

Chapter 2

Governmentality and the Economy: A Foucauldian Perspective

Abstract In this chapter, I continue my historical contextualization of capitalism. I deal with how capitalism became synonymous with liberalism and, later, neoliberalism. The terms liberalism and neoliberalism came to describe the politico-philosophical discourse underpinning capitalism. Drawing on some of Foucault's works, I reconstruct how liberalism grew out of a reflection about good government. To describe liberal thinking about government, Foucault used the term governmentality. Governance became central to liberalism. It was exercised over people via economic interest. In developing the notion that individuals are driven by material interests, rather than abstract liberties, governmentality made people's economic interest its goal. The most crucial innovation of liberalism was the market where economic interest could be pursued. Through their economic interest, individuals became predictable from a governmental viewpoint. In being predictable they became governable. Although liberalism created the market as a place where individuals could exercise their economic freedom, liberalism always retained the ultimate responsibility about the free market economy. Later forms of liberalism, also known as neoliberalism, introduced a more radical understanding of government by shifting from governance to self-governance. Government became minimal and responsibility for economic activity was transferred to individuals in the market.

Introduction

That economic relationships and forms of exchange have existed throughout history is not disputed, and David Graeber (2011) has dug deep to uncover some of them. How those relationships and exchanges emerged, or by what were they conditioned, however, is not easily established. It is even more difficult to establish how those relationships and forms became naturally

capitalist. To uncover their conditions, a particular type of analysis is necessary. This analysis, although using an historical perspective, would have to combine various methods in order to lay bare the normative, social, and cultural conditions of capitalist structures. No capitalist system can exist beyond a normative framework that is itself part of a wider culture. In Chap. 1, I discussed Schumpeter's understanding of industrial capitalism and his warning about the inherent contradictions that undermine its existence. Schumpeter pointed out that those contradictions were the result of specific capital developments and changing social and moral values. Schumpeter was attentive enough to capture the essence of economic values. He was, however, less skilled in elaborating on how those values came about. In other words, from Schumpeter's analyses it is possible to appreciate an economic system that is projected toward the production of prosperity and is continually adaptable. But what is generally missing from his works is the origin of that system and the elements that drive it. Since its inception, capitalism was bound to specific political conditions. These political conditions have helped shape capitalism as we know it or as we have known it since the first industrial revolution and its development into subsequent innovative cycles.¹ Capitalism as we know it is also described as the free market economy. The expression *free market* is not intended to imply that the market itself is free. Indeed, by being an abstract space where people interact, the market is neither free nor unfree. It is people and their interactions in the market that can be free or unfree. It is this latter idea of the market freedom that reveals how capitalism is also the product of a culture of exchange (see also Swedberg 2002).

How capitalism normatively/culturally formed, and how the market became its defining feature, are issues that have never been analyzed in

¹ In using Schumpeter's ([1949] 2004) periodization of the major historical innovations that marked the first and second industrial revolutions, it would be possible to have the first industrial revolution occurring roughly between 1783 and 1842. That was the age of steam and steel that further culminated in the "railroadization" of the world from 1842 to 1897. Schumpeter believed that a second revolution, bringing electricity, chemistry, and motorcars started in 1897 and was probably still ongoing at the time of his writing in 1945. Interestingly, Schumpeter spoke about how the expansion of credit became important in the second revolution and for the development of the next industrial cycles. The advent of more sophisticated mechanical instruments to be used in science and medicine, electronics, computers, new drugs and medical procedures, and so forth could be described as the third industrial revolution. It is not clear whether we are still in the third revolution or whether new technological and scientific discoveries that include information and nanotechnologies mark a new phase. Some commentators speak of globalization as the new face of capitalism but there seems to be little agreement about this.

detail. There has been a large body of literature about capitalism based on the assumption that capitalism is an economic system. It is from within this understanding that Marxism and other closely aligned but perhaps less radical anti-capitalist intellectual traditions have formed and have always been used to critique capitalism. Pointing to this fact, Daniel Bell (1996, 330) observed that the neglect of culture has been the weakest point of Marxian analysis. In using the term “culture”, Bell wanted to point out that in the cultural sense capitalism was a “mentality or spirit, rather than just an economic mode of organization” (p. 285). He particularly emphasized the non-economic conditions that led to the rise of modern capitalism. Bell thought that those conditions were shaped by two historical events of magnitude—the new worlds discovered by explorations and the acquisition of personal freedom. The first event would need too much historical elaboration to contribute to the unraveling of the cultural conditions of today’s capitalism. The second event is important, and Bell was correct in pointing to the rise of the free individual as a crucial cultural condition for liberal capitalism. But as he did not elaborate on it, it is necessary to look elsewhere for insights. Michel Foucault’s work on the rise of modern government and its political economy can help explain how today’s capitalism became synonymous with liberalism, and the market the place where economic freedom was practiced.

Government for Public Utility

In this chapter, I draw primarily on the analysis that Foucault developed in his lectures delivered at the College de France in 1978–1979 (Foucault 2008) when he held the chair in the History of Systems of Thought. These lectures mark a distinct phase in Foucault’s historical analyses. He has been described as somebody who used history to “cut diagonally through contemporary reality” (Ewald and Fontana 2008). Acknowledgment of Foucault’s historical method also came from the eminent historian Paul Veyne (1997) who once declared that Foucault had revolutionized history. In his lectures, Foucault analyzed how, at a certain point in history, thinking about *how* to govern became central to modern politics. Government was becoming conceived of as a practice that specifically targeted the population² (its health, productivity, and reproduction) as well the public good,

²The title of Foucault’s lectures, *The Birth of Biopolitics*, might appear too far removed from the idea of political economy and modern government. In reality, however, it touches on them. Foucault argued that modern government coheres around the popula-

people and their activities, institutions, and the things of nature. Foucault believed that the notion of how to govern had to do with a wish to govern well. He described this attitude as a new art of governing influenced by the idea of frugal government, which first emerged around the eighteenth century. Foucault also discovered that, from the eighteenth century onward, words such as rights, legitimacy, and illegitimacy were no longer important within the then unfolding intellectual discourse about modern government. Rather, success or failure became the terms by which the consequences of governmental action were measured. Success and failure related to two important areas: economy and politics. Taking aim at these two areas, Foucault observed that to understand them it was necessary to analyze systems of thought insofar as “politics and the economy are not things that exist” (2008, 20). He rather described them as the product of a culture, of normative frameworks, and of a wider social mentality.

In wanting to contextualize his work on government historically, Foucault broadly identified three historical periods: from the late seventeenth to the eighteenth century, the nineteenth century, and mid-twentieth century. He referred to them as indicative historical periods, and moved almost casually from one to the other while singling out particular events marking changes and transformations, and generally avoiding mentioning precise dates or people.³ The first phase is characterized by sovereignty. Foucault referred to the seventeenth century as the time of legal/juridical sovereignty based on individual rights. At that time, politics and economy remained as two separate spheres, with economic activity taking the form of mercantilism. Commenting on mercantilism, Foucault observed that it was not an economic doctrine as it mainly contributed to maintaining the independence of the single states from the empire. The normative justification of sovereignty,

tion. The inclusion of the population in the political calculations of government represented, in his view, the main differentiating factor from past centuries where the notion of a population to be sustained productively did not exist. Although important, I will not dwell on biopolitics, preferring instead to focus on other aspects of his work. Ultimately, Foucault himself did not systematically address biopolitics in his lectures. He was more concerned with explaining the intellectual, or cultural, conditions for the emergence of modern government and its political economy. He, however, analysed biopolitics quite extensively elsewhere (see Foucault 1979).

³Foucault always took an anti-hero approach to history by avoiding focusing too much on individuals and preferring instead to speak of discourse and discursive practices. In his discussion of Foucault’s governmentality, Gane (2014) found Foucault’s approach limiting.

he declared, lay in the priority of state interests, the so called *raison d'état*, over people and communities' interests. In that period of time, to gain protection individuals were required to renounce some of their rights, particularly in relation to freedom of movement, speech, and association. Foucault argued that mercantilism and sovereignty drew their legitimacy from the law and rights. The market was conceived of as a general public space that took the form of a "site of justice" (p. 30). By this Foucault meant a place where distributive justice had to favor as many people as possible particularly in regard to food production and distribution. The buyers had to be protected against detrimental food and fraudulent people. Mercantilism and sovereignty required an interventionist state, a subdued market, and minuscule individual initiative. The normative self-understanding of that period, and the intellectual discourse underpinning that normativity found expression in the language of legitimacy and illegitimacy. Things were either legal or illegal, never good or bad.

With the advent of the eighteenth/nineteenth century, Foucault declared, a new way of doing politics emerged based on the centrality of the government rather than the state. Foucault did not dwell on the causes behind the new politics, suggesting that the causes could have been many and of varying nature. But he elaborated quite extensively on the intellectual reflection articulating such innovation in politics. In his view, it was related to the principle of good government. That principle, he noted, insisted on the "self-limitation of governmental reason" (p. 13). How self-limitation was to be articulated, represented, in Foucault's view, the central issue of emerging modern government during the transition from the nineteenth to the twentieth century, inasmuch as limitation did not occur through legal impositions. Rather, Foucault suggested, government had to show that its actions were reasonable. This was no easy task because "a government is never sufficiently aware that it always risks governing too much, or, a government never knows too well how to govern just enough" (p. 17). According to Foucault, this way of thinking about government was the trademark of liberalism. To govern in liberal terms, Foucault further observed, meant to strike a balance between public utility and individual initiative; it meant to take an economic approach to governmental action; it meant to govern just enough. Modern government is marked by a way of thinking, a mentality, that insists on how governmental action must be justified and justifiable. In liberal reasoning, the only way by which this could be achieved is through a stratagem that would serve the interest of the government and the interest of the people. In fact, Foucault noted, modern politics was different from sovereignty in that in modern government governors and governed depend on each other, while in sovereignty they opposed each other. By governing,

government created the moral justification for its own existence.⁴ By being able to justify its action, Foucault argued, government acquired the skill to scrutinize its own activities, but still it was not able to judge utilitarian outcomes impartially. Foucault suggested that to overcome this limitation, a body outside government was needed. That body was to be the market, and economic interest its spine. It seems, therefore, that the creation of the free market was liberalism's most innovative transformation. It also seems that the market and economic interest became liberalism's most powerful instruments.

Foucault spoke of "the irruption of the market as a principle of veridiction" (2008, 32). By this he meant that liberalism was concerned with governmental effectiveness which was to be measured in economic rather than political terms.⁵ It is in the market, Foucault observed, that liberalism wanted to see governmental activity become transparent. For the intellectuals of liberalism, "the market must tell the truth; it must tell the truth in relation to governmental practice" (p. 32). Foucault assumed that the thinking behind government and good government reflected a new mentality toward the public good. The public good was not too be squandered, not to be wasted, not to be given away for free, but had to be increased productively through work. Liberal government understood its role as a guarantor, rather than surveillance. Government had to guarantee that proper economic activity could take place within the market with the aim of expanding the public good and the wealth of a nation. Activity in the market had to be economic in nature and be directed toward the realization of economic interests in practice. Foucault noted that within liberal government and its political economy, economic interest became people's driving force. In liberalism and its capitalist system, people do not seek freedom but rather their economic interest. What liberalism had to provide, Foucault argued, was people's freedom to pursue their economic interest. *Homo oeconomicus*, he further declared, became the new agent of free exchange, while economic interest became the principle of exchange and the criterion of utility (p. 44). Foucault, however, pointed out that the theoretical reflection that articulated a shift from a state that guaranteed or denied rights, to a government interested in economic freedom, was not

⁴While in sovereignty the *raison d'état* lay outside the state, in modern politics the reason for action lies at the heart of government.

⁵Recently, and in line with Foucault's tradition, the philosopher Agamben (2011) also spoke of historical changes where modern power adopted an economic method to govern people and things.

something that occurred overnight. Rather, notions such as personal and individual freedom, economic interest, and reasonable government formed slowly over many years and through the works of various political philosophers who Foucault for some reason aligned with English empiricism.⁶ The philosophy of the empiricists, Foucault claimed, created something that never existed before. It created “the idea of a subject of interest that disclosed economic interest for the first time as an expression of ‘immediately and absolutely subjective will’” (p. 273). What Foucault suggested here is that concrete economic interest, rather than abstract liberty, became manifest in the will of free human beings. In other words, people’s actions were understood to be driven by concrete, tangible needs rather than intangible principles. The philosophy of individual freedom and free work infused government thinking and slowly built the substance of liberalism.

The Interest of the Governed

In Foucault’s view, economic interest became central to liberalism and its economic system because it made people’s behaviors more transparent. The new political economy of liberalism, Foucault further noted, wanted to manage the population and its individuals through an instrument that was attached to personal freedom and that was, at the same time, mediated by market conditions. That instrument was economic interest. When people have an economic interest to pursue, they learn how to act rationally in order to realize it. This means that, from a governmental perspective, people involved in economic activity directed toward the achievement of economic goals can adapt to “modifications artificially introduced into the environment”. In other words, Foucault declared, their behaviors become predictable. By being predicable, they become malleable. Foucault concluded that liberalism created *homo oeconomicus*,⁷ namely an individual who was “eminently governable” (2008, 270). To Foucault, the government’s emphasis on individuals and the population was a strategic move. The market was

⁶Foucault did not expand on this link to empiricism further. From his lectures, however, it appears that he included John Locke, David Hume, Adam Smith, and later John Stuart-Mill.

⁷According to Persky (1995), the term *homo oeconomicus* was first used by critics of John Stuart-Mill’s work. Historically, however, it is linked to Adam Smith’s *The Wealth of Nations*.

never to become the target of liberalism. Rather, it was a point of reference. Foucault argued that Adam Smith had already warned that it would be impossible to regulate the totality of the economic activity. At the same time, it became obvious that the economic interest driving people in the market could never be successfully “calculated, at least, not within an economic strategy” (2008, 279), and that therefore it was left to the market to moderate that interest. Freedom became the way by which the market was to be conceptualized. Self-regulation was the principle by which the market was to exist. According to Foucault, the free market, economic interest, and the self-regulating forces of the market became the substance of liberalism.

Organized Freedom

Liberalism became the intellectual discourse of a capitalism that had to organize others in order to allow them to exercise their freedom in the market.⁸ These others are to be seen as economic subjects, namely the individuals who pursue their own economic interests within the market. But they do so by responding to resources that are made available to them. People’s economic initiatives directed toward the realization of their economic interests would populate the market. Government had to create the conditions for this market to exist and for the people to operate in it. Thus, Foucault suggested that promoters of liberalism were keen to be seen as the power that created the conditions for free economic activity (p. 269). Reflecting on how freedom was conceived of in liberalism, Foucault stated that it was a kind of “consumer freedom”, meaning by this that it could function only in conjunction with other freedoms such as “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” (p. 62–63). The liberal government and its capitalist system needed freedom; it consumed freedom. “This means”, Foucault concluded, that “it must produce it ... it must organize it” (pp. 63–64). Freedom became the essence of liberalism and its goal. In Foucault’s mind, however, liberalism did not operate through the imperative *be free*. Rather, he argued, liberalism took on the task of producing the freedom that individuals needed in order to pursue their interests. In other words, liberalism made people “free to be free”. Liberal government, Foucault

⁸How to organize, or to lead others, is a familiar topic with Foucault and he kept returning to it over the years, particularly in his work on the subject and power (1983) and technologies of the self (1988a).

emphasized, became concerned with the management and organization of the “conditions in which one can be free” (p. 63).

From Liberal Governance to Neoliberal Radical Self-Governance

Toward the end of his lectures, and perhaps somewhat abruptly, Foucault seemed to differentiate between liberalism and neoliberalism. He stated that liberalism and its governmentality became possible because of an application of “the grid of homo oeconomicus” to domains that were not “immediately or directly economic” (p. 268). This means that liberal economy invested many domains of life related to health, reproduction, education, and so forth. Liberalism was the doctrine of economic freedom and of the economic interest to be actualized freely in the market. Freedom within the liberal framework is not an abstract condition. Rather, liberal freedom originates through the freedom to work and the freedom to satisfy one’s economic interests. Thus, for liberal thinking the main activity of the government consisted in providing the framework for exercising individual freedom to the advantage of private and public life. Although Foucault never dwelled on the representational political system related to liberalism, it became obvious from his writing that the liberalism of mid-nineteenth/early twentieth century was grounded in democracy. Democracy is the system of individual voting and personal freedom. Liberalism so conceptualized and so grounded had to do with conduct. The government had to conduct itself in a transparent way, and individuals had to conduct themselves in a way that could allow them to enjoy market freedom. In being able to anticipate people’s conduct and behaviors, governmentality could govern in the name of freedom and individual choices. What government had to provide was the space where that freedom could be exercised, namely the market. Foucault stated that in liberal economy, “homo oeconomicus is someone who purses his own interest, and whose interest is such that it converges spontaneously with the interest of others” (p. 270). Adam Smith ([1776] 1970, 119) certainly captured the essence of such conduct linked to the economic interest in the following statement:

It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own interest. We address ourselves, not to their humanity but to their self-love, and never talk to them of our own necessities but of their advantages.

In expanding into the twentieth century, Foucault observed, the discourse about how to govern took a turn. He considered that turn to signal a shift from exchange to competition, from liberalism to neoliberalism. In competition, Foucault observed, the economic subject of the past, who was mainly engaged in exchange, became the man of enterprise. That shift, Foucault further noted, pointed to a new idea about economic activity. In neoliberal thinking government became minimal, leaving to individuals and businesses to determine their own conduct in the market through their ability to exploit their own resources. In neoliberal governmentality, the economic agent becomes an “entrepreneur of himself” by virtue of “being for himself his own capital, being for himself his own producer, being for himself the source of his earnings” (p. 226). In order to conceptualize the self-entrepreneur, the self-enterprising individual, the idea of governance had to be revisited along with the notion of the function of government. Liberal governance became neoliberal self-governance. Neoliberalism, Foucault pointed out, developed a radical notion of independence from government and a radical notion of minimal government. The intellectual basis for such a double shift was the idea that individuals were able to govern themselves and did not need a government telling them how to behave. By being now radically free, they could use their own personal resources to maximize their economic gains. Foucault did not elaborate on the notion of the self-enterprising individual after 1979. Considering, however, that since the early 1980s there has been a sharp increase in entrepreneurial activities and enterprises strongly linked to a private persona (think of Bill Gates, Mark Zuckerberg, Steve Jobs, and many Silicon Valley individual success stories) and the use of personal images/life to assert success, it seems that his analysis has been quite authoritative.⁹ This historical development is not extraneous to liberal and neoliberal capitalism. Indeed, it is profoundly grounded in it.

Foucault’s Archaeological Method

Foucault’s work about liberalism and neoliberalism is extraordinary in that his reconstruction of the intellectual discourse accompanying the rise of liberalism has proved invaluable. All his works are marked by his

⁹And also considering, on a more socio-cultural level, the resurgence of a body cult, the quest for body/gender realignments, and a new assertiveness of physical well-being along with expectations of personal fulfillment, it seems that Foucault was extraordinarily accurate in anticipating this historical development toward radical self-determination based on self-enterprising activities.

archaeological method (2003) of uncovering the discursive conditions for changes, shifts, and new paradigms. In his work about governmentality, Foucault applied his archaeological method to reveal the conditions and highlight the effects of a new discourse about government. Never interested in prejudging the events and actions he reconstructed, Foucault always remained politically neutral. This often made it difficult for his readers to understand where reconstruction and where critique lay. And because there has never been much judgment to be found in Foucault's books, he has at times been seen as implicitly agreeing with what he described. His work about governmentality has stirred up responses of approbation and disapprobation alike (see Dean 2010). Foucault's innovative analysis of liberalism resisted classification within the traditional left-right paradigm of progressive versus capitalist alternatives. In focusing on discourse and avoiding prefabricated ideology, Foucault was able to show how governmentality formed a set of values and principles based on an economic, rather than political perspective about society and social relations. For Foucault, government was not a question of setting normative parameters to be enforced. Government was a mentality rather than a technique, and it implied free followers and free leaders, something he believed many critics of political and government studies never really grasped.

Responding to those critics who took aim at Foucault's thesis about the rise of the self-enterprising mentality, Lemke (2001) argued that Foucault's conclusions have been proven correct. Lemke also supported Foucault in arguing that governmentality had created a new autonomy that invested individuals and institutions with the capacity for "self-control" (2001, 203). In a contribution written to commemorate the twentieth anniversary of Foucault's death, Donzelot (2008, 129) praised the "enduring relevance" of Foucault's theoretical work. Commenting specifically on his analysis of governmentality, Donzelot argued that it was corroborated by the advent of neoliberalism in the USA, the bureaucratic developments of the European Union, and the political rise of Margaret Thatcher. Berard (1999), echoing Donzelot, emphasized Foucault's influence on social theory through his ability to effectively bring together topics that might appear to a superficial observer as disconnected. But Foucault's analysis of liberalism has also been criticized, particularly his idea that modern political economy depends on freedom/liberties, rather than rights. McNay (2009) and Tribe (2009), for example, reproached Foucault for being ambivalent toward the topic of liberalism and his ambivalence, they argued, prevented him "from seeing a more radical potential in rights discourse as an insistence of a political claim about equality" (McNay 2009, 73). Honnet (2004, 474) also saw a risk in

abandoning the collective rights discourse. He argued that the individual alone would not win against capitalist conditions that would only superficially empower people: “The ideal of self-realization pursued throughout the course of a life has developed into an ideology and productive force of an economic system.” Others have argued that while there is no point in denying the importance of groups in the classical theory of economics (Schabas 2005, 14–15), it remains irrefutable that human agency increasingly appears to be driven by individual choices within sophisticated social relations oriented toward utility. The individual as the target of governmental policies was not an invention of politics. Rather, the free individual living in a free society and pursuing personal interests was first conceptualized in the works of John Locke and was subsequently expanded upon by other philosophers and social critics such as David Hume, Adam Smith, Adam Ferguson, and John Stuart-Mill. For example, Ferguson declared that “if the public good be the principal objective with individuals, it is likewise true that the happiness of individuals is the great end of civil society: for in what sense can a public enjoy any good, if its members, considered apart, be unhappy?” (Ferguson [1767] 1995, 59).

Governmentality and Ethics

Foucault’s work about governmentality has implicitly shown why liberal individualism has been so successful over the years. People, Foucault added, always show a “willingness to exist as subjects”, which means that the “governed are engaged in their individuality by the propositions and provisions of government” (2008, 48). Perhaps it is this understanding of governmentality that can lend itself to ethical considerations. According to Connolly (1993), Foucault’s ethical sensibility here still remains unmatched. The freedom that Foucault saw emerge via a new discourse about government driven by economic thinking was not freedom based on human rights. From the analysis performed by Foucault, it appears that human rights are not the aim of economics. Gordon (1991, 42) argued that Foucault’s pointing to the self-enterprising aspects of liberal capitalism reinforces the idea of “economic activity as a discriminating use of available resources”. Gordon noted that Foucault appreciated, in spite of his skepticism, the intellectual force of liberalism as a discourse targeting self-scrutiny, namely governments’ “own incapacity” (1991, 47) to govern effectively and fairly. But it is possible that his appreciation was greater than this. Foucault certainly admired the

cleverness of liberal thought and the establishment of the free market that helped move society out of mercantilism and early industrial capitalism—and all in the name of freedom. The enterprising and self-governing individuals and the mentality that created the (neo)liberal government appear, through Foucault's analysis, to be interdependent. Foucault was aware of the risks of his interpretations, but he was also urging people not to avoid thinking about the logic of government. "To work with a government implies neither subjection nor global acceptance. One can simultaneously work and be restive. I even think that the two go together" (quoted in Gordon 1991, 48).

Some have described Foucault's investigation of governmentality as a breaking-away from his most successful analysis of power and its modernizing strategies, or even at odds with his later work on the ethical subject, self-care, and technologies of the self (Foucault 1988a, b, 1991). However, these views have been rejected by some of his most respected interpreters (Donzelot 2008; Dreyfus and Rabinow 1983; Lemke 2001; Milchman and Rosenberg 2007; Rabinow 2009). Others have pointed to a substantial link between earlier and later studies (Barry et al. 1996; Gordon 1991; Miller and Rose 2008). Gordon (1991, 4) observed that there is "no methodological or material discontinuity" between microphysical and macrophysical approaches to the study of power. And Burchell (1991, 11) argued that introspective analyses of the ethical self are necessary because individuals are "most profoundly affected when the way they are governed requires them to alter how they see themselves as governed subjects". Foucault had always been interested in the political relationship between governed and governors. He understood governmentality to be an interdependent relationship between the parts of society. Speaking metaphorically, Foucault (1981, 236) described such a relationship thus: "by helping his flock to find salvation, the shepherd will also find his own". In other words, to govern means "to structure the possible field of action of others" (Foucault 1983, 221), and by so doing government learns how to govern properly. Foucault did not expand on government and the political economy after 1979, preferring instead to turn his attention to topics related to ethics and self-ethics, which made some lament his abandoning of the theory of liberal intelligence (Donzelot 2008). However, here lies Foucault's major discovery: that within Western culture there exists an understanding of individual and public behavior as something profoundly related to both freedom and self-discipline. There is no freedom without personal discipline, no collective freedom without a disciplinary mentality that shapes people's behaviors in the market and society. If people have goals, they have to discipline themselves in order to generate the resources and energies that will make those goals achievable. If

people want to live in peace they have to create the conditions for cooperation, which implies being disciplined in terms of commonly accepted behaviors.

Conclusions

In concluding this chapter, I sum up what I believe are the five major aspects discussed by Foucault in relation to governmentality. These five major aspects relate to rights becoming less important within the market, economic interest emerging as an expression of individual will, people's behavior being rendered more predictable by economic interest, freedom being guaranteed in the market, and self-enterprising individuals being a product of a more radical understanding of freedom. After the collapse of sovereignty, there was a need to identify how to govern modern societies where individual freedom, economic prosperity, and the health of the population became the things to govern. The force known under the name of liberalism was to step forward and articulate a framework for public and private life. In speaking of a mentality about how to govern, Foucault highlighted the thinking, discourse, and practices of liberalism. Drawing from the philosophical tradition of John Locke and Adam Smith, liberalism became the new government (replacing sovereignty), democracy became the system that conferred legitimacy on government, capitalism the method of production, and the market the space of action. The main assumption in liberalism, however, was and still remains that individuals are rational, that their choices are rational, and that, therefore, once their goals become transparent, they will be governable.

Foucault masterfully articulated the historical workings of an intellectual discourse that described the art of governing under economic and market conditions. He understood this discourse to be the product of an intellectual movement that became known as liberalism and neoliberalism. Foucault remained quite abstract throughout his lectures, providing few empirical examples. Had he lived longer he would probably have added more detail. How far governmentality can reach depends on developments that Foucault could not have anticipated such as globalization, global markets, and political upheavals caused by new radical quests for freedom. From Foucault's work it appears that the theoreticians of liberalism and neoliberalism always assumed that when pursuing their economic interest people displayed pre-

dictable behaviors, which means that the way by which people tried to satisfy their interests contained some elements of rationality. It was that rationality that made them governable. Perhaps this was governmentality's strongest weakness. People are not always rational. The business, economic, and financial crises of the first 15 years of the twenty-first century have shown how irrational people can be, how erratic some behaviors have become, and how corrosive self-interest might ultimately have undermined the reputation of the market as a place of neutral freedom and open opportunities.¹⁰ This could prove that the intellectual force of liberalism is in decline. It could also mean that the market, liberal capitalism's most effective normative and cultural instrument, has lost its regulatory power. But it could also prove that the neoliberal radical notion of self-governance has not worked according to the principles of governmentality, particularly within business organizations and corporations. By getting rid of governance and promoting the self-governance of individuals and businesses, neoliberalism might have undermined itself. History will tell.

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¹⁰ I will explore the effects of these crises in Chaps. 5 and 6.

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