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# **Michel Foucault's *The Birth of Biopolitics* and Contemporary Neo-Liberalism Debates**

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## **ABSTRACT**

Neo-liberalism has become one of the boom concepts of our time. From its original reference point as a descriptor of the economics of the “Chicago School” or authors such as Friedrich von Hayek, neo-liberalism has become an all-purpose descriptor, explanatory device and basis for social critique. This presentation evaluates Michel Foucault’s 1978-79 lectures, published as *The Birth of Biopolitics*, to consider how he used the term neo-liberalism, and how this equates with its current uses in critical social and cultural theory. It will be argued that Foucault did not understand neo-liberalism as a dominant ideology in these lectures, but rather as marking a point of inflection in the historical evolution of liberal political philosophies of government. It will also be argued that his interpretation of neo-liberalism was more nuanced and more comparative than more recent contributions, and points towards an attempt to theorise comparative historical models of liberal capitalism.

## **KEYWORDS**

Neo-liberalism; Foucault; governmentality; markets; enterprise.

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## **Michel Foucault's *The Birth of Biopolitics* and Contemporary Neo-Liberalism Debates**

### **The Neo-Liberalism Boom**

The term *neo-liberalism* has been one of the great academic growth concepts of recent years. Boas and Gans-Morse (2009) observed that from only a handful of references in the 1980s, the term's usage exploded in the 2000s to the point where it appeared in 1,000 social science academic articles annually between 2002 and 2005 (Boas and Morse, 2009: 138). Similarly, Kipnis (2007) found that in the field of cultural anthropology, 35 per cent of articles in the journals *American Ethnologist* and *Cultural Anthropology* used the term between 2002 and 2005, while less than 10 per cent of articles used the term in the ten years prior to 2002. The frequency of use has not for the most part been matched by greater precision in definition: Boas and Gans-Morse observed that 'the term is effectively used in different ways, such that its appearance in any given article offers little clue as to what it actually means' (Boas and Gans-Morse, 2009: 139). Mudge (2008: 705) has described it as 'an oft-used term that can mean many things'. While early theorists such as Andrew Gamble pointed to the need to avoid 'a tendency to reify neo-liberalism and to treat it as a phenomenon which manifests itself everywhere and in everything' (Gamble, 2001: 134), this does indeed seem to have happened in the academic literature on the concept. To take a small smattering of examples from a

voluminous literature, neo-liberalism has been associated with: the rising popularity of Bollywood-style weddings (Kapur, 2009); the prevalence of violence in recent Australian cinema (Stratton, 2009); the financial difficulties of the University of California (Butler, 2009); the death of politics (Giroux, 2005); standardised national educational curricula and national testing (Apple, 2004); the privileging of access to databases over space for books in Australian public libraries (McQueen, 2009); and the performative sexuality of the character of Mr. Garrison in the animated comedy series *South Park* (Gournelos, 2009). In the cultural studies literature, neo-liberalism has been presented as the *deux ex machina* lying behind the rise of creative industries discourse, which has ‘understood people exclusively through the precepts of selfishness [and] it exercised power on people by governing them through market imperatives’ (Miller, 2009: 271; c.f. Hesmondhalgh, 2007; Freedman, 2008; Miller, 2010). It has also frequently been applied to critiques of reality television, such as McGuigan’s analysis of the rise of ‘cool capitalism’ as promoted through reality TV shows such as *The Apprentice* (McGuigan, 2009), and Ouellette and Hay’s argument that reality television programs promote neo-liberal subjectivities in a ‘post-welfare state’ (Ouellette and Hay, 2008).

With this proliferation of uses of the term, neo-liberalism has increasingly functioned as a rhetorical device, and one which, as Boas and Gans-Morse observe, has acquired a *negative normative valence*: it refers to the bad ideas held by others. While the origins of the term can be found in economic literature, here it is ‘used frequently by those who are critical of free markets, but rarely by those who view marketisation more positively ... in part ... because neo-liberalism has come to signify a radical form of market

fundamentalism with which no one wants to be associated' (Boas and Gans-Morse, 2009: 138). This negative normative valence sits alongside the problem that, as Donald Nonini puts it, 'the term "neo-liberal" has recently appeared so frequently, and been applied with such abandon, that it risks being used to refer to almost any political, economic, social or cultural process associated with contemporary capitalism' (Nonini, 2008: 149). The cost of developing a term so ambiguous is that it 'allows discursive coalitions of the like-minded to form without the troublesome bother of having to clarify what exactly it is they oppose or are critical of' (Nonini, 2008: 149). It can also lead to reification of concepts and a reduction of complexities and multiplicities to a kind of all or nothing phenomenon: you either have bad neo-liberalism or a largely undefined good society. China scholars such as Kipnis (2007) and Nonini (2008) see the problem with the use of the term in the Chinese context, perhaps most famously in David Harvey's (2005) description of post-1978 China as 'neo-liberalism with Chinese characteristics', is that it conflates the important phenomenon of the rise of market capitalism in post-1978 China with claims about the rise of neo-liberalism as a dominant ideology in China that they seriously doubt. The tendency for the term to be used in essentially negative and normative terms is seen in Wendy Brown's equation of neo-liberalism with 'a radically free market: maximised competition and free trade achieved through economic de-regulation ... and a range of monetary and social policies favorable to business and indifferent toward poverty, social deracination, cultural decimation, long term resource depletion and environmental destruction' (Brown, 2003).

The best-known definition of *neo-liberalism* is the Marxist one, as developed by David Harvey:

A theory of political economic practices that proposes that human wellbeing can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterised by strong private property rights, free market, and free trade. The role of the state is to create and preserve an institutional framework appropriate to such practices (Harvey, 2005: 2).

Here, neo-liberalism is understood as a global ideological project with its roots in the United States and Great Britain, that has aimed to shift power and resources to corporations and wealthy elites through the privatisation of public assets, removal of ‘public interest’ regulations over large corporations, and tax cuts targeted towards the highest income earners. Such principles were advanced through the global system by international institutions such as the World Bank and the International Monetary Fund, through which *neo-liberal globalization* emerged, defined by Scholte (2005b) as ‘an economically driven process that should proceed on first principles of private property and uninhibited market forces’, and where ‘other economic rules and institutions are reduced to a minimum’ (Scholte, 2005b: 1). Fuchs has argued that ‘the capitalist nation-state has been transformed ... into a neo-liberal competitive state’, whose consequences have included ‘one the one hand the extension and intensification of economic colonization – the commodification of everything – and ... the extension and intensification of alienation – the almost entire loss of control over economic property,

political decision making, and value definition ... in all realms of life' (Fuchs, 2008: 108-109).

There are two branches within this broad church of critics of neo-liberalism. For Harvey, Scholte, Fuchs and others, neo-liberalism can be understood in more or less straightforwardly Marxist terms, as an ideology imposed on behalf of dominant class and big business interests through their control over the state and public policy, whether directly through explicitly pro-market governments such as the Conservatives in Britain or the Republican Party in the U.S., or by "Third Way" administrations such as those of the Clinton Democrats and the British "New Labour" governments of Tony Blair and Gordon Brown. For others, such as Jodi Dean (2008), Wendy Brown (2003, 2006) and Toby Miller (2009, 2010), neo-liberalism is understood through a synthesis of neo-Marxist critiques of political economy with the later work of Michel Foucault on governmentality and liberal political rationality (Foucault, 1991, 2008). Dean draws upon Foucault to argue that neo-liberalism 'inverts the early [liberal] model of the state as a limiting, external principle supervising the market to make the market form itself the regulative principle underlying the state', thereby 'reformatting social and political life in terms of its ideal of competition within markets' (Dean, 2008: 48, 49). Brown has argued that 'neo-liberalism casts the political and social spheres both as appropriately dominated by market concerns and as themselves organised by market rationality ... the state itself must construct and construe itself in market terms, as well as develop policies and promulgate a political culture that figures citizens exhaustively as rational economic actors in every sphere of life' (Brown, 2006: 694). Miller proposed that the 'grand



contradiction of neo-liberalism was its passion for intervention in the name of non-intervention ... hailing freedom as a natural basis for life that could only function with the heavy hand of policing by government to administer property relations' (Miller, 2010: 56).

This latter group of authors rightly identify the analysis developed by Michel Foucault in his 1978-79 lectures at the College de France, published as *The Birth of Biopolitics* (Foucault, 2008) as being ahead of its time in its interest in neo-liberalism. Foucault's interest in the German *Ordoliberal* theorists and the economists of the Chicago School in the U.S. identifies a development in the history of ideas that was only beginning to be noted in the 1970s, but which would generate a voluminous literature by the 2000s, under the general critical thematic of neo-liberalism. At the same time, there is something anachronistic about the readings of Foucault developed by authors such as Dean, Brown and Miller, as they appear to be crediting Foucault for anticipating their own critiques of U.S. neo-conservatism and Tony Blair's "Third Way" in the U.K. in the 2000s. While this allows such critics to engineer a synthesis of Marx and Foucault, as seen in formulations of neo-liberalism such as 'the commodification of identity within a liberal framework, in which freedom, success, rights, and politics become fully integrated into a system of commodity and governmentality' (Gournelos, 2009: 290), it may well be at odds with Foucault's own intentions in his writings at this time. For while neo-liberalism was a minority discourse in 1970s France, Marxism most definitely was not. In France at that time, Marxism was the dominant intellectual strand in the humanities, and it received a significant degree of concrete political form in the programs of the Socialist Party (PS),

the French Communist Party (PCF), and a range of smaller Trotskyist, Maoist and other Marxist political groupings. Foucault's intellectual work was consistently at odds with dominant Marxist formulations, particularly in relation to ideology, power and the state, and this opposition to Marxism became particularly marked in the 1970s (Barrett, 1991; Eribon, 1991).<sup>i</sup>

### **Michael Foucault's The Birth of Biopolitics**

It makes sense to read *The Birth of Biopolitics* as a book of five parts. The first part (Chapter 1-3) deal with liberalism as an art of government that comes to ascendancy in the 18<sup>th</sup> century, the relationship it has to political economy and public law, and the ambiguous relationship to freedom that it establishes. The second part (Chapters 4-6) discuss German *ordoliberalism*, as both a multifaceted set of theories and concepts, and as that which underlies the governmental practice of post-1945 West Germany. The third part (Chapters 7 and 8) seek to consolidate what neo-liberalism may entail, considering it alongside the theories of Marx, Weber and Joseph Schumpeter. Part four (Chapters 9-10) considers the economics of the "Chicago School" and American neo-liberalism across fields such as human capital theory, marriage and child rearing, and criminology. Finally, Foucault returns in Chapters 11 and 12 to the implied subject of liberalism, the question of civil society and its relationship to both government and economy, and the distinctiveness of liberalism as against other governmental rationalities.

Foucault declares from the outset that his interest in these lectures lies in the *art of government*. The study of the art of government is an attempt to gauge the level of critical

reflection occurring on what would be the best ways of governing, in order to understand ‘the way in which this practice that consists in governing was conceptualised both within and outside government, and anyway as close as possible to governmental practice’ (Foucault, 2008: 2). The method is neither empiricist nor historicist: he was not interested in starting from universal categories such as the state, society, sovereignty and subjects/the people. Rather, his method is to start from the premise that such universals do not exist – as he presumed with his earlier work on madness – and then to consider what forms of critical self-reflection and practical action begin to form such concepts and bring them into play. The aim, as Foucault puts it, is to ‘start with these concrete practices and ... pass these universals through the grid of these practices’ (Foucault, 2008: 3).

One of the curious features of these lectures, given their title, is that they do not appear to be about biopolitics and bio-power. At several points in these lectures (Foucault, 2008: 78, 185), Foucault indicates his intention to return to the subject of biopolitics, but it never ultimately happens. The study of liberal governmentality was intended to be a preamble to such questions, but it takes over the lectures themselves:

I thought I could do a course on biopolitics this year. I will try to show how the central core of all these problems that I am presently trying to identify is what is called population. Consequently, this is the basis on which something like biopolitics could be formed. But it seems to me that the analysis of biopolitics can only get under way when we have understood the general regime of this

governmental reason ... that we can call the question of truth, of economic truth in the first place, within governmental reason. Consequently, it seems to me that it is only when we understand what is at stake in this regime of liberalism opposed to *raison d'Etat* ... will we be able to grasp what biopolitics is. (Foucault, 2008: 21-22)

Why these lectures are about the genealogy of liberal government rather than biopolitics has been of considerable interest to Foucault scholars. Gane (2008) has argued that Foucault experienced a crisis in his own thoughts about biopolitics, and had ultimately identified it as a conceptual dead-end. The political context may also be relevant, as the unexpected defeat of the French left in the 1978 elections, and the abandonment of the Union of the Left by the PCF and the intense criticism of that party by those who had hitherto remained loyal, such as Foucault's friend and mentor Louis Althusser, may also have been relevant (Elliott, 1987: 301-313). For Foucault, the treachery of the PCF would have come as little surprise, but this was also a time when he was settling scores with the radical left, and increasingly associating himself with a reformist political position broadly in sympathy with the Socialist Party led at the time by Francois Mitterand. In an interview conducted in 1974, published as "Film and Popular Memory", Foucault describes his view on the radical left in these terms:

There really needs to be a thorough summing-up of what the extreme left has done since 1968, both negatively and positively. It's true that the extreme left has been the means of spreading a whole number of important ideas: on sexuality, women, homosexuality, psychiatry, housing, medicine. It's also been the means of

spreading methods of action, where it continues to be of importance. But there's also a negative summing-up to be made, concerning certain Stalinist and terrorist organisational practices. And a misunderstanding, too, of certain broad and deeply rooted processes which recently resulted in 13 million people backing Mitterand, and which has always been disregarded, on the pretext that this was the politics of the politicians, that this was the business of the parties ... The extreme left hasn't sensed this desire, thanks to a false definition of the masses, a wrong appreciation of what this will to win really is. *Faced with the risks a co-opted victory would involve, it preferred not to take the risk of winning. Defeat, at least, cannot be co-opted. Personally, I'm not so sure* (Foucault, 1989: 106 – emphasis added).

It would therefore appear that there are significant problems with those readings of these lectures that place them in a line of continuity with Marx, Deleuze, Guattari and Althusser, seeing biopower as the necessary complement to Marx's theory of the real subordination of labour to capital in the emergent 'society of control'. This reading, which is central to Hardt and Negri (2000), can also be found in Terranova (2009), Lazzarato (2009), and Read (2003). It has become central to those critiques of neo-liberalism associated with immaterial labour and the social factory. Without exploring the validity of these accounts in their own terms (but see Flew, 2011), I will argue here that they do not gain direct licence from these lectures by Michel Foucault at the Collège de France. The account of liberalism and neo-liberalism in these lectures, I would argue, presents a critique of Marxism as much as it does of neo-liberalism itself, positioning Foucault in a more ambiguous political space than this synthesis of his work into the canon of contemporary radical thought would suggest.

### **‘Frugal Government’ and the Rise of Liberalism**

The starting point of such an analysis is the concept of *reason of state* (*Raison d’Etat*), the governmental practice that prevailed in large parts of Europe from the 16<sup>th</sup> century onwards, whereby the state exists as both a pre-existing reality and as an object in the process of ongoing construction, and where government and the state are synonymous<sup>ii</sup>. The core principle of *Raison d’Etat* was ‘to arrange things so that the state becomes sturdy and permanent, so that it becomes wealthy, and so that it becomes strong in the face of everything that may destroy it’ (Foucault, 2008: 4). In doing so, three coordinates of government were established. The first was the economic principle of *mercantilism*, where the state enriches itself through monetary accumulation, strengthens itself through increasing population, and maintains itself through being in a state of permanent competition with foreign powers. Second, the practice of internal organisation was that of *police*, or ‘the unlimited regulation of the country on the model of a tight-knit urban organisation’ (Foucault, 2008: 5). Finally, there is the development of a permanent army along with permanent diplomacy as the conditions for securing *territory* in a world of competing and potentially hostile states. *Raison d’Etat* provides the model and underlying rationale for governmentality in early modern Europe (Foucault, 1991).

The question that lurks behind *Raison d’Etat*, however, is how to set limits to the power of the sovereign. From the 17<sup>th</sup> century onwards, the question of a general ‘principle of limitation’ begins to switch from factors that are external to governmental reason and the art of government, such as the concept of natural law, to that which is intrinsic to

governmental reason. What was emerging was a *de facto* limitation of governmental reason, meaning that ‘a government that ignores this limitation will not be an illegitimate, usurping government, but simply a clumsy, inadequate government that does not do the proper thing’ (Foucault, 2008: 10). In the period from 1750 to 1810-1820, Foucault argues, the term “political economy” ‘oscillates between two semantic poles’ (Foucault, 2008: 13): the study of the production, distribution and circulation of wealth, and to ‘any method of government that can procure the nation’s prosperity’ (Foucault, 2008: 13). It is the latter use of the term “political economy” that interests Foucault, as it introduces the question of *critical governmental reason* into the practice of government:

The whole question of critical governmental reason will turn on how not to govern too much. The objection is no longer to the abuse of sovereignty but to excessive government. And it is by reference to excessive government, or at any rate to the delimitation of what would be excessive for a government, that it will be possible to gauge the rationality of governmental practice (Foucault, 2008: 13).

For Foucault, political economy turns the critique of governmental reason from legitimacy or illegitimacy to success or failure, and presents an alternative regime of truth to that of *raison d’Etat* – that of economy in the art of government – which becomes the cornerstone of liberalism. It does not emerge in opposition to *raison d’Etat*, or in a relationship that is external to government, but rather presents itself as enabling the goals that were initially associated with *raison d’Etat* – policy, security, and wealth creation – to be achieved more effectively. It does so by asking about the *effects* of different governmental practices – the optimal rate of taxation, or the impact of customs duties, or

the relationship between wages, effective demand and profits – in achieving the goals of government.

This age of *frugal government*, displacing the unlimited ambitions of *raison d'Etat* with a more precise set of instruments and apparatuses, needs to identify that which sets limits to the expansionary ambitions of the state. This lies, not surprisingly, in the developing theory of markets, now being understood as a 'site of truth' or veridiction, in that they can reveal certain natural relations between the costs of production and the prices at which products are exchanged:

This does not mean that prices are, in the strict sense, true, and that there are true prices and false prices. But what is discovered at this moment, at once in governmental practice and in reflection on this governmental practice, is that inasmuch as process are determined in accordance with the natural mechanisms of the market they constitute a standard of truth which enables us to discern which governmental practices are correct and which are erroneous ... the market constitutes a site of veridiction ... for governmental practice (Foucault, 2008: 32).

Alongside this rise in thinking about the market as a 'site of truth' or veridiction, there develops a symbiotic relationship between the rise of thinking about the market and new questions in public law. Nonetheless, two quite distinct approaches emerge around the question of how to set juridical limits to the exercise of power by public authority. One is the axiomatic, juridico-deductive approach associated most clearly with the revolutionary tradition of 1789 France and authors such as Rousseau, which starts from establishing in



the abstract what the rights of the individual are or should be, and deduces from this the limits of governmentality and sovereign power. By contrast, the liberal approach to law starts from governmental practice itself, seeking to analyse what the *de facto* limits of government should be in a given concrete situation – and these limits may be set by history, tradition or other factors, but there must be a shared sense that they are desirable limits – as well as differentiating between ‘those things that it would be pointless for government to interfere with’ (Foucault, 2008: 40), and those elements where a case for governmental intervention can be made. This leaves us with two conceptions of law – that based on rights and that which is based on utility – and two conceptions of freedom – freedom from the law and the enabling freedoms derived from governmental practice – that run as fault lines through both 19<sup>th</sup> and 20<sup>th</sup> century European liberalism.

The domains of governmental practice informed by the new regimes of truth associated with political economy and public law multiplied over the course of the 19<sup>th</sup> and early 20<sup>th</sup> centuries, and with these new governmental rationalities came ongoing refinement of what Miller and Rose (2008) term the technologies of government. But within this expanding governmental practice lies a philosophical conundrum that Foucault identifies as the productive/destructive relationship between liberalism and freedom:

This governmental practice in the process of establishing itself is not satisfied with respecting this or that freedom. More profoundly, it is a consumer of freedom ... inasmuch as it can only function insofar as a number of freedoms actually exist: freedom of the market, freedom to buy and sell, the free exercise of property rights, freedom of discussion, possible freedom of expression, and so on. The new

governmental reason needs freedom therefore, the new art of government consumes freedom. It consumes freedom, which means that it must produce it ... it must organise it. The new art of government appears as the management of freedom ... Liberalism must produce freedom, but this very act entails the establishment of limitations, controls, forms of coercion, and obligations relying on threats (Foucault, 2008: 63-64).

The cost of this freedom is security. The problem of security lies in both the protection of collective interests against individual interests and the protection of individual interests in the face of encroachment of collective interests. Foucault argues that 'the problems of what I shall call the economy of power peculiar to liberalism are internally sustained ... by this interplay of freedom and security' (Foucault, 2008: 65). Some of the consequences of this tension include:

- The perception of exposure to danger, whether it be of exposure to crime, disease, sexual deviancy, loss of savings or unemployment, becomes an 'internal psychological and cultural correlative of liberalism' (Foucault, 2008: 67), even if the extent of actual exposure to dangers such as plague, death, war etc. are in fact declining;
- There is a considerable extension of the range of procedures of control, coercion and constraint (disciplinary technologies) as a counterweight to the greater focus upon the freedoms of the individual;
- Controls become a way of protecting freedoms, including the rise of various forms of social welfare legislation, and the job creating responses to

unemployment as a response to the Great Depression of the 1930s and associated with the economic theories of John Maynard Keynes;

- The question begins to be asked of whether there is ‘an inflation of the compensatory mechanisms of freedom’ (Foucault, 2008: 68), or what would be described in the 1970s as a crisis of government arising from an excess of demands on the liberal state, leading to inflation of prices and the money supply to meet the economic costs of these demands.

### **From Liberalism to Neo-Liberalism: German *Ordoliberalism***

Having established the general parameters of what liberalism looks like in terms of an art of governmental practice, Foucault then turns to the second half of the 20<sup>th</sup> century and the rise of *neo-liberalism*. He emphasises that he is not developing a general history of liberalism, and that this allows him the indulgence of largely bypassing the development of 19<sup>th</sup> century liberalism (Guala, 2006). Nonetheless, this history exists as important background knowledge, since his two historical case studies of neoliberal thought and its application in governmental practice – the German *ordoliberalism* of the 1940s and 1950s and the applied neo-classical economics of the Chicago School in the United States – develop in opposition to a form of liberal government that was at its peak in the period immediately after World War II. This form of liberal government, which was in the ascendancy in North America and Europe in the 1950s and 1960s, had the following features:

1. General adherence to the principles of demand management derived from the economic theories of John Maynard Keynes, particularly around the scope to use government spending as a means of maintaining full employment;
2. Greater use of economic planning instruments to promote balance in the economy and drawing upon new forms of government statistics and techniques of economic and demographic measurement;
3. A social program that involved expansion of welfare mechanisms to protect citizens from poverty and economic risk. In Britain, this was articulated through the Beveridge Plan of ‘cradle to grave’ social security, and in France it was articulated during WWII in the Resistance Charter that proposed ‘a complete plan of social security aiming to guarantee every citizen the means of existence, when they cannot procure these through work’ (quoted in Foucault, 2008: 97).

In post-WWII Europe, such a program was generally associated with the receipt of U.S. assistance through the Marshall Plan, and this contributed to what Foucault terms ‘the *dirigiste*, interventionist, and Keynesian ambience in Europe’ (Foucault, 2008: 81).

It is Germany that takes a different path. The German Chancellor Ludwig Erhard declared in 1948 that the priorities of Germany during the reconstruction period would be the removal of price controls, and the setting of clear boundaries between individuals and the state. Erhard was aiming not only to differentiate the new Germany from the National Socialist state of the recent past, but this also reflected the challenge facing the new German state, which could draw upon neither historical rights nor the continuity of its juridical institutions as bases for its own legitimacy. What instead emerges is a

performative basis for legitimacy, where the economic freedom of citizens can in itself constitute the basis for political legitimacy:

The economy, economic development and economic growth produces ... political sovereignty through the [economic] institution and institutional game that makes this economy work ... It produces a permanent consensus of all those who may appear as agents within these economic processes, as investors, workers, employers, and trade unions. All these economic partners produce a consensus, which is a political consensus, inasmuch as they accept this economic game of freedom. (Foucault, 2008: 84)

The policy of liberalization was at the cornerstone of the hegemony of the Christian Democratic Party (CPD) in its political leadership in what became West Germany from the late 1940s to the early 1970s, and has come to be known as the *social market economy*. It was initially opposed by the German socialists, but over the course of the 1950s, the German Social Democratic Party (SPD) moved from a Marxist position to one where, by the time of the Bad Godesburg declaration on 1959, it declared itself to be in favour of private property and a competitive market economy insofar as these are consistent with an equitable social order. Foucault notes that while this is read by Marxists as evidence of the SPD's betrayal of the class struggle, it entailed a recognition that 'to enter into the political game of the new Germany, the SPD really had to convert to these neo-liberal theses, if not to the economic, scientific, or theoretical theses, at least to the general practice of this neo-liberalism as governmental practice' (Foucault, 2008: 90).

In order to establish how this neo-liberalism could become hegemonic in Germany at a time when the rest of Europe was strongly committed to the Keynesian welfare state and economic planning, Foucault develops a genealogical analysis of the theories of those around Chancellor Erhard in 1948. This included economists such as Walter Eucken, Franz Bohm, Müller-Armack, Wilhelm Ropke and others, who published in the journal *Ordo* (founded in 1936) and who were known as the Freiberg School of political economists. His interest in the Freiberg School, also known as the *Ordoliberals*, stemmed from two issues. First, he explores their relationship to the work of Max Weber. Foucault argues that, in early 20<sup>th</sup> century Germany, Weberianism had displaced Marxism as presenting the core problematic in German social thought. For Weber, the contradiction of capitalism lay less in the contradictory logic of capital and more in the irrational rationality of capitalist society. In other words, capitalism can function effectively on the economic plane – *contra* Marx – but it does so by generating irrationalities and tensions on the social plane. One response to this was that of the Frankfurt School, which sought to identify a new social rationality that could nullify the economic irrationality of capitalism. The other, associated with the Freiberg School, looked to an economic rationality that could nullify the social irrationality of capitalism.

The second reason for considering the Freiberg School relates to their historical narrative of modern Germany, where they argue that it has been precisely the obstacles to liberalism and liberal politics that provided the historical roots of Nazism. From Friedrich List's proposition that national economy needed to be prioritized over free trade, to

Bismarckian state socialism that unified the people to the state by both welfare policy and the suppression of dissent, to the maintenance of economic planning after World War I and the turn to Keynesianism in 1930, they saw the roots of Nazism as an end-point of a well established path of a protected economy, state socialism, economic planning, and Keynesian interventionism. All pointed towards the unlimited expansion of state power and a kind of mass society that crosses the capitalism/socialism divide but is consistent in its rejection of the liberal problematic that the power of the state needs to be somehow constrained.

The implication of their analysis of recent German history was that, rather than seeing social irrationalities as a consequence of the market economy, they were instead indicative of an unconstrained state. In terms of the history of liberal economic thought, this challenged the tradition of liberalism from Adam Smith to John Maynard Keynes that asked what role the state should play to limit the harmful effects of the market, and instead proposed that the state should instead be under the supervision of the market. For the *Ordoliberals*:

Nothing proves that the market economy is intrinsically defective since everything attributed to it as a defect and as the effect of its defectiveness should really be attributed to the state. So, let's do the opposite and demand even more from the market economy than was demanded from it in the eighteenth century ... let's ask the market economy itself to be the principle, not of the state's limitation, but of its internal regulation from start to finish of its existence and action. (Foucault, 2008: 116)

It must be understood that this is not a reversion to classical liberalism. It changes the problematic of liberalism in three important ways. First, the focus on the market is shifted from its role as a system of exchange that generates prices to a mechanism that ensures *competition*. Second, the focus of competition shifts from the question of whether or not markets are competitive, and the related issue of whether governments should intervene in markets that are not purely competitive, to the idea that competition is not a natural order but rather an artefact of policy: 'Pure competition must and can only be an objective, an objective thus presupposing an indefinitely active policy. Competition is therefore an historical objective of governmental art and not a natural given that must be respected' (Foucault, 2008: 120). Finally, they depart from the earlier liberal conception of the market/competition and state/government as different and delimited domains. Rather, the market and competition 'can only appear ... if it is produced by an active governmentality ... One must govern for the market, rather than because of the market' (Foucault, 2008: 121).

The neo-liberalism that is emerging is, for Foucault, a new phenomenon. He is very clear that it is not simply a reversion to older economic theories, it is not simply class rule by another name, nor is it simply about new mechanisms of state control developed under the ideological cloak of freedom. For Foucault, such responses 'ultimately make neo-liberalism out to be nothing at all, or ... nothing but always the same thing, and always the same thing but worse' (Foucault, 2008: 130). The question for Foucault is how to draw out the features of this historically new phenomenon 'in order to try and detach it



from these critiques made on the basis of the pure and simple transposition of historical moulds’:

Neo-liberalism is not Adam Smith; neo-liberalism is not market society; neo-liberalism is not the Gulag on the insidious scale of capitalism. (Foucault, 2008: 131)

In order to consider how such ideas came to be disseminated internationally, he draws attention to a remarkable historical document, the proceedings of the Walter Lippmann Colloquium held in Paris in July 1939. A key theme that Foucault picks out from the Colloquium – and the historical timing is very significant – is the call for ‘positive liberalism’. ‘Positive liberalism’ distinguishes itself from the liberalism of the 18<sup>th</sup> century in that it rejects the distinction between what is referred to as ‘the agenda and the non-agenda’, or ‘whether there are things you cannot touch and others that you are entitled to touch’. Viewing this as ‘naïve naturalism’, the participants in the Colloquium instead see the problem in terms of ‘how you touch them ... the problem, if you like, of governmental style’ (Foucault, 2008: 133).

An example of the new liberalism can be seen in the discussion of monopolies. There had long been the question of whether competitive markets led to monopolies, and whether this negated the economic analysis of classical liberalism, creating a new case for state intervention and private ownership. Even champions of entrepreneurial capitalism such as Joseph Schumpeter were pessimistic about the prospects of capitalism in the face of monopoly, believing that this concentration of power would suck out the innovative

forces of the system and tend towards bureaucratic socialism (Schumpeter, 1950). The neo-liberal response identifies the problem of monopoly as the result, not of markets, but of the uses of state power and systems of regulation, presenting the question as instead one of generating institutional frameworks that act to minimise the possibility of others acting to create a monopoly.

Another shift arose in the preferred relationship between social policy and economic policy, which Eucken would identify as the relationship between *conformable actions*, or those which support the market system, and *organising actions*, or those outside of the remit of economic relations that nonetheless shape social and institutional relations in ways that make them more amenable to preferred forms of economic policy. The major division here between neo-liberals and classical liberalism was that the latter understood social policy as ‘a counterweight to unrestrained economic processes which it is reckoned will induce inequality and generally destructive effects on society if left to themselves’ (Foucault, 2008: 142). The neo-liberals, by contrast, believed that social policy should work to support economic policy, rather than operate as a counterweight to it. Thus, social policy based on the principle of the social market economy saw active labour market policy rather than benefit payments as the best response to unemployment. More generally, such new forms of social policy were designed to promote an enterprise society based upon the principles of competition:

The society regulated by reference to the market that the neo-liberals are thinking about is a society in which the regulatory principle should be not so much the exchange of commodities as the mechanisms of competition. It is these

mechanisms that should have the greatest possible surface and depth and should also occupy the greatest possible volume in society. This means that what is sought is not a society subject to the commodity-effect, but a society subject to the dynamic of competition. Not a supermarket society, but an enterprise society. The *homo economicus* sought after is not the man of exchange or man the consumer; he is the man of enterprise and production. (Foucault, 2008: 147)

### **Neo-liberalism and its Social Limits**

At this point it is worth making some points about how Foucault has approached neo-liberals, both in terms of what it is and what it is not. Some of the core elements of this new model for governmental action were:

1. Generalisation of the enterprise form through the whole of society;
2. Legal and regulatory frameworks that act to promote competition, rather than control its adverse effects;
3. Social policy that aims to stimulate economic activity and the market economy rather than to compensate for its adverse effects;
4. Policy activism that begins from the premise that markets and competition are not ‘naturally’ grounded in society, but which require a kind of ‘positive liberalism’ in order to continually promote and stimulate them;
5. Somewhat paradoxically, a judicial activism which aims to set limits to the discretionary application of state power, against the premises of Keynesianism

and economic planning which are seen to promote unlimited expansion of the decision-making capacities of the state.

There is a need at this point to also be clear as to what the program of the German *Ordoliberals* was not. It was not a rejection of the role of the state in shaping and supporting the social order. In particular, the establishment of the social market economy, and the measures to generalise the enterprise form through society, were accompanied by what Ropke referred to as a *Vitalpolitik*, or a ‘politics of life’. This was a highly activist social program to ‘shift the centre of gravity of governmental action downwards’, and included such policies as the promotion of medium-sized towns, promoting private home ownership, encouraging small business and craft industries, supporting small farming, decentralising industry and employment, and undertaking active environmental management of production (Foucault, 2008: 147-148). Whatever else we may say about such a list, it is not evidence of a rejection of an activist role for government in social policy. It addresses the paradox of how to promote “warm” moral and cultural values in the face of the “cold” logic of the ‘strictly economic gaze’ of competition and the enterprise form, a paradox that featured strongly in the work of Max Weber. However, for some neo-liberals, such as von Hayek, this *Gesellschaftspolitik* extended the role of the state beyond that which he saw as appropriate, and it led to German political economy moving in quite different directions to those which would be associated with the American tradition of neo-liberalism.

## **‘A sort of permanent economic tribunal confronting government’: The Specificity of American Neo-Liberalism**

The second case study Foucault develops in *The Birth of Biopolitics* is that of American neo-liberalism. Foucault begins by noting that the period from the 1930s to the 1960s marked out a significant qualitative shift in governmental practice in the United States, with the New Deal of the 1930s, wartime planning, post-WWII social security programs for returned soldiers, and the ‘Great Society’ programs of the 1960s all pointing in the direction of an expansion of the role of government in economic and social life. While such developments were similar to those taking place in much of Europe over this period, there is a major historical difference in that:

American liberalism at the moment of its historical formation ... did not present itself, as in France, as a moderating principle with regard to a pre-existing *raison d’Etat*, since liberal type claims, and essentially economic claims moreover, were precisely the historical starting point for the formation of American independence. (Foucault, 2008: 217)

Liberalism was thus grounded in the very establishment of government in the United States, where it has been ‘appealed to as the founding and legitimising principle of the state. The demand for liberalism founding the state, rather than the state limiting itself through liberalism ... is one of the features of American liberalism’ (Foucault, 2008: 217). This historical grounding gives debates about liberalism in the United States a quite different context to that of Germany, where the ascendancy of liberalism emerges from

the ashes of Nazism, or France where it exists in partial opposition to strong and continuing traditions of *raison d'Etat*.<sup>iii</sup> In particular, Foucault argues that whereas in Europe liberalism appears as ‘an economic and political choice formed and formulated by those who govern and within the governmental milieu’, in the American context it is ‘a whole way of being and thinking’, so that ‘disputes between individuals and government look like the problem of freedoms’ (Foucault, 2008: 218). This utopian strand of American liberalism had particular appeal to European exiles such as von Hayek, who saw a need for liberalism to be more than simply a technical mode of government, and to present itself as a utopia – ‘a general state of thought, analysis, and imagination’ – that could challenge the pre-eminence of the socialist tradition in utopian thought (Foucault, 2008: 219).

The discussion of American neo-liberalism proceeds down two paths. The first is to consider the concrete contribution to both economic thought and public policy made by the economists of the Chicago School, such as Theodore Schultz, Gary Becker, Jacob Mincer and others associated with the *Journal of Political Economy*, through the theory of *human capital*. While such a theory would appear to have some commonalities with the work of Marx, Foucault observes that these authors ‘practically never argue with Marx for reasons that we may think are to do with economic snobbery’ (Foucault, 2008: 220). That said, Foucault argues that human capital theory aims to shift the locus of economic analysis away from the concerns of the classical economists (including Marx) with aggregate relations between production, consumption and exchange, towards the choices made by individuals at the margins of decision-making. In the case of human

capital theory, this involves shifting the focus away from the supply and demand for labour power, towards the notion of the individual – *homo economicus* – as an ‘entrepreneur of himself’, who allocates their time and resources between consumption and the generation of personal satisfaction, and investment in the self (human capital, which can also include investment in the family). Such an individual is not, for the neo-liberals, an alienated subject, but is rather an investor, an innovator, and an entrepreneur of the self.

While human capital theory has been taken up in a wide variety of contexts, from development economics to Scandinavian welfare capitalism, it is Foucault’s contention that American neo-liberalism is more radical than German *Ordoliberalism* in the relationship it envisages between markets and society. As was noted earlier, the German *Vitalpolitik* was concerned with the balance between the “cold” mechanisms of competition and the “warm” moral and cultural values that contributed to social cohesion, and various mechanisms were devised so that the individual is not alienated from their work environment, family, community or the natural environment, by a state that sought to ‘maintain itself above the different competing groups and enterprises’ and act as a guarantor of co-operation among the competing interests (Foucault, 2008: 242, 243). From the early schemas of neo-liberalism, therefore, we can find the roots of what would be referred to as German neo-corporatism, seen as an alternative to market liberalism (Esping-Anderson, 1991; Phelps, 2009). Foucault argues that American neo-liberalism, by contrast, did not seek to soften the impact of the market. It instead sought ‘the generalisation of the economic form of the market ... throughout the social body and

including the whole of the social system not usually conducted through or sanctioned by monetary exchange' (Foucault, 2008: 243). This generates significant intellectual innovation, with economic theories of crime, the family, marriage, capital punishment etc., but it is not an idle academic exercise. What instead emerges is the application of market principles to engage in 'a permanent criticism of political and governmental action', undertaken through entities such as the American Enterprise Institute, through which operates 'a sort of permanent economic tribunal confronting government ... that claims to assess government action in strictly economic and market terms' (Foucault, 2008: 246, 247).

### ***The Birth of Biopolitics* and Contemporary Debates about Neo-Liberalism**

One of the most interesting features in reading these lectures is how prescient Michel Foucault was in identifying the eclectic strands of thinking that bring together theorists of the German social market economy, the Austrian economists such as von Hayek and von Mises, and the Chicago School of political economists such as Milton Friedman, George Stigler and Gary Becker. While there now exists an extensive literature on entities such as the Mont Pelerin Society that acted to bring such thinkers together (Peck, 2008; Mirowski and Plehwe, 2009), this was a very original and distinctive line of research for Foucault to undertake in 1978-79. It is also notable that it preceded the more obvious triggers for a critical appraisal of neo-liberalism, such as the election of Margaret Thatcher in Britain in 1979 and the Reagan presidency in the United States from 1980.



Indeed, his practical case of neo-liberal government in action – West Germany since 1948 – would not have been thought of as being right-wing at the time, as it was led in the 1970s by the Social Democrats under Willy Brandt and Helmut Schmidt. Insofar as such issues were being addressed in the English-speaking world, it was more to do with the potential for conservatism to establish ideological appeal among the working classes; little attention was given to the potential to construct a reasonably consistent and coherent governmental program around a revised understanding of relations between the market and the state. In Foucault's own *milieu* of radical French intellectuals, debate was more about whether the state was heading in the direction of fascism; debates about reforming the techniques and practices of government in 1970s France appear to have been more confined to the administrators and intellectuals around the Giscard-Barre governments as they addressed the *dirigiste* and interventionist tendencies of Gaullism.

Another very striking feature of Foucault's presentation of neo-liberalism in these lectures is the non-judgmental commentary on them. It would be going too far, as Behrent (2009) argues, to say that Foucault was providing a qualified endorsement of neo-liberalism in these lectures. At the same time, he is clearly not engaged in the kind of excoriating critique assumed by contemporary interlocutors such as Brown (2006), Dean (2008) and Miller (2010). The lectures consistently reject the easy critique of neo-liberalism as ideology, presenting it as neither 'a convenient cover for an underlying reality of oppression and domination' or as 'pseudo-science, to be exposed and condemned as the servant of whatever power is in place' (Guala, 2006: 433). He instead observes how the question of what would be 'too much' or 'too little' government

presents itself as a recurring question in liberal modes of governmentality, and how they exist alongside the recurring themes of *Raison d'Etat* which are by no means displaced by political economy in either its classical liberal or neo-liberal forms.

This intensive reading of the changing governmental logics of liberalism allows Foucault to ask the question of what would socialist arts of government look like. He argues that while socialism 'possesses ... rational techniques of ... administrative intervention, in domains such as health, social insurance, and so on', there is 'no governmental rationality of socialism' (Foucault, 2008: 92). Socialism has developed alongside liberal governmentality, sometimes adopting its techniques, and sometimes rejecting them or acting as a palliative or corrective, but there is not an 'autonomous governmentality of socialism'. At the same time, it is very characteristic of socialist thought to seek a 'truth' of socialism that can be evaluated against actual governmental practice. In considering whether the revisionists of the SPD abandoned socialism with the Bad Godesburg program of 1959, it begs the question of whether 'true' socialism was to be found in West Germany under Helmut Schmidt, East Germany under Erich Honecker, or whether both are betrayals of 'true' socialism as measured by 'conformity to a text, or to a series of texts' (Foucault, 2008: 94). By contrast, liberalism is not so troubled by such questions of truth or falsehood, or the conformity to set texts. It works with the different questions of 'what rules it adopts for itself, how it offsets compensating mechanisms, how it calculates the mechanisms of measurement it has installed within its governmentality' (Foucault, 2008: 93). This is not a pure pragmatism, but it is more of a 'coupling of a set of practices and a regime of truth [that] form an apparatus (*dispositif*) of knowledge-power'

(Foucault, 2008: 19) than an ideology or a pure regime of truth of the sort that Foucault found in socialist thought. Foucault's interest in neo-liberalism as a governmental rationality may indeed stem from the question he was posing as to what a socialist governmentality would look like:

What would really be the governmentality appropriate to socialism? Is there a governmentality appropriate to socialism? What governmentality is possible as a strictly, intrinsically and autonomously socialist governmentality? In any case, we know only that if there is a really socialist governmentality, then it is not hidden within socialism and its texts. It cannot be deduced from them. It must be invented. (Foucault, 2008: 94) <sup>iv</sup>

As these were intellectual tropes most commonly associated with Marxism, it makes sense in my view to read these lectures as seeking to propose an alternative way of reading contemporary government to the Marxist schema, with its focus upon power, domination, ideology and the state. One of the reasons why Germany presents itself as being of interest to Foucault in these lectures is that it allows him to think about historical capitalism from within a Weberian rather than a Marxist problematic, as a system that can develop economic consistency and coherence, but one that in doing so generates new contradictions and tensions in the social plane, as a 'principle of dissociation' within civil society with regard to community, compassion, benevolence etc. (Foucault, 2008: 302). This problematic, along with the question of whether competition serves to negate itself through the creation of monopoly, generate a range of responses that are of interest to Foucault, from Sombart, Schumpeter, Eucken, von Hayek, and the American 'Chicago

School', that has little to do with the assumption derived from Marxism that capitalism is an inherently contradictory economic system.

This opens up further lines of enquiry in the study of historical capitalism. One is the relationship of law to economics. Foucault observes that the *ordoliberals* were clear that the juridical sphere was never simply part of the superstructure to the economic base. Rather, 'the juridical gives form to the economic, and the economic would not be what it is without the juridical' (Foucault, 2008: 163). It was Max Weber who had the best grasp of this, and the existence of such an economic-juridical ensemble means that:

The economic must be considered as a set of regulated activities from the very beginning ... with rules of completely different levels, forms, origins, dates, and chronologies; rules which may comprise a social habitus, a religious prescription, an ethics, a competitive regulation, and also a law. (Foucault, 2008: 163)

Foucault is quite explicit about the political stake entailed in the two problematics. If one begins from the Marxist proposition that 'there can only be one capitalism since there is only one logic of capital', then historical capitalism simply entails determining which institutions favoured its development and which impeded it. A consequence of such an approach is that in the present era one can only see the contemporary impasses of capitalism as being resolved through forces internal to the logic of capital and its accumulation, so that 'the end of capitalism is revealed in the historical impasses it is currently manifesting' (Foucault, 2008: 164-165). By contrast, if we see 'capital' as a process that is within pure economic theory, and which only acquires an empirical reality

through economic-institutional capitalism in its specific historical forms, we have a capitalism that can be subject to significant economic-institutional transformations. By working with the Weberian rather than the Marxian problematic, the *ordoliberal*s understood that one can have a ‘different capitalism’ through reforms to institutions and the legal framework. In this respect, the intellectual path that Foucault proposes has more in common with work in comparative political economy, neo-institutionalism and ‘Varieties of Capitalism’ research (Lane and Wood, 2009), than with neo-Marxist inspired work on precarious labour and the ‘social factory’. The challenge that Foucault was presenting to his audience in the 1978-79 *Collège de France* lectures, in his detailed explication of the rise of neo-liberalism as a governmental rationality, was whether the political left was as capable of such innovations in governmental practice and institutional frameworks to develop such a ‘different capitalism’, that would not be reliant upon the received authority of conformity to texts, instead trying to ‘define for itself its way of doing things and its way of governing’ (Foucault, 2008: 94).

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<sup>i</sup> As a student in the aftermath of World War II, Foucault was greatly influenced by Marxism as were most French intellectuals of that generation. He was a member of the PCF in the first part of the 1950s, but left for reasons connected in part to the Party’s uncritical support for Stalin’s rule in the Soviet Union, but very possibly also to the party’s position on homosexuality to the time. Eribon (1991) tracks the complex development of Foucault’s political positions during the 1970s, from a position that was well to the left of the PCF in the early 1970s, to a growing frustration with the parties of the French left in the late 1970s and early 1980s. He was consistently critical of the Soviet Union and supported Eastern European dissident movements, and frequently defined his own political thought in opposition to Marxism. Gordon (1991) argues that Foucault’s growing interest in the concept of governmentality arose from his frustration with the absence of a distinctive socialist art of governing and the electoral failings of the PS and PCF in the 1970s.

<sup>ii</sup> Foucault’s 1977-78 lectures, published as *Security, Territory, Population*, dealt with the historical emergence of *Raison d’Etat* (Foucault, 2007).

<sup>iii</sup> The obvious missing case study for Foucault is that of Britain, the intellectual home of Keynesian liberalism, and the nation that would experience the most convulsions in its economic policy prior to and following the election of Margaret Thatcher’s Conservatives in 1979. Britain is also interesting in that it provided the basis for one of the most influential alternative theorizations of neo-liberalism, which is that developed by Stuart Hall of ‘Thatcherism’ in the 1980s (Hall, 1988). Comparing Foucault’s account to that of Hall is instructive in illustrating key differences in approach and method.

First, Hall attributed the rise of Thatcherism to the changing ideologies of sections of the British working class, most notably skilled male English-born workers, who were attracted to the combination of free market policies and the emphasis on law and order and British nationalism. As Hirst (1989) observed, this demonstrated the pitfalls of what he termed the *pessimism of electoral sociology*, where particular changes in voting behaviour, as seen in the Conservative election wins of 1979, 1983 and 1987, are taken to demonstrate wider shifts in hegemony and public consciousness, rather than limitations of Labour's proposed policies and electoral platform. Hirst noted that the discussion was not a new one, and in fact paralleled – in more Marxist language – debates in the British Labour Party in the late 1950s and early 1960s about the implications of suburbanization and the rise of the 'affluent worker'; at any rate, the Labour victories of 1997 and 2001 were premised upon precisely these voting groups voting for the Labour Party led by Tony Blair. By presenting the rise of neo-liberalism as part of a *longue duree* of liberal challenges to *Raison d'Etat* that present the market as a countervailing source of knowledge and moral authority, Foucault's account is not contingent upon the exigencies of electoral behaviour or claims about wider transformations in popular consciousness.

Second, Hall's perspective on the state is strongly influenced by the work the neo-Marxist of Nicos Poulantzas, meaning that he seeks to map state policies onto wider shifts in the composition of social classes and changing patterns of social relations. The resulting difficulty with this neo-Marxist state theory, as Johnston (1986: 67) observed, 'leaves us with the uncomfortable inference that the study of state institutions is something of an irrelevance'. By contrast, Foucault foregoes a theory of the state in the way that 'one can and must forego an indigestible meal (Foucault, 2008: 77), and he instead proposes that 'the state is nothing else but the mobile effect of a regime of multiple governmentalities' (Foucault, 2008: 77). In other words, his interest is in how particular domains come to be brought within regimes of governmental rationality, and what the changing techniques of government policy are towards those domains, rather than the classical Marxist question of who controls the state apparatuses.

Finally, Hall presented the problem of the British left in terms of its need for cultural modernization. The risk here, as arguably happened with the rise of New Labour, was that this would be accompanied by a modernization of the economic platform that largely entailed marginalizing the influence of the left within the party (Thorpe, 2008). Foucault's question, which is in my view a more interesting one, is whether the left can develop a pragmatics of governing that does not simply rely upon *Raison d'Etat* and which can match liberal thought in terms of intellectual agility, rather than simply deriving policy prescriptions from received doctrines or texts.

<sup>iv</sup> In 1972, the PCF and the PS signed the Common Programme (*Programme commun*) that was intended to provide the guiding principles for a government based upon the 'Union of the Left'. It proposed a set of measures that included higher wages, expansion of the public sector, nationalisation of large firms in key industries, strengthening the rights of workers, growth of public education, health care and public housing, and democratization of public institutions. Such a program was seen by the PCF as being 'transitional' in that it would further the move from capitalism to socialism, while it also indicated the preparedness of the PCF to be a part of existing democratic institutions. There was typically little thought given to this program as the basis of public policy: its importance was instead symbolic in indicating what would be the minimum demands of the PCF in remaining in a coalition with the PS. On the Common Programme and the decline of the PCF in 1970s France, see Sassoon, 1996: 534-554.

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