

FOUCAULT ON NEOLIBERALISM AND THE ART OF GOVERNING

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In conducting his genealogy of governmentality as a mode of social power, Foucault begins with an analysis of "pastoral power" in Christian history as a concern with both the individual and the whole. After distinguishing the Christian pastorate from the theme of the shepherd of men in Hebrew and Greek thought, Foucault dwells on the famous paradoxes of the good shepherd: he must care for the whole flock, but he must also leave the whole flock to tend to the lost sheep, whose individual salvation is his task. Foucault thus established pastoral power as one of the historically first individualizing practices, the grid by which he had previously analyzed the human sciences, which come into being with 19th century disciplinary society (STP 132F / 128E).

We should recall that the move to governmentality is a move "outside" the state. In this way, Foucault can show the great turning point (*péripétie*) that is the "statification" (*étatisation*) of governmentality (STP 253F / 248E). The first great episode here is the administrative / absolute state and its political rationality of *raison d'Etat*, analyzed in *Sécurité, territoire, population*. This is only a nascent form of the political art of governing men, as it is still caught in the paradigm of sovereignty (STP 105F / 102E). As reflected in *raison d'Etat*, the art of government is directed not to the well-being of

each individual, but to the growth of the State to its full potential in strength and wealth, justifying controlling interventions by means of discipline, mercantilist regulation, and police. Although still caught up with sovereignty, *raison d'Etat* as promulgated by the *politiques* can be contrasted with the medieval / juridical notion of sovereignty with its concerns with legitimate origins (precisely what was contested by race war theory) and with salvation of men in the afterworld by the action of the wise prince who acts in accordance with natural, cosmic, and divine law, what Foucault will call a "cosmological-theological continuum" (STP 239F / 232-34E) or "cosmological-theological framework [*cadre*]" (STP 356-57F / 349E)

Nascent liberalism as seen in the 18th century physiocratic critiques of the regulatory and administrative police state is still within the ambit of *raison d'Etat*, though modified in important ways. First, by the naturalness of social processes and by the way civil society is brought forth as the correlate of the state wishing precisely to provide the freedom for operation needed by those processes (STP 357F / 349E). Second, by the birth of political economy as a science which is independent of the state's knowledge of itself and yet needing to be taken into account by the state (3528-58F / 350-51E). Third, by the way population emerges as new problematic object so that the natural population and natural economic processes entail limits on state governmental intervention as control.¹ The physiocratic state's art of government must now manage and no longer control through rules and regulation; this management aims to remove artificial impediments and to let natural processes work (359-60F / 351-52E). Finally, we see that for the physiocrats, the problematic of freedom is not simply that of the rights of individuals over against sovereign power, but also the freedom of economic activity, the circulation

of goods and people in urban space, and the action of markets (361F / 353E). The key, as we can see, is that with the development of political economy in its first, physiocratic, phase, we find the establishment of population as a correlative reality with its own natural thickness and mechanisms; population is thus the "operator" in the transformation (78-81F / 76-79E). A final note is important: the physiocratic art of government has a complete knowledge of the economy (NB 288F / 285E), and it is directed to releasing natural economic mechanisms via apparatuses of "security," which Foucault examines in terms of treatment of *disette* or "dearth," contrasting them with mercantilist regulation (STP 50F / 47E).

Classical liberalism then challenges physiocracy by showing the inability of the sovereign to have full knowledge of the economy. Foucault demonstrates this with a wonderful reading of the metaphor of the invisible hand in Adam Smith's work (NB 283-86F / 278-81E). The culmination of Foucault's analysis gives us the astonishing prospect of a Deleuzian liberalism, as seen in the "atheistic" character of its demonstration of "the impossibility of a sovereign point of view over the totality of the state." We can do no more than note the following as deserving of much further study: "Liberalism acquired its modern shape precisely with the formulation of this essential incompatibility between the non-totalizable multiplicity of economic subjects of interest and the totalizing unity of the juridical sovereign" (NB 286F / 282E).² Postponing the vast work this sentence imposes on us, we see the upshot of this cleavage between irreducible economic multiplicity and totalizing sovereignty in government's self-limitation and the creation of a zone of non-intervention, the famous *laissez-faire*, which is designed to allow natural market

mechanisms to function as based on the natural inclinations of *homo economicus* to exchange with others.

Neoliberalism, however, Foucault insists, is something other than liberalism (NB 136F / 130-131E); neoliberals "break" [*rompent*] with classical liberalism (NB 123F / 119E); we must "avoid at all costs" seeing neoliberalism as a mere "repetition" of classical liberalism after a Keynesian interlude (NB 136F / 131E). So for Foucault neoliberalism is a modification of the art of governing as an exercise of political sovereignty; it is another turning point in the history of the state seen through the grid of governmentality. Its novelty consists in an interventionist state which creates conditions for the artificial or purely competitive market in which *homo economicus* makes choices as rational self-entrepreneur.³

For Foucault, neoliberal macroeconomics is not so much a shift from the Keynesian objective of full employment to the monetarist control of inflation (although it does of course entail that as well), as it is a change in government's relation to market structure. For classical liberals, the market was a natural mechanism for the exchange of commodities. For the neoliberals, the market is an ideal structure of competition, fragile and in need of construction and support. Thus neoliberalism is not laissez-faire, but interventionist, though neoliberal intervention into society occurs at the level of the conditions of market, and its intervention must take the form of the "rule of law" (176-179F / 171-174E).

Let us repeat the key contrast. Classical liberals want the market to be a free natural zone where government can't interfere, precisely to let the invisible hand provide

for social benefits from individual self-interest. There's a whole anthropology here of the natural *homo economicus* as only an abstraction from concrete man living in civil society, of which the juridical subject is another abstraction. But the important thing for classical liberals, ignored by the neoliberals, is the Smithian analysis of moral sentiments and the need for government to provide the moral framework that the market erodes.⁴ So the classical liberal formula is "protect the market from government in order to allow social benefits from natural exchange."⁵ The neoliberals say we must proceed on two paths: (1) we must have government intervention at the level of the conditions of the market in order (2) to spread the enterprise form throughout the social fabric. So the neoliberal formula here is "use government to change society to constitute an artificial and fragile market."

For Foucault, the American neoliberals are more radical than their German counterparts. They share the desire to intervene at the level of market conditions to support fragile competition. But for government / market relations they also want to refuse to shield government from market relations: they want to submit all government actions to cost-benefit analysis. But this is just macro-level reflection of the move to insert market relations throughout the social fabric. This is not simply the drive to privatize government services; it also entails making the surviving government agencies into enterprises, so that we must ask what is bottom the line for, in the American system, agencies such as Amtrak, the Post Office, the National Parks, and so on). And this is not just the drive to make any multi-unit organization into a collection of enterprises (each department in a university has its own bottom line and its own contribution to the

university bottom line: e.g., loss of subventions for university presses). It goes further than that: each individual becomes an enterprise, a self-entrepreneur.

CONCLUSION: NEOLIBERALISM AS MODE OF SUBJECTIFICATION

To conclude, we can mark the differences of Foucault's reading from the class struggle reading of neoliberalism in David Harvey, *A Brief History of Neoliberalism* (Oxford University Press, 2005). Among the major differences between the two is Harvey's emphasis on macroeconomics, in which the turn from Keynesian full employment commitments to monetarist control of inflation serves to discipline the working class (*Brief History* 25). Although Foucault certainly notes this aspect of neoliberalism, it is not a major focus (NB 145F / 139E), no doubt partially because his lectures predate the savage hike in interest rates by US Federal Reserve chairman Paul Volcker in 1981 on which Harvey focuses.

Another key difference between Foucault and Harvey is the latter's claim that neoliberalism adhered to "free market principles of neo-classical economics" and hence was "deeply opposed to state interventionist theories, such as those of John Maynard Keynes" (*Brief History* 20). As we have seen, Foucault insists that the neoliberal state is intensely interventionist and not at all devoted to *laissez-faire*; the key is to distinguish between Keynesian interventions *into the market* and its price mechanism (by stimulating effective demand via state purchases of goods and services, for instance) and neoliberal interventions *into society* to set up the conditions for competitive markets.

But perhaps the most striking difference between the two is revealed by Harvey's claim that neoliberal states treat "labour and the environment as mere commodities" (*Brief History* 70). This classical political economy standpoint cannot be reconciled with Foucault's treatment of Gary Becker's human capital theory, which undercuts the (Marxist) treatment of commodified labor power and enables Foucault to inscribe neoliberal governmentality in his history of subjectification practices. In other words, for Foucault, neoliberal governmentality conducts our conduct by inducing us to subjectify ourselves as self-entrepreneurs concerned with obtaining a return on our human capital (NB 227-232F / 221-226E).⁶

So for Foucault, we best see the radicality of American neoliberalism by concentrating on its mode of subjectification. And the most radical mode of *homo economicus* is reached when the self-entrepreneur takes up the challenge of managing its genetic capital.⁷ Although Foucault felt the need to apologize for introducing the "science fiction" aspects of genetic capital (NB 233-235F / 226-229E), we are now deep into an era in which "biocapital" is an unavoidable horizon for social-political-economic analysis; as we might expect, these analyses invariably take Foucault as one of their starting points.⁸

¹ In the administrative / mercantilist / police state, population was still a negative term,

² We would have to consider the relations of Foucault's notion of liberalism and Deleuze and Guattari's notions of deterritorializing and decoding, but axiomatizing, capitalism in *L'Anti-Œdipe* and *Mille Plateaux*. For a beginning on this task, see Eugene Holland, *Deleuze and Guattari's Anti-Oedipus: Introduction to Schizoanalysis*. New York: Routledge, 1999).

³ The secondary literature on Foucault and neoliberalism is already extensive. Among the major texts are Graham Burchell, "Peculiar interests: civil society and 'governing the system of natural liberty,'" in Graham Burchell, Colin Gordon and Peter Miller (eds), *The Foucault Effect: Studies in Governmentality* (Chicago: University of Chicago Press, 1991): 119–50; Barbara Cruikshank, "Revolutions within: self-government and self-esteem," in Andrew Barry, Thomas Osborne and Nikolas Rose (eds), *Foucault and Political Reason: Liberalism, Neo-Liberalism and Rationalities of Government* (Chicago: University of Chicago Press, 1996): 231–51; Nikolas Rose, "Governing 'advanced' liberal democracies,'" in Andrew Barry, Thomas Osborne and Nikolas Rose (eds), *Foucault and Political Reason: Liberalism, Neo-liberalism and Rationalities of Government* (Chicago: University of Chicago Press, 1996): 37–64; Maria Bonnafous-Boucher, *Un libéralisme sans liberté* (Paris: L'Harmattan, 2001); Thomas Lemke, "The Birth of Bio-Politics—Michel Foucault's Lecture at the Collège de France on Neo-Liberal Governmentality." *Economy & Society* 30.2 (2001): 190-207; Jacques Donzelot, "Michel Foucault and liberal intelligence." *Economy and Society* 37.1 (2008): 115-34.

⁴ S. M. Amadae, *Rationalizing Capitalist Democracy: The Cold War Origins of Rational Choice Liberalism* (Chicago: University of Chicago Press, 2003).

⁵ Conversely, the Keynesians say: embed market in society, because the government must protect society from the bad social effects caused by laissez-faire as creating a zone of market freedom. The problem for the Keynesians is the anthropology of the classical liberals, which doesn't take into account animal spirits as they differ in the entrepreneur vs speculator. So we need government support for effective demand.

⁶ Jason Read, "A Genealogy of Homo-Economicus: Neoliberalism and the Production of Subjectivity." *Foucault Studies* 6 (February 2009): 25-36

⁷ Kevin Thompson, "The Spiritual Disciplines of Biopower." *Radical Philosophy Review* 7 (2004): 59-76.

⁸ The field of "biocapital" studies is both important and expanding. Among others see Nikolas Rose, *The Politics of Life Itself: Biomedicine, Power, and Subjectivity in the Twenty-First Century* (Princeton: Princeton University Press, 2007); Kaushik Sunder Rajan, *Biocapital: The Constitution of Postgenomic Life* (Durham: Duke University Press, 2006); and Melinda Cooper, *Life as Surplus: Biotechnology & Capitalism in the Neoliberal Era* (Seattle: University of Washington Press, 2008). Cooper reminds us that Chicago School neoliberals are still beholden to neoclassical concepts of market equilibrium and constrained utility maximization. We clearly see this as basis for Becker's human capital model, which assumes that households produce commodities by combining market goods and time "in quantities determined by maximizing a utility function of the commodity set subject to prices and a constraint on resources" (Gary S Becker, "A Theory of the Allocation of Time," *The Economic Journal* 75.299 [Sept

1965]: 493-517, at 516). Cooper points to the importance of non-equilibrium models within neoliberalism's biocapital and derivatives markets, which each involve bets on a multifactorial future. For a daring attempt to isolate a logic here that also includes Bush-Cheney era US imperialism, see Randy Martin, *An Empire of Indifference: American War and the Financial Logic of Risk Management* (Durham: Duke University Press, 2007).