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'The birth of bio-politics': Michel Foucault's lecture at the Collège de France on neo-liberal governmentality

Thomas Lemke

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Abstract

This paper focuses on Foucault's analysis of two forms of neo-liberalism in his lecture of 1979 at the Collège de France: German post-War liberalism and the liberalism of the Chicago School. Since the course is available only on audio-tapes at the Foucault archive in Paris, the larger part of the text presents a comprehensive reconstruction of the main line of argumentation, citing previously unpublished source material. The final section offers a short discussion of the methodological and theoretical principles underlying the concept of governmentality and the critical political angle it provides for an analysis of contemporary neo-liberalism.

Keywords: Foucault; neo-liberalism; governmentality; state; technologies of the self.

From 1970 until his death in 1984, Michel Foucault held the Chair of 'History of Systems of Thought' at the Collège de France.[1] In his public lectures delivered each Wednesday from early January through to the end of March/beginning of April, he reported on his research goals and findings, presenting unpublished material and new conceptual and theoretical research tools. Many of the ideas developed there were later to be taken up in his various book projects. However, he was in fact never to elaborate in writing on some of the research angles he presented there. Foucault's early and unexpected death meant

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that two of the key series of lectures have remained largely unpublished ever since, namely the lectures held in 1978 ('Sécurité, territoire et population') and in 1979 ('La naissance de la biopolitique').[2] These lectures focused on the 'genealogy of the modern state' (Lecture 5 April 1978/1982b: 43). Foucault deploys the concept of government or 'governmentality' as a 'guideline' for the analysis he offers by way of historical reconstructions embracing a period starting from Ancient Greek through to modern neo-liberalism (Foucault 1997a: 67). I wish to emphasize two points here, as they seem important for an adequate assessment of the innovative potential of the notion of governmentality. First of all, the concept of governmentality demonstrates Foucault's working hypothesis on the reciprocal constitution of power techniques and forms of knowledge. The semantic linking of governing ('gouverner') and modes of thought ('mentalité') indicates that it is not possible to study the technologies of power without an analysis of the political rationality underpinning them. In other words, there are two sides to governmentality (at certain points Foucault also speaks of 'the art of government'). On the one hand, the term pin-points a specific form of *representation*; government defines a discursive field in which exercising power is 'rationalized'. This occurs, among other things, by the delineation of concepts, the specification of objects and borders, the provision of arguments and justifications, etc. In this manner, government enables a problem to be addressed and offers certain strategies for solving/handling the problem. On the other hand, it also structures specific forms of *intervention*. For a political rationality is not pure, neutral knowledge which simply 're-presents' the governing reality; instead, it itself constitutes the intellectual processing of the reality which political technologies can then tackle. This is understood to include agencies, procedures, institutions, legal forms, etc., that are intended to enable us to govern the objects and subjects of a political rationality.

Second, Foucault uses the concept of government in a comprehensive sense geared strongly to the older meaning of the term and adumbrating the close link between power relations and processes of subjectification. While the word government today possesses solely a political meaning, Foucault is able to show that up until well into the eighteenth century the problem of government was placed in a more general context. Government was a term discussed not only in political tracts, but also in philosophical, religious, medical and pedagogic texts. In addition to control/management by the state or the administration, 'government' also signified problems of self-control, guidance for the family and for children, management of the household, directing the soul, etc. For this reason, Foucault defines government as conduct, or, more precisely, as 'the conduct of conduct' and thus as a term which ranges from 'governing the self' to 'governing others'. All in all, in his history of governmentality Foucault endeavours to show how the modern sovereign state and the modern autonomous individual co-determine each other's emergence (Lecture 8 February 1978/1982b: 16–17; 1982a: 220–1; Senellart 1995).

While, in his 1978 lectures, Foucault traces the genealogy of governmentality from Classical Greek and Roman days via the early Christian pastoral guidance

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through to the notion of state reason and the science of the police, the 1979 lectures focused on the study of liberal and neo-liberal forms of government. At the beginning and end of the lecture series, Foucault gave an outline of the classic liberal art of government by discussing the works of Adam Smith, David Hume and Adam Ferguson. In the lectures in-between he analysed the neo-liberal governmentality, concentrating in particular on two forms of neo-liberalism: German post-war liberalism and the liberalism of the Chicago School, which derives from the former, takes it a step further and gives it more radical form.[3]

Foucault's concept of government has inspired many studies in the social sciences and many historical investigations, and it has been especially his analysis of neo-liberal governmentality that has kindled interest. At the same time, it is precisely this material which has to date remained more or less inaccessible and large parts of which are therefore not widely known. Owing to this difficult starting point, I shall, in the first two sections of this article, concentrate on this specific section of the lecture series and reproduce in systematic form Foucault's hypotheses on neo-liberal governmentality, citing source material as carefully as possible. In the concluding section I shall offer a short discussion of the methodological and theoretical principles underlying the concept of governmentality and the critical political angle it provides for an analysis of neo-liberalism, followed by a brief presentation of some subsequent work inspired by Foucault's account.

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'Inequality is equal for all': the *Ordo*-liberals

The theoretical foundations for German post-war liberalism were drawn up by jurists and economists who in the years 1928–30 had belonged to the 'Freiburg School' or had been associated with it and later published in the journal *Ordo*. Notable among them were Wilhelm Röpke, Walter Eucken, Franz Böhm, Alexander Rüstow, Alfred Müller-Armack and others. These *Ordo*-liberals played a substantial role in devising the 'social market economy' and decisively influenced the principles of economic policy applied in West Germany in its infancy (see 1997b: 77–9).

Foucault puts his finger on a series of issues and experiences of the 'Freiburg School' which it shared with the 'Frankfurt School'. The two had in common not only the point in time when they first appeared on the scholarly scene – namely the mid-1920s – and a destiny shaped by exile, but both were also part and parcel of a political-academic problematic which prevailed in Germany as of the early 1920s and was closely associated with Max Weber. Weber was important for having shifted Marx's problem of the contradictory logic of capitalism onto a level where he discussed it as the irrational rationality of capitalist society. This problem was the point of departure for both schools, but resulted in completely different angles of discussion: The Frankfurt School searched for a new social rationality that would annul and overcome the

irrationality of the capitalist economy. The Freiburg School opted for the opposite approach and endeavoured to re-define the economic (capitalist) rationality in order to prevent the social irrationality of capitalism from unfolding (Lecture 7 February 1979).

Foucault believes that another parallel of both schools is the significance accorded to reflection on the reasons for the emergence of the Nazis. Yet here, too, addressing one and the same problem leads to two diametrically opposite answers. While Adorno, Horkheimer and other Critical theorists insist that there is a causal connection between capitalism and fascism, the neo-liberals consider the Third Reich not to be the product of liberalism but instead the result of an absence of liberalism. In this perspective the collapse of democracy in Germany is not caused by a functioning market economy, but rather the consequence of the fact that such an economy did not exist. From the viewpoint of the *Ordo*-liberals, the Third Reich was the inevitable result of a series of anti-liberal policies. Unlike the Frankfurt School, the Freiburg School therefore believed that the crucial alternative was not between capitalism and socialism, but between liberalism and different forms of state interventionism (Soviet Socialism, National Socialism, Keynesianism), all of which, if to differing degrees, threaten liberty (Lecture 7 February 1979; Burchell 1993: 270).

Now, Foucault maintains that the theoretical basis for the *Ordo*-liberals' conviction was their radical anti-naturalistic conception of the market and of the principle of competition. In the *Ordo*-liberal scheme, the market does not amount to a natural economic reality, with intrinsic laws that the art of government must bear in mind and respect; instead, the market can be constituted and kept alive only by dint of political interventions. In this view, like the market, competition, too, is not a natural fact always already part and parcel of the economic domain. Instead, this fundamental economic mechanism can function only if support is forthcoming to bolster a series of conditions, and adherence to the latter must consistently be guaranteed by legal measures. Pure competition is therefore neither something that exists 'naturally' nor is it something ever completely attained, but provides the justifications for a projected target which necessitated incessant and active politics. In such an approach there is no room for a conception that distinguishes between a limited domain of liberty and the legitimate domain of government intervention. Unlike this negative conception of the state typical of liberal theory in the eighteenth and nineteenth centuries, in the *Ordo*-liberal view, the market mechanism and the impact of competition can arise only if they are produced by the practice of government. The *Ordo*-liberals believe that the state and the market economy are not juxtaposed but that the one mutually presumes the existence of the other (Lecture 7 February 1979).

Foucault emphasizes three important strategic functions of this anti-naturalism:

1 It initially means in *theoretical terms* that the strict separation between an economic base and a political-legal superstructure is inappropriate. This

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dichotomy is therefore not tenable because the economy is not a domain of natural mechanism, but instead defines a social field of regulated practices.

2 The *historical* significance of this hypothesis is that it rejects a concept of history that attempts to derive socio-political changes from the economic transformation processes of capitalism. For the *Ordo*-liberals, the history of capitalism is an economic-institutional history. It is not a unilateral causal connection structuring the course of history but incessant reciprocity: capitalism is an 'historical figure' through which economic processes and institutional 'framework' are articulated, refer to and support each other.

3 The *political* dimension of this hypothesis addresses the survival of capitalism. For the *Ordo*-liberals there is no capitalism because there is no logic to capital. What is called capitalism is not the product of a pure economic process and historical capitalism cannot be derived from a 'logic of capital'. We do not have to do here with a firmly circumscribed and defined structure (*capitalism*, which possesses an end we can forecast owing to its contradictory logic) but instead with something that is historically singular (*one* form of capitalism among possible other forms). In other words, we have to do with something which is open for a specific number of economic and institutional variables and operates in a field of possibilities: a 'capitalist system'. Thus, the focus of theoretical debate is on the fact that capitalism is a construct: If capitalism is an economic-institutional unity, then we must be able to intervene in this ensemble in such a way that in one and the same process we both change capitalism and 'invent' ('intervenir'/'inventir') a new capitalism. From this angle, we consider less an existing form of capitalism and instead try and create a new one. The *Ordo*-liberals replace the conception of the economy as a domain of autonomous rules and laws by a concept of 'economic order' (Foucault uses the original German term 'Wirtschaftsordnung') as an object of social intervention and political regulation (Lecture 20 February 1979).

This form of argumentation also emerges in the way the *Ordo*-liberals tackled two positions which believed capitalism was unable to be innovative owing to its intrinsic regularities. On the one hand, the *Ordo*-liberals reject Schumpeter's pessimistic assertion that capitalism necessarily exhibits monopolistic tendencies. They admittedly agree with him that ongoing concentration is not attributable to the economic process itself, but stems from the social consequences of competitions: both Schumpeter and the *Ordo*-liberals construe the monopolistic organization not as an economic but as a social phenomenon. However, the *Ordo*-liberals draw completely different conclusions from this shared appraisal. Precisely because monopolization is a social phenomenon, they suggest, it is not some irrevocable and inevitable process, but can be prevented by social intervention and by creating a commensurate institutional framework. Monopolization is not some economic destiny, but the result of a failed political strategy and inadequate forms of institutionalization (Lecture 20 February 1979).

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On the other hand, the *Ordo*-liberals attack Sombart's proposal that innate to the modern economy is an irreversible development into a uniform 'mass society', which leads to the immiseration of human relations and the experience of community gives way increasingly to anonymous social relations. The *Ordo*-liberals again take the opposite track. They hold that it is not capitalism which is responsible for the problems outlined by Sombart and others, but claim that instead they are the product of the planning methods and bureaucratic apparatuses deployed by enemies of the market mechanism. From this viewpoint, the neo-liberal art of ruler-ship does not spawn a uniform society but instead represents a new direction intended to lead directly away from the homogenizing trends of a 'mass society' (Lecture 14 February 1979; Gordon 1986: 80–1).

If we follow Foucault's interpretation, then the *Ordo*-liberals' theoretical efforts were designed to show, in the wake of the experience of the Third Reich, that the irrationalities and dysfunctionalities of capitalist society could be overcome by politico-institutional 'inventions', as these problems were not compellingly innate to the logic of capitalism but of a contingent historical nature. For this reason, the *Ordo*-liberals change the theoretical angle, construing the economy not in naturalistic but in institutionalist terms. Under such conditions, it is no longer meaningful to speak of the destructive 'logic of capital', as such talk assumes the existence of an autonomous domain of the economy with its own rules and limits. The *Ordo*-liberals instead presume that the survival of the 'capitalist system' depends on the political capacity to construct innovative answers to the more or less contingent structural compulsions and blockages that are part of this system and which it is necessarily subject to. To put it over-succinctly, the *Ordo*-liberals try to show that there is not just one capitalism with its logic, its dead-ends, and its contradictions, but an economic-institutional entity which is historically open and can be changed politically.

Such a conception of the economic domain includes the necessity of devising a social policy (Foucault uses the original German term 'Gesellschaftspolitik') which is not limited to transferring and redistributing monies but stands out for its active creation of the historical and social conditions for the market. For the *Ordo*-liberals, social policy did not exercise a negative, compensatory function; moreover, its task, they believed, was not to offset the destructive impact of economic liberty. Instead of lessening the anti-social consequences of competition, it had to block the anti-competitive mechanisms which society can spawn. There are two important strands to such a social policy, namely the universalization of the entrepreneurial form and the redefinition of law.

One aspect of the *Ordo*-liberals' notion of social policy consists of forging a social framework in which there is the material basis for the *enterprise* as a form and which obeys the principle of 'equal inequality for all' (Lecture 14 February 1979). The goal of such a political strategy is to multiply and expand entrepreneurial forms within the body social. This generalization functions, first, to generate a model for social relations *per se* from the economic mechanisms of

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supply and demand, competition, etc. And, second, it acts as what Rüstow has called a *Vitalpolitik* ('vital policy') geared to reproducing and re-activating moral and cultural values which oppose the free play of the economy and are permanently threatened by it (Lecture 14 February 1979; Lecture 21 March 1979; Gordon 1987: 314–15).

The other strand of social policy supplements the first, and encompasses the *re-definition of the form of law* and of the juridical institutions. Massive social intervention is necessary to anchor the entrepreneurial form at the very heart of society. While, in the eighteenth century, minimal political invasion was the precondition for a functioning economy, for the *Ordo*-liberals law is no longer a superstructural phenomenon, but itself becomes an essential part of the (economic-institutional) base and thus an indispensable instrument for creating entrepreneurial forms within society (Lecture 20 February 1979).

Foucault points out that the constructivist and anti-naturalist thrust of the *Ordo*-liberal project cannot be separated from the special historical situation in post-war Germany. The notion of an open economic domain that is created only by incessant social intervention served as political legitimation for the newly founded second German republic. Unlike classical liberalism, the *Ordo*-liberals did not face the problem of how to establish sufficient market freedoms within an existing state. Instead, the question they faced was how a state could be created on the basis of economic liberty, whereby the latter doubles up as the principle of state legitimation and state self-delineation. In other words, what is involved is not the legitimation of an already extant state, but a form of legitimation that founds a state: the economic liberty produces the legitimacy for a form of sovereignty limited to guaranteeing economic activity.

Whereas in the eighteenth century the problem liberals addressed was how to limit an extant state and establish economic liberty within it, in Germany after 1945 the problem was the opposite: how to create a state that did not yet exist on the basis of a non-state domain of economic liberty. In his *Protestant Ethic*, Max Weber had suggested that in sixteenth-century Germany individual wealth was a sign of divine selection – in newly founded post-war West Germany, collective wealth was to be accorded a similar role. Following the experiences of the Third Reich and the historical catastrophe that was the Second World War, economic prosperity formed a new political order from within the vacuum of national destruction – and likewise created the legitimacy for this order. Collective wealth produced a social consensus on a state that was no longer defined in terms of an historical mission but legitimated itself with reference to economic growth. Economic prosperity revealed the legitimacy of the state for all to see – a state that refused to adopt any transcendent perspective and solely guaranteed the rules of economic exchange. This form of legitimacy functions by making a break with the immediate German past: in Germany, a new notion of time asserts itself, organized no longer in historical but in economic categories. It hence no longer entails notions of historical progress, but instead of economic growth – and its by-product is the ability to forget and annul recent German history (Lecture 31 January 1979; Gordon 1991: 41–2).

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The social as a form of the economic: the Chicago School

Like the *Ordo*-liberals, the US neo-liberalism of the Chicago School opposed state interventionism and dirigism, and, in the name of economic liberty, criticized the uncontrolled growth of bureaucratic apparatuses and the threat to individual rights. Yet there are deep-seated differences between the two versions of neo-liberalism as regards their respective concepts of society and their suggested political solutions.[4]

The *Ordo*-liberals' starting point was their idea of a 'social market economy', in other words they started from a notion of a market that was constantly supported by political regulations and had to be flanked by social intervention (housing policy, support for the unemployed, healthcare, etc.). This conception of social policy was always based on a difference between the economic and social domains, with the concept of enterprise functioning as the intermediary between them. The coding of social existence as an enterprise was at the same time a politics of rendering the social domain economic and a 'vital policy', which is intended to offset the negative impact of economic exchange by taking political measures. The 'entrepreneurial' society of the *Ordo*-liberals is characterized by a core 'ambiguity', which the work of the US neo-liberals sets out to tackle (Lecture 21 March 1979; Gordon 1991: 42).

Foucault suggests that the key element in the Chicago School's approach is their consistent expansion of the economic form to apply to the social sphere, thus eliding any difference between the economy and the social. In the process, they transpose economic analytical schemata and criteria for economic decision making onto spheres which are not, or certainly not exclusively, economic areas, or indeed stand out for differing from any economic rationality. Whereas the *Ordo*-liberals in West Germany pursued the idea of governing society in the name of the economy, the US neo-liberals attempt to re-define the social sphere as a form of the economic domain. The model of rational-economic action serves as a principle for justifying and limiting governmental action, in which context government itself becomes a sort of enterprise whose task it is to universalize competition and invent market-shaped systems of action for individuals, groups and institutions (Foucault 1997b: 78–9; Burchell 1993: 274).

This strategic operation relies on a prior epistemological shift which systematically and comprehensively expands the object addressed by the economy. Here, the economy is no longer one social domain among others with its own intrinsic rationality, laws and instruments. Instead, the area covered by the economy embraces the entirety of human action to the extent that this is characterized by the allocation of scant resources for competing goals. The neo-liberals are interested in ascertaining what reasoning it is which persuades individuals to allocate their scant means to one goal rather than to another. The focus is therefore no longer on reconstructing a (mechanical) logic, but on analysing a form of human action governed by a specific, unique (economic) rationality. From this angle, the economic is not a firmly outlined and delineated area of

human existence, but essentially includes all forms of human action and behaviour (Lecture 14 March 1979; Gordon 1991: 43).

The neo-liberals generalize the scope of the economic in order to accomplish two things: First, the generalization functions as an analytical principle in that it investigates non-economic areas and forms of action in terms of economic categories. Social relations and individual behaviour are deciphered using economic criteria and within economic terms of their intelligibility. Second, the economic matrix is also programmatic in that it enables a critical evaluation of governmental practices by means of market concepts. It allows these practices to be assessed, to show whether they are excessive or entail abuse, and to filter them in terms of the interplay of supply and demand. While classic liberalism had called on government to respect the form of the market, in the neo-liberal approach the market is no longer the principle of self-delimitation by the government, but instead the principle against which it rubs, or, as Foucault puts it, 'a kind of permanent economic tribunal' ('une sorte de tribunal économique permanent') (Lecture 21 March 1979).

Foucault provides two examples to illustrate neo-liberalism's linking of analytical and programmatic schemes: the theory of human capital and the analysis of criminality.[5]

The *theory of human capital* takes its cue from a critique of the treatment of the problem of labour within economic theory. Classical political economy claims that the production of goods depended on three factors: real estate, capital and labour. In the neo-liberal critique, only real property and capital have hitherto been discussed extensively, while labour has remained under-illuminated in the role of a 'passive' production factor. In other words, labour is neutralized and construed only using quantitative concepts and in temporary forms. Ironically enough, the neo-liberals share Marx's critique of political economy, namely that it had forgotten labour – without, however, taking Marx as a point of orientation. Despite this theoretical ignorance, it is easy to see how they relate to Marx. While he had regarded the division between concrete and abstract labour as the historical product of capitalist society, for the neo-liberals it is the contingent result of economic theory. They assume that this division is not a structural problem innate to the capitalist economy, but instead a deficit in how political economy construes the capitalist process, in other words, a problem of representation. In this vein, critique must not be levelled at the economy, but at the way we construe the economic process; the point is less to suggest a different economy and more to think the notion of economy differently. According to the neo-liberals, classical political economy did not see the specific modulations and qualitative aspects of labour because it believed the economic process was restricted to the analysis of production, of exchange relations and consumption in terms of a specific mechanism within a given social structure. In short, for the neo-liberals abstract labour is not the consequence of a capitalist mode of production, but of the inability of political economy to provide a concrete account of labour.

Neo-liberalism claims to offer such a concrete analysis with its theory of

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human capital. It does not proceed from objective-mechanical laws, but takes its starting point in an appraisal of subjective-voluntarist calculations: how do the people performing the labour use the means at their disposal? In order to be able to answer this question and investigate the significance of work for those performing it, the neo-liberals adopt the subjective vantage point of the person doing the work. For a wage labourer the wage is by no means the price for selling his/her labour power, but instead represents an income from a special type of capital. This capital is not capital like other forms, for the ability, skill and knowledge cannot be separated from the person who possesses them. This 'human capital' is made up of two components: an inborn physical-genetic predisposition and the entirety of skills that have been acquired as the result of 'investments' in the corresponding stimuli: nutrition, education, training and also love, affection, etc. In this model, the wage labourers are no longer the employees dependent on a company, but are autonomous entrepreneurs with full responsibility for their own investment decisions and endeavouring to produce surplus value; they are the entrepreneurs of themselves (Lecture 14 March 1979; Gordon 1991: 44).[6]

This gearing to market criteria is also characteristic of the Chicago School's analyses of *criminality* and the function of penal justice. The neo-liberal construct of rationality marks a break with the *homo criminalis* of the nineteenth century (see Pasquino 1991) and the neo-liberals thus distance themselves from all psychological, biological or anthropological explanations of crime. In the opinion of the neo-liberals, a criminal is not a psychologically deficient person or a biological degenerate, but a person like any other. The criminal is a rational-economic individual who invests, expects a certain profit and risks making a loss. From the angle of *homo oeconomicus* there is no fundamental difference between murder and a parking offence. It is the task of the penal system to respond to a supply of crimes, and punishment is one means of constraining the negative externalities of specific actions.

This objectification of the criminal as an economic-rational individual certainly does not constitute a return to the positions of early liberal penal philosophy. The penal reformers of the eighteenth and nineteenth centuries adhered to an imperative to moralize and dreamed of a world completely free of crime. For the neo-liberals, crime is no longer located outside the market model, but is instead one market among others. And neo-liberal penal theory limits itself to intervention in the market for crime that involves limiting the supply of crime by negative demand, in which context the costs of the market should never exceed the costs of crime. In this approach, good penal policy should never aspire to eliminate crime completely, but should try to strike a temporary and forever fragile balance between the positive supply curve for crime and a negative demand curve for sanctions.

However pathological an individual may be, in the eyes of the neo-liberals he or she is always to a certain degree also a rational being, in other words sensitive to changes in the balance of profit and loss. Neo-liberal penal policy is therefore action that impacts on the balance of profit and loss and seeks to apply

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leverage to the cost-benefit ratio. It focuses not on the players, but on the rules of the game, not on the (inner) subjugation of individuals, but on defining and controlling their (outer) environment. The neo-liberal programme seeks to create neither a disciplining nor a normalizing society, but instead a society characterized by the fact that it cultivates and optimizes differences. It is therefore neither necessary nor desirable for a society to exhibit unlimited conformity. On the contrary, it can live quite happily with a certain degree of criminality, which is thus not a sign of social dysfunction, but rather that society functions optimally, regulating even the distribution of criminality (Lecture 21 March 1979).

Classic liberalism and neo-liberalism, Foucault suggests, differ above all on two points: the first difference is the *re-definition of the relation between the state and the economy*. The neo-liberal conception inverts the early liberal model, which rested on the historical experience of an overly powerful absolute state. Unlike the state in the classical liberal notion of rationality, for the neo-liberals the state does not define and monitor market freedom, for the market is itself the organizing and regulative principle underlying the state. From this angle, it is more the case of the state being controlled by the market than of the market being supervised by the state. Neo-liberalism removes the limiting, external principle and puts a regulatory and inner principle in its place: it is the market form which serves as the organizational principle for the state and society (Lecture 31 January 1979; Lecture 7 February 1979).

The second difference stems from the *basis of government*. Neo-liberal thought has a central point of reference and support, namely *homo oeconomicus*. By encoding the social domain as a form of the economic domain, cost-benefit calculations and market criteria can be applied to decision-making processes within the family, married life, professional life, etc. The economic individual who rationally calculates costs and benefits is quite unlike the *homo oeconomicus* of the eighteenth-century liberal thinkers. In the classical-liberal version, the freedom of the individual is the technical precondition for rational government, and government may not constrain such freedom if it does not wish to endanger its own foundations. Now, neo-liberalism admittedly ties the rationality of the government to the rational action of individuals; however, its point of reference is no longer some pre-given human nature, but an artificially created form of behaviour. Neo-liberalism no longer locates the rational principle for regulating and limiting the action of government in a natural freedom that we should all respect, but instead it posits an artificially arranged liberty: in the entrepreneurial and competitive behaviour of economic-rational individuals. Whereas in the classic liberal conception, *homo oeconomicus* forms an external limit and the inviolable core of governmental action, in the neo-liberal thought of the Chicago School he becomes a behaviouristically manipulable being and the correlative of a governmentality which systematically changes the variables of the 'environment' and can count on the 'rational choice' of the individuals (Lecture 28 March 1979; Gordon 1991: 43; Burchell 1991, 1993: 269–76; Hindess 1993: 307–11; Rose 1996: 50–62).[7]

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Neo-liberalism, the state and technologies of the self

Foucault's concept of governmentality has two advantages in theoretical terms for an analysis of neo-liberalism.[8] Given that political leadership is only one form of government among others, first, the dividing line the liberals draw between the public and private spheres, that is the distinction between the domain of the state and that of society, itself becomes an object of study. In other words, with reference to the issues of government these differentiations are no longer treated as the basis and the limit of governmental practice, but as its instrument and effect. Second, the liberal polarity of subjectivity and power ceases to be plausible. From the perspective of governmentality, government refers to a continuum, which extends from political government right through to forms of self-regulation, namely 'technologies of the self' as Foucault calls them (Foucault 1988). I shall illustrate both aspects in highly cursory manner by taking examples from the literature on governmentality that has arisen in Foucault's wake.

As regards the shift in delimitation between state and society, the studies of governmentality reveal that the neo-liberal forms of government do not simply lead to a shift in the capacity to act away from the state and onto the level of society, to a reduction in state or its limitation to some basic functions. On the contrary, the state in the neo-liberal model not only retains its traditional functions, but also takes on new tasks and functions. The neo-liberal forms of government feature not only direct intervention by means of empowered and specialized state apparatuses, but also characteristically develop indirect techniques for leading and controlling individuals without at the same time being responsible for them. The strategy of rendering individual subjects 'responsible' (and also collectives, such as families, associations, etc.) entails shifting the responsibility for social risks such as illness, unemployment, poverty, etc., and for life in society into the domain for which the individual is responsible and transforming it into a problem of 'self-care'. The key feature of the neo-liberal rationality is the congruence it endeavours to achieve between a responsible and moral individual and an economic-rational actor. It aspires to construct prudent subjects whose moral quality is based on the fact that they rationally assess the costs and benefits of a certain act as opposed to other alternative acts. As the choice of options for action is, or so the neo-liberal notion of rationality would have it, the expression of free will on the basis of a self-determined decision, the consequences of the action are borne by the subject alone, who is also solely responsible for them. This strategy can be deployed in all sorts of areas and leads to areas of social responsibility becoming a matter of personal provisions (Rose and Miller 1992; Garland 1996: 452–5; Rose 1996: 50–62; O'Malley 1996: 199–204).

By means of the notion of governmentality the neo-liberal agenda for the 'withdrawal of the state' can be deciphered as a technique for government. The crisis of Keynesianism and the reduction in forms of welfare-state intervention therefore lead less to the state losing powers of regulation and control (in the

sense of a zero-sum game) and can instead be construed as a reorganization or restructuring of government techniques, shifting the regulatory competence of the state onto 'responsible' and 'rational' individuals. Neo-liberalism encourages individuals to give their lives a specific entrepreneurial form. It responds to stronger 'demand' for individual scope for self-determination and desired autonomy by 'supplying' individuals and collectives with the possibility of actively participating in the solution of specific matters and problems which had hitherto been the domain of state agencies specifically empowered to undertake such tasks. This participation has a 'price-tag': the individuals themselves have to assume responsibility for these activities and the possible failure thereof (Donzelot 1984: 157–77, 1996; Burchell 1993: 275–6).

A series of studies have elaborated on the various aspects to the parallel transformation in 'technologies of the self'. I wish to briefly touch on two of them. In her study of the 'self-esteem' movement in the United States, Barbara Cruikshank shows how the borders between the private and the public are redrawn in the neo-liberal model of rationality. The 'self-esteem' approach considers a wide variety of social problems to have their source in a lack of self-esteem on the part of the persons concerned. Cruikshank analyses the government programmes in California launched on the basis of this assumption and ascertains that their implementation involved more than just replacing the political by the personal and collective action by personal dedication. The 'self-esteem' movement, Cruikshank suggests, is not limited to the personal domain, as its goal is a new politics and a different social order. It promises to solve social problems by heralding a revolution – not against capitalism, racism, the patriarchy, etc., but against the (wrong) way of governing ourselves. In this way, the angle of possible political and social intervention changes. It is not social-structural factors which determine whether unemployment, alcoholism, criminality, child abuse, etc., can be solved, but instead individual-subjective categories. 'Self-esteem' thus has much more to do with self-assessment than with self-respect, as the self continuously has to be measured, judged and disciplined in order to gear personal 'empowerment' to collective yardsticks. In this manner, a forever precarious harmony (and one which therefore constantly has to be re-assessed) has to be forged between the political goals of the state and a personal 'state of esteem' (Cruikshank 1996; see also Greco 1993; Nettleton 1997).

In their study, Peter Miller and Nikolas Rose point to the importance of transposing entrepreneurial forms onto 'private' options by individuals who base the decisions on cost/benefit analyses and the criteria of competition. What were previously extra-economic domains are now rendered 'economic' and are colonized by criteria of economic efficiency; this enables a close link to be forged between economic prosperity and personal well-being. As regards labour relations, for example, this means that work and leisure time are no longer inimical opposites, but tend to supplement each other. 'Self-determination' becomes a key economic resource and a factor in production, which means that from the entrepreneurial perspective it is ever less important to constrain

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individual liberty, as labour itself is a crunch element along the path to 'self-fulfilment'. Flexible working hours, self-determined work teams, performance stimuli, etc., are no longer intended to transform the organization of production, but are moreover aimed at the very relation between individuals and their labour. To be more precise: the transformation of structures of production is possible only if individuals 'optimize' their relation to themselves and to work (Miller and Rose 1990; Donzelot 1991).

In other words, the theoretical strength of the concept of governmentality consists of the fact that it construes neo-liberalism not just as ideological rhetoric or as a political-economic reality, but above all as a political project that endeavours to create a social reality that it suggests already exists. Neo-liberalism is a political rationality that tries to render the social domain economic and to link a reduction in (welfare) state services and security systems to the increasing call for 'personal responsibility' and 'self-care'. In this way, we can decipher the neo-liberal harmony in which not only the individual body, but also collective bodies and institutions (public administrations, universities, etc.), corporations and states have to be 'lean', 'fit', 'flexible' and 'autonomous': it is a technique of power. The analysis of governmentality not only focuses on the integral link between micro- and macro-political levels (e.g. globalization or competition for 'attractive' sites for companies and personal imperatives as regards beauty or a regimented diet), it also highlights the intimate relationship between 'ideological' and 'political-economic' agencies (e.g. the semantics of flexibility and the introduction of new structures of production). This enables us to shed sharper light on the effects neo-liberal governmentality has in terms of (self-)regulation and domination. These effects entail not just the simple reproduction of existing social asymmetries or their ideological obfuscation, but are the product of a re-coding of social mechanisms of exploitation and domination on the basis of a new topography of the social domain.

If this assumption is correct and the neo-liberal strategy does indeed consist of replacing (or at least supplementing) out-dated rigid regulatory mechanisms by developing techniques of self-regulation, then political analysis must start to study the 'autonomous' individual's capacity for self-control and how this is linked to forms of political rule and economic exploitation. In this regard, Foucault's later work on the 'genealogy of the modern subject' and on Ancient ethics do not, for all most commentators have said, mean that he gave up or replaced his analysis of power, but instead that he took this analysis further and corrected the earlier studies in which he had investigated subjectivity primarily with a view to 'docile bodies' and had too strongly stressed processes of discipline:

> I think that if one wants to analyze the genealogy of the subject in Western civilization, he has to take into account not only techniques of domination but also techniques of the self. Let's say: he has to take into account the interaction between those two types of techniques – techniques of domination and techniques of the self. He has to take into account the points

> where the technologies of domination of individuals over one another have recourse to processes by which the individual acts upon himself. And conversely, he has to take into account the points where the techniques of the self are integrated into structures of coercion and domination. The contact point, where the individuals are driven by others is tied to the way they conduct themselves, is what we can call, I think, government. Governing people, in the broad meaning of the word, governing people is not a way to force people to do what the governor wants; it is always a versatile equilibrium, with complementarity and conflicts between techniques which assure coercion and processes through which the self is constructed or modified by himself.
>
> (Foucault 1993: 203–4)[9]

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Notes

1 The following discussion draws on material from my book on Foucault's concept of governmentality (Lemke 1997). I should like to thank Jeremy Gaines for his help in translating the text.

2 The version authorized by Foucault contains only the lecture of 1 February 1978 (Foucault 1978) and the summary he prepared of his research findings (Foucault 1997a, 1997b). In addition, there are in part written minutes kept of the lecture of 31 January 1979 (Foucault 1984) and a transcript of the lecture of 25 January 1978 (Foucault 1992). Finally, there is a very incomplete translation into German of the 1978 lecture (Foucault 1982b). The two introductory lectures have been brought out as audio-cassettes by Paris publisher Seuil as *De la gouvernementalité*. Owing to the problematic state of the material, I rely in what follows above all on my own transcriptions from the tape recordings kept in the *Fonds Michel Foucault* in Paris (Documents C 64, 2-12 and C 67, 1-12).

3 In part of the lecture of 7 March 1979 Foucault also concerned himself with French neo-liberalism and the politics of President Giscard d'Estaing.

4 In this context, Foucault mentions the strategic importance of the 'Walter Lippmann' colloquium held in Paris in 1938 and organized by Rougier, the French epistemologist. It was attended by representatives of the German *Ordo*-liberals, as well as Hayek and von Mises, who were to become the intermediaries of US neo-liberalism (Lecture 20 February 1979). Foucault specifies that an important difference between the German (and French) neo-liberals and their US counterparts was the fact that in the United States neo-liberalism was far less a political alternative than it was in France or Germany, for, in the US, both the Left and the Right formulated a critique of state interventionism aimed either at the growth in the state administration and governmental programmes to combat poverty, racial discrimination, etc., or against a militaristic and imperialist state (Lecture 14 March 1979).

5 Although in his lecture Foucault also concerned himself with other thinkers from among the ranks of US neo-liberalism (von Mises, Hayek, Simons, Schultz and Stigler), he focused above all on the thought of Gary Becker, whom he felt to be the most radical exponent of that movement (see Lecture 28 March 1979).

6 As regards the question of genetic material and genetic 'risks', Foucault believes it is problematical to re-couch it in 'traditional racist concepts' ('de recoder cette inquietude à propos de la genetique dans les termes traditionelles de racisme'). Presumably, this brief remark is meant to indicate that Foucault considers the theory of human capital to break with the old theory of 'racial hygiene' in as far as it enables a transition to a 'modernized' eugenic theory that does not rely on some repressive state programme, but instead

operates by means of concepts such as the 'autonomy' of the individual – and the latter's interest in productively optimizing its (or its descendants') 'biological capital' and rendering it fully efficient.

7 The difference in the basis of government between liberalism and neo-liberalism is, however, itself not a matter of an abstract shift, but the product of an historical transformation in governmentality which stems from the continuity of liberal principles under changed social conditions:

> Against the background of conditions in which the great nineteenth- and twentieth-century social policy regimes were set in place, many governmental programmes now repudiated by neo-liberalism could plausibly be represented as promoting autonomy. Against a very different contemporary background in which, at least in the more advanced Western societies, the existence of a suitably calculable population is easily taken for granted, these same programmes can be seen as undermining autonomy. Neo-liberalism is a liberal response to the achievements of the liberal mode of government.
>
> (Hindess 1993: 311)

8 In what follows I wish above all to summarize the methodological-theoretical principles of the concept of governmentality and its political/critical prospects. I have pointed elsewhere to the fragmentary nature of the concept and the analytical and historical inconsistencies in it in Foucault's work while also highlighting some of the dubious trends to limit its innovative potential in studies of governmentality (Lemke 1997: 188–94, 2000; see also Garland 1997; Hindess 1997; O'Malley *et al.* 1997).

9 For an almost identical formulation, see the Howison Lecture of 1980 at Berkeley, reproduced in Keenan (1982: 38).

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