable" to sovereign knowledge

C) Two solutions to this stripping of sovereign power over economy
   1) The solutions:
      a) The "geographic" solution:
         i) Market is free space where sovereign cannot enter
         ii) Same raison d'Etat, just with one zone subtracted
      b) Physiocratic solution: sovereign will exercise a different kind of power over market
         i) He will recognize its reality, the way a geometer recognizes geometrical reality
         ii) From political activity to theoretical passivity
   2) These two solutions: only a "theoretical and programmatic virtuality" never applied in history
      a) Art of government must be exercised in space of sovereignty
      b) But this space is occupied by economic subjects, not juridical subjects
      c) So how can sovereign avoid being reduced to leaving them alone or being only a geometer?
         i) Juridical theory cannot help here
         ii) New object / new plane of reference needed to constitute new correlate of art of govt
            (a) New ensemble enveloping both subject of right and economic actor
            (b) As aspects that can be integrated by virtue of belonging to a complex whole

D) Civil society as new object of governing in order to maintain unity / activity of governing
   1) Need for new object for government faced with economic reality
      a) To avoid split into juridical action and economic passivity
      b) Or to avoid being reduced to observing "geometer"
   2) The art of government requires a new object: civil society

II) Civil society as correlate of technology of government:
   A) Preliminary discussion
      1) Definition
         a) It's the juridical structure of government pegged to economic structure
         b) HE = abstract / ideal / purely economic point inhabiting complex reality of civil society
      2) Ontological status
         a) NOT a historical-natural given that is foundation of and source of opposition to state
         b) IOW, civil society is a "transactional reality" like madness or sexuality
            i) Have not always existed
            ii) Are born from interplay of relations of power and everything which eludes them
   B) To illustrate this historical genesis, F discusses change in nature of civil society in 18th C
      1) Preliminary discussion
         a) In Locke, civil society = society w/ a juridical-political structure
         b) With entry on scene of political economy, civil society changes
      2) Ferguson's text: Essay on the History of Civil Society: civil society has 4 aspects
         a) As an historical-natural constant
            i) Human nature is historical, because human nature is social
            ii) Social bonds are spontaneous and inevitable
            iii) So we can find state of nature in civilization as well as in "primitives"
iv) But this also means we never find "pure" / "simple" state of nature

b) As assuring spontaneous synthesis of individuals via economic bond that threatens it

i) Not a mechanism for exchange of rights

ii) But a mechanism of "immediate multiplication"
   a) Distinct interplay of non-egoist, disinterested interests wider than egoism
   b) Non-local bonds among economic subjects
      1. No localization in global market
      2. But bonds of sympathy are local

iii) So civil society is formed of ensembles / communities (not all of humanity)

iv) Ambiguous position of economic bonds
   a) Civil society is formal medium of non-local economic bonds
   b) But economic bond = "principle of dissociation" vs. local sentimental bonds

c) As permanent matrix of political power

i) Civil society plays role of a spontaneous social contract

ii) Thus no need to surrender rights, since there is a spontaneous formation of power
   a) De facto bond linking concrete individuals
   b) Whose differences are expressed in division of labor in decision-making process
   c) IOW, some spontaneously "assume" power by virtue of their "talents"
   d) So power exists before it is legitimated

d) As "motor of history"

i) Opposing principles
   a) Spontaneous synthesis / subordination provides hypothesis of stable equilibrium
   b) But also dissociation and hence disequilibrium
      1. Via egoism of power
      2. Via egoism of economic action of H E

ii) It's the latter that produces movement of history
   a) Example
      1. Savagery =
         a. Society w/o property
         b. Only beginnings of subordination
      2. Barbarism = new economic-political institutions
         a. Not yet governed by laws
         b. But by personal relations (patron – client; master – servant; etc.)
   b) Discussion
      1. Global synchronic [emergent] results from individual blind action
      2. Also diachronic emergence as historical progress via blind egoistic interest

3) Conclusion: three elements of civil society as markers of "new system of political thought"

a) Domain of non-juridical social relations

b) Articulation of history and the social bond

i) Non-degenerative history

ii) But constantly renewed / innovative history
   a) New social fabric / relations
   b) New economic structures
   c) New types of government
c) Internal and complex relation of social bond and government
   i) Government as organic component of social bond
   ii) Social bond as organic feature of form of authority

III) Conclusion as opening a series of problems

   A) Civil society enables us to avoid theoretical / juridical problem of original constitution of society
      1) Posing the problem of relation of society and state
         a) Old problem:
            i) How to find juridical form at origin of society
            ii) In order to delimit power in advance
         b) New problem:
            i) We have an existing society w/ subordination
            ii) How to regulate power in such a society?
      2) Possible solutions
         a) State as a dimension of civil society
         b) State as a historical stage in development of society
         c) State as characteristic of a type of society
         d) State as self-consciousness / ethical realization of civil society (Hegel)

   B) Problem of civil society in concrete cases
      1) Germany: how can civil society support the state?
      2) England: the problem is in terms of government rather than state
         a) Does civil society really need a government?
         b) Thomas Paine [question of anarchism]
      3) France: what is status of Third Estate as vector of history?

   C) Does civil society bring about a "redistribution" of governmental reason?
      1) Middle Ages: limit government power by appeal to
         a) Wisdom of person who governs
         b) = knowledge of human / divine order
         c) A matter of truth
            i) Religious texts
            ii) Divine revelation
            iii) Order of world
      2) 16\textsuperscript{th} / 17\textsuperscript{th} C: raison d'Etat:
         a) Calculation of power on basis of force / wealth / relations etc.
         b) No longer indexed to truth, but to rationality
            i) Raison d'Etat as rationality of the sovereign himself
               (a) Juridical problem: who is the sovereign?
               (b) Factual problem: how to exercise this power on economic processes?
                  1. Sovereign power is unitary and totalizing ("bird's-eye view")
                  2. But economic processes are a non-totalizable multiplicity
            c) Liberalism: how to model government on rationality of subjects of interest?
               i) Inversion: no longer government based on rationality of the governor / sovereign
               ii) But now rationality of governed is regulating principle of rationality of government

   D) F's constant warning: notice the entanglements of history!
      1) The three forms of government rationality (truth / sovereignty / liberalism) are not successive
2) But entangled / coexisting
   a) National / statist politics still abides by rationality of governing sovereign
   b) Marxism still abides by rationality of a truth revealing itself in history
   c) Liberalism abides by rationality of economic agents / the governed
3) And thus these three forms constitute object of political debate / struggle for last 2 centuries