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Neoliberalism and the biopolitical imagination

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The continued success of neoliberalism, as a global ideology of economic governance, is all the more stunning if one considers that the history of its disasters already stretches back quite far. Much of the wayward behaviour claimed to be at the heart of the current crisis would simply not have been possible without successive waves of neoliberal or ‘supply-side’ deregulation, dating back at least as far as the 1970s (Surin 2009: 70). Its principles have been applied unevenly, however, promoting the privatization of great swathes of publically-owned wealth in certain instances, while extending social safety nets to the wealthy wherever the demands of systemic stability require it. True to form, regulators have, in the course of the current crisis, demanded relatively little by way of reparation (Harvey 2011). And, notwithstanding the rise recently in Europe of parties like Syriza and Podemos, electorates have largely shied away from holding the world’s financial movers and shakers to account. Indeed, to pick one extreme case, the 2010 election in Ireland returned a centrist coalition, fully committed to austerity and one of the most spectacularly unjust and undemocratic transfers of wealth from taxpayers to foreign bondholders in history (McCabe 2011).

Such acquiescence suggests forcefully the role of neoliberal ‘ideas’ in shaping public expectations not only about how markets function, but also about the moral premium they must be afforded relative to other arenas of social life. No surprise, therefore, that a range of scholars interested in culture and political economy, from Constructivists to so-called Poststructuralists, have turned their attention to this question. Surveying the landscapes of neoliberal austerity, Constructivists present neoliberal theory as a powerful mechanism of cultural normalization, describing and proscribing the norms and values which not only lured thinkers, policy-makers and practitioners alike to pursue market deregulation in the first place, but which also induce in them even now a hubristic confidence that the vicissitudes of contemporary global finance can somehow be mastered. Thus, for example, the classic neoliberal expectation, that markets tend more or less automatically to correct their excesses, is thought to be a factor leading governments to erroneously confident appraisals of the risks of financial deregulation. Mark Blyth (2013), whose work exemplifies this approach, describes at length how ‘theory-driven’ financial innovation drove the development of the esoteric products that actually collapsed in the meltdown (see also Wigan 2010). Ultimately, then, for these scholars, neoliberalism is something like a discourse of legitimation – that is, a discourse of human affairs which, forgetful of its own reflexivity, is susceptible to unrealistic expectations of economic behaviour.
As plausible as it may seem that neoliberal theory might have been a factor guiding the mindsets of policy-makers and practitioners, Constructivism nevertheless offers little hope in terms of our efforts to understand how everyday populations are themselves so willing to go along with austerity. In this regard, a potentially more powerful account of the role of neoliberal ideas comes from work influenced by the French poststructuralist, Michel Foucault. Invoking Foucault’s notion of biopolitics, and the closely associated concept of neoliberal subjectivity, this body of scholarship argues that neoliberalism is actually much more than a system of rules for managing the economy. Rather, following Dardot and Laval, it is a regime of ‘practical normativity’ (2014: 9), which sees itself quite self-consciously as a strategy of everyday subjectification. Nevertheless, despite the Foucauldian origins of this line of thinking, questions arise concerning the extent to which even this approach can give us much insight into processes of mass neoliberal alignment. Importantly, its proponents focus solely on questions of epistemic power, justifying this move explicitly as a reaction to the reductionist tendencies they perceive in more Marxist approaches. Of course, given the longstanding and unstinting nature of Foucault's complaint against Structuralist forms of social analysis, this justification finds much evidence to support it in his work (see Springer 2012). But there is a danger in reading neoliberalism solely on its own terms. The biopolitical perspective, useful insofar as it grasps the massive anthropological ambition of neoliberal experts and policy-makers, what Mirowski (2013) terms the ‘neoliberal thought collective’, nevertheless tends to accept neoliberal discourse at face value, reducing it thereby to nothing more than a naïve error of thought, a move which is ultimately at odds with Foucault’s more bodily ontology of subjectivity.

Crucially, the only evidence we really have of any sustained commentary on Foucault’s part on the topic of neoliberalism are transcriptions of his 1978–9 lecture series, published as The Birth of Biopolitics (2008). These lectures are hugely important, insofar as they offer very precise information about the content of biopolitics, nuancing considerably the concept’s treatment in his formally published works. Yet neoliberalism was but a fledgling political project at the time of Foucault’s engagement with it, and so his lectures could only anticipate the kinds of subjectifying technologies at work on today’s neoliberal populations. Thus, while helpful, they also leave a good deal of room for misinterpretation. To remedy this, I invoke Dardot and Laval (2014), and Frederic Lordon (2014), among others, to suggest that biopolitical life cannot itself be fully comprehended apart from the set of material practices that constitute contemporary capitalism. To wit, we may be ‘willing slaves’ of neoliberal governmentality, but austerity reaches its limits in neoliberalism’s capacity to guarantee the survival of capitalism, and the conversion of labour power into actual labour.

An unhappy side-effect of elite epistemology?

‘Constructivist’ scholars of IPE have focused significant attention on a range of areas where ‘everyday’ ideas about how markets function, and how they ought to function, appear to have influenced the development of the financial crisis. Questions addressed include how ‘theory-driven’ financial innovation drove the development of the esoteric products that actually collapsed in the meltdown (Wigan 2010), how epistemic frames helped select instruments for assessing performance in the market (Langley 2010), and how everyday expectations shaped welfare trade-offs in the US subprime mortgage market (Seabrooke 2010). But perhaps the best-known Constructivist critic of the crisis is Mark Blyth. Focusing on the emergence of austerity, Blyth’s arguments made a fairly prominent debut in the form of a YouTube video (Brown University 2010; and Mazza 2010). Uploaded in September 2010, and with over 120,000 views to date, the video gives us about five and a half minutes of a tweed-vested Blyth, accompanied
by dancing chalkboard-style graphics and symbols, expositing on the difference between debt and leverage, and the idea that while a ‘balance-sheet’ perspective on the events of 2008 might suggest that it is sovereign debt that should primarily be keeping us up at night, we should in the same breath be wary of what he terms the ‘fallacy of composition’. For Blyth, what is good for any one economic actor in a given situation is not necessarily what is good for the whole – this being especially true of cutting government spending in the midst of a global recession.

Expanding on these arguments in a subsequent book, Blyth (2013) argues that a full explanation of the turn to austerity necessarily involves an account of the political power of ideas. Economic theory, he says, is a part of the world we live in, and not just a ‘correspondent reflection’ of it (ibid: 39). To be sure, the 1999 repeal of the Glass–Steagal Act made possible a panoply of new, complex financial instruments. But the core issue was the ‘epistemic hubris’ of the US bankers who failed to see the obviously mounting risk in their portfolios (91). In this manner, Blyth appears to suggest that the crisis was essentially an accident. It was a case neither precisely of a lack of regulation, nor of moral hazard, but of a mistaken way of thinking. Presenting this case, Blyth presents a genealogy of neoliberal scholarship, from Friedrich von Hayek to Nassim Nicholas Taleb, all thinkers known for their arguments concerning logics of unintended consequences. While Keynesianism was the initial port of call for European policy-makers, Blyth suggests that this was mainly because, at the time at least, most of the world’s neoliberal economists were either in a state of complete denial, or had fled the field of debate completely (54). However, neither the European Central Bank (ECB) nor the German government was so easily dissuaded. ‘Ordoliberals’ by nature, says Blyth, German policy-makers are deeply cautious on the topic of inflation. That is, they are advocates of a Sozialmarktwirtschaft model, where the state may intervene to regulate, and provide social safety nets, but only insofar as this might further the ‘framework conditions’ that ‘make the market possible’ (57). To this end, order and stability are the premium values, not the rewarding of errant behaviour.

Outgunned in the G20, and with debt-to-GDP ratios soaring on the European periphery, by late 2010 the Keynesian view was in decline. Yet a number of questions remain. The first is how, against the weight of evidence, this German account gained saliency in the first place. After all, as Blyth notes, with the possible exception of the Greek case, there was nothing necessarily catastrophic going on among the PIIGS (Portugal, Ireland, Italy, Greece and Spain). At the end of the day, they were all cases of banking crises causing sovereign debt crises (73). In an ideal world, the solution would have been to write down the debts. In other words, effectively, for the PIIGS simply to have printed money. However, as the common currency effectively denied them the autonomy to do this, the task of contriving a genuine solution would necessarily have required the material investment of a host of European partners. Such support was unlikely, says Blyth, primarily because the key policy-makers were beholden to a theory of expansionary fiscal consolidation; a theory first expressed by the so-called ‘Bocconi Boys’, Alberto Alesina and Silvia Ardagna, and later popularized by the influential economists Carmen Reinhart and Kenneth Rogoff.

Studies carried out by these prominent scholars warned of the growth-suppressing effects of high debt-to-GDP ratios. Moreover, they drew on examples, like Ireland’s recovery from recession in the late-1980s, as evidence demonstrating the synergistic effect on growth of cuts in expenditure, wage moderation, and currency devaluation. Blyth cites a barrage of research to debunk these theories, noting ultimately that they conflate correlation and causation. When the ratings agency Standard and Poor’s decided on 5 August 2011, to downgrade US debt, the effect was not to chase up the country’s bond yields. To the contrary, it was equities that took the hit (3). Thus, far from being worried about government spending, what markets were essentially signalling was an anxiety about the prospects for growth. The point, says Blyth, is not that debt does
not matter at all. Rather, it is that the resolution of debt is contingent upon the vicissitudes of the business cycle, and has very little to do with the deficit (12).

For Blyth then, erroneously confident appraisals of the risks of financial deregulation were at the very heart of the crisis. And it is a plausible argument, so far as it goes. However, while one can certainly appreciate how the arguments of neoliberal economists might come to influence policy, it is another question entirely as to how the principles they espouse are so willingly internalized by the populations they govern. Blyth certainly understands that neoliberalism can translate to everyday life. After all, as he notes in his YouTube video, austerity has a ring of virtuous commonsense about it. After a decade or more of debt-fuelled growth, recession is all too easily palmed off as the ‘pain after the party’, recalling to us the true cost of the goods and services we enjoy so much. Neoliberalism, in this sense, is lived as a kind of economic cold turkey. ‘Austerity is painful, yes,’ goes the refrain of this morality play, ‘but it is as natural as a hangover’. Unfortunately, however, Blyth delves no further into these insights. Austerity for him is merely the unhappy side-effect of elite epistemic hubris. And the question of neoliberalism’s capacity for everyday normalization is left unaddressed.

Introducing biopolitical economy

By contrast, much recent Foucault-inspired work on the crisis focuses less on the worldview of key elites and intellectuals and more on neoliberalism’s history as a project explicitly oriented to the task of producing its own conditions of possibility. Critically, such work marks an interesting expansion on the sorts of questions that Foucauldian scholarship has traditionally been disposed to ask. In the past, such work has tended to fall into one of two categories. One, so-called ‘global governmentality’ studies, deals specifically with issues of visibility and measurement in regional and global institutions (see Kiersey and Weidner 2009; Joseph 2010). The other, featured mainly in the field of Security Studies, takes its cue principally from Giorgio Agamben’s reinterpretation of Foucault’s discussion of biopolitics, and focuses principally on the existence of a logic of sovereign exceptionalism in the context of the War on Terror (Dillon and Reid 2001; The Editors 2013). In the wake of the financial crisis, however, a rather different understanding of biopolitics has emerged. Taking its cue from Foucault’s Birth of Biopolitics lecture series (2008), wherein he explores the emergence of liberal political economy, this literature recognizes Foucault as possibly the first theorist to grasp the full breadth of neoliberalism’s anthropological ambition – that is, in Mirowski’s terms, its commitment to using markets and governance to completely recast ‘the totality of human existence into a novel modality, to be disciplined and punished by structures of power/knowledge’ (Mirowski 2013: 94).

Might such a reading of neoliberalism help us better to appreciate the relationship between ideas and austerity? To answer this question we might first wish to look at a seminal aspect of the broader historical development of governmentality, and the role played therein by the language of political economy. Foucault finds the basic blueprint for this activation of the subject in the early Christian pastoral, which he suggests is ‘one of the decisive moments in the history of power in Western societies’ (Foucault 2007: 185). But where the Christian pastoral pursued the production of a divine asceticism in the subject, contemporary governmentality pursues the development of a subject of economic life. This subject makes its first appearance in the sixteenth century, roughly around the same time that we see the emergence of the territorially administrative state. At this time, commentators begin discussing a proliferating series of objects, including something referred to as the ‘population’, which they took somehow to be naturally existing or present in the state of affairs. Moreover, as Foucault elaborates, the ‘level of reality’,
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or ‘field of intervention’, for this population was something called the economy (95). Accordingly, much as in the Christian pastorate, we see a certain naturalization of ‘men in their relationships with things like customs, habits, ways of acting and thinking’ (96). However, whereas previous modes of rule may have had spiritual goals, the administrative state perceived a need for a measure of economic government, to achieve a better arrangement of ‘individuals, goods, and wealth’ (94).

If, as Foucault describes it, the sixteenth century sees the emergence of the economy as an object of governmental intrigue, by the eighteenth century it has become the ‘major form of knowledge’ through which government knows and assesses the ethical performance of human life (108). No longer the container or vessel of a soul that must be directed towards heaven, then, the subject is now a creature of economic interests, a homo oeconomicus. Thus, suggests Foucault, we find ourselves in the era of Classical Liberalism, where the success of a government is deemed in large part to be contingent on its ability to ‘cut out or contrive a free space of the market’ for the expression of man’s naturally utilitarian impulses (2008: 131). The idea is that there are now certain things which government ought not to do if it is to be economically successful. In this sense, says Foucault, liberal political economy drives ‘a formidable wedge’ between the powers of the state and the sphere of daily human life (17). In time, however, the idea of a naturally existing homo oeconomicus becomes unconvincing, and the era of Classical Liberalism recedes. Neoliberalism, its later iteration, is actually founded on a rejection of this idea of a naturally existing economic man. To the contrary, it imagines instead the need to anticipate specific kinds of governance structures which will encourage the emergence of a new kind of subject, the ‘entrepreneur of oneself’ – that is, one who is constantly balancing the costs and benefits of action not only in the sphere of economic life, but also even in seemingly non-economic spheres.

In Foucault’s time, this view reaches its maximum expression with the American neoliberal (or anarcho-liberal) strain, associated with the Chicago School. For it is here that we see the neoliberal paradox at its starkest. On the one hand, the foundational myth of this strain is that every facet of human life may be read as an ostensibly market-based form of interaction. This logic can be extended to the entirety of human life because, critically, the neoliberal subject is understood as the bearer not of a natural or unitary economic identity but, rather, of something called human capital. Here, because everybody’s body is understood naturally to possess an amount of capital, any kind of activity that involves ‘substitutable choices’, or the application of a ‘limited means to one end among others’ (222, 268), can be comprehended as labour and, thus, investment. Such labour includes not only the traditional ‘job’, but also pretty much any kind of activity where the pursuit of some sort of surplus value or future return can be imagined to take place (224). As a result, economic analysis can be applied to activities in a wide range of social arenas: marriage, parenting, discrimination, education, population growth, crime, and even insanity. On the other hand, despite this idea that the entirety of human life can be grasped somehow as a market-based form, the idea of human capital serves effectively to blur somewhat the division between government and market. Because the neoliberal individual is not exactly rational, human capital is made to stand in as a kind of leverage point for the application of market policies in a behaviour-correcting sense. For neoliberalism then, the subject can still be thought of as ‘an active economic subject’ (223), but only in a much less intentional sense, as one enjoined with its bodily potential, as a kind of assemblage, an ‘enterprise unit’, a ‘machine-stream ensemble’ or even a ‘capital-ability’ (225).

The neoliberal subject is thus one that must be governed if it is to act rationally. Its governability consists in the fact that it will, out of the hope of some return, and in response to the right incentives, modulate itself, changing its basic physical capacities, mental skills, and attitudes
Indeed, says Foucault, for this reason, neoliberals understand the study of economics to be nothing less than the ‘analysis of the internal rationality’ through which individuals come to their own determination about how they should develop themselves (223). Thus the market is viewed explicitly as a mechanism of government, directing this entire process of rational programming from the margins. Only two real questions therefore remain. The first, as Foucault notes, citing the well-known American neoliberal, Gary Becker, is to determine whether there might be any limits to the application of this logic. That is, whether there are any domains where the subject might not be able to ‘accept’ itself as *homo economicus* (269). The second, however, is to figure out the extent to which entrepreneurial ambitions, once in place, might need restraint. Left to its own devices, for example, the entrepreneurial self might choose to take too much risk and ‘live dangerously’ (66). And it is in this sense, therefore, that neoliberalism can be said to have a ‘consciousness of crisis’ (68), understanding ‘freedom’ as a fragile phenomenon, and one which must be directed if social life is to function optimally (65).

**Neoliberalism as ‘political project’?**

In Lemke’s terms, then, contra Blyth, neoliberalism is more than just ‘ideological rhetoric’. Rather, it is ‘a political project that endeavors to create a social reality that it suggests already exists’ (Lemke 2001: 203). Foucault recognizes the paradox in this statement, but he does not connect it with the possibility that neoliberal governance can translate into a politics of austerity. Indeed, nowhere in his commentary on neoliberalism do we find anything like an effort to subject its principles to critique. Instead, we find a diagnostic Foucault, content to describe its contours, but also leaving his views open to interpretation. Thus Mirowski can say, for example, that while it would be ‘an absurd counterfactual’ (Mirowski 2013: 97) to say Foucault was himself a neoliberal, he nevertheless ‘too readily’ embraced ‘the basic neoliberal precept that the market was an information processor more powerful and encompassing than any human being or organization of humans’ (ibid.: 97–8). This position has been joined recently by Zamora, who says that while Foucault self-consciously refused to advocate neoliberalism, he nevertheless ‘adopt[ed] all of its critiques of the welfare state’ (Zamora 2014). Indeed, citing a number of statements made by Foucault in reference to welfare and healthcare, Zamora finds in Foucault a perspective on public services that would sound not entirely out of place coming from the mouth of Becker himself. In one case we see Foucault even expressing concern about the perverse effects of welfare: ‘on the one hand, we give people more security, and on the other we increase their dependence’. Elsewhere, we see him anxious about the patronizing notion of a ‘right’ to universal healthcare. In these ways, suggests Zamora, Foucault’s writings on state services ‘actively contributed to [their] destruction’, in a manner that was ‘entirely in step with the neoliberal critiques of the moment’ (similar arguments are elaborated in Behrent 2009).

Of course, the ideal of a single true or essential reading of any thinker is one to be avoided. In the context of the above assertions, however, at least two short points bear mentioning. First, as Kelly (2014) observes, the argument that Foucault was somehow a neoliberal or even crypto-conservative dates back some decades now. Some of this can be attributed to the fact that Foucault did not stint in criticizing actually existing socialist regimes. As he once noted, given that it has only really ever existed either in palliative form, ‘within and connected up to liberal governmentalities’, or as connected to a ‘hyper-administrative’ police state, it is impossible to speak of such a thing as an actually existing socialist governmentality (Foucault 2008: 92). In Kelly’s terms, however, to interpret this as somehow a backhanded endorsement of neoliberalism is a stretch. Indeed, it is to ignore the simplest of Foucault’s lessons about social life, ‘that human actions at a micro level combine together at a macro level to produce effects that may be
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unintended by the participants, but nevertheless shape our society and our lives’ (Kelly 2014). Ultimately, while the highly descriptive style of Foucault’s writing and lecturing can often make it seem as if he has no political stake in what he is discussing, it is important to remember that nowhere in his work did he back off or retreat from this core intellectual commitment, or suggest that it might not also apply to neoliberalism. Less an opponent of welfare, then, Foucault was arguably encouraging us to try think beyond the blackmail of having to choose between government by the market, or by the state (Frase 2014).

With the above in mind, a second point raised by the debate over Foucault’s alleged neoliberal proclivities concerns a general tendency on the part of his contemporary students in assessing the relationship between neoliberalism and capitalism. As noted above, in the context of the 2008 global financial crisis, scholars like Blyth examine neoliberalism as a discourse of legitimation, positioning it therefore as a central ideological variable, explaining both why the crisis happened, and why austerity has become the tool of choice as governments try to resolve it. Foucauldian critics, for their part, tend to be more interested in how the theory expresses a kind of anthropological vision. The subject of neoliberal governance, as Foucault hinted, is highly plastic, but it is also a creature that bears a certain ethical responsibility. In Wendy Brown’s terms: ‘As human capital, the subject is at once in charge of itself, responsible for itself, yet an instrumentalizable and potentially dispensable element of the whole’ (2015: 38).

The ‘political project’ of neoliberalism, in this sense, is perhaps best captured by Margaret Thatcher’s famous axiom, ‘Economics are the method but the object is to change the soul’ (cited in Hilgers 2012: 82). Neoliberal theory thus expresses the fantasy ideal of an order spontaneously self-organizing around the principles of the market, but the methods of neoliberal practice also bear a pedagogical significance, oriented as they are to the realization of that fantasy.

Indeed, this idea of neoliberalism as a ‘political project’ is, in fact, ubiquitous in governmentality literature (Davies and Mills 2014; Larner 2003), and clarifies somewhat the methodological contrast with Constructivism. As Will Davies puts it, ‘Foucault is a historian of social technologies, material practices, codified routines and texts, and not necessarily of ideas as such’ (Davies 2014). Assessing everyday neoliberal practice as well as discourse, in other words, Foucauldian international political economy (IPE) distinguishes itself from Constructivism by taking neoliberalism seriously as a vision of government. In Mirowski’s terms, neoliberalism cannot be explained by the mere ‘consilience’ of neoliberal ‘doctrine and function’ (2013: 154). Rather, through governmental processes, neoliberalism has become ‘integrated directly into the makeup of modern agency’, and ‘fills up the pores of our most unremarkable day’ (129). In this sense, then, the critical project of what we might call ‘biopolitical economy’ addresses, per Jessop’s definition, the problem of ‘a political project that is justified on philosophical grounds and seeks to extend competitive market forces, consolidate a market-friendly constitution and promote individual freedom’ (Jessop 2013: 70)

**Neoliberalism and capitalism**

If Foucauldian IPE can be said to unify in and around the argument that neoliberalism is more than an ideology, it is not without its share of internal disagreements. Echoing themes in the so-called ‘Varieties in/of Capitalism’ debate (see Brenner et al. 2010; Bruff and Ebenau 2014), this is especially true when it comes to the question of globalization. Some argue that the idea of a monolithic, globe-spanning neoliberalism is anathema to the spirit of Foucault’s work. In reality, these scholars suggest, neoliberal globalization is a highly variegated set of often-contradictory processes. Considering the role of the state, for example, some scholars argue that neoliberalism is necessarily local before it is global, struggling to generate spaces and sovereignties
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amenable to market-centric logics through context-dependent strategies (Joseph 2009). A task for research, therefore, is to refine our understanding of the specific intellectual influences of these local projects, and to comprehend how local conditions and knowledges have influenced the pathways of neoliberal development (Larner 2003). Others, however, insist that the Foucauldian model of power, properly understood, can easily scale to admit the possibility of a globe-spanning assemblage of neoliberal governance (Legg 2008; Vrasti 2011). Indeed, Bailey and Shibata (2014) cite Deleuze to remind us that the ontological priority of resistance means that the scale question is itself somewhat beside the point; capitalism is necessarily always a project of recapturing the demands and power of labour. Crucially, however, it bears noting that the focus on specificity of the former camp is motivated by a conscious desire to avoid any kind of economic reductionism. Larner cautions, for example, that many critical accounts of neoliberalism remain problematically ‘embedded in Marxist or Neo-Marxist theoretical traditions’ (2003: 511). With these political cards on the table, then, it is clear that the tension in this debate cannot be reduced to a merely technical dispute over Foucault’s ontology.

Of course, the unspoken assumption here is that Foucault was indeed a relentless and unstinting anti-Marxist and, therefore, that the lengthy description of neoliberalism’s genealogy offered in his lectures can be read only as an endorsement of this conclusion. However, not only is this a dubious representation of Foucault’s work (see Springer 2012), it is also a politically constraining view. For, despite its preoccupation with social technologies and practices, it is still neoliberalism that occupies its central point of focus. In this sense, as with Constructivism, it is very difficult to connect the theory with an understanding of what austerity is, or what it is for. ‘Variegated’ Foucauldians, for want of a better term, ultimately read austerity as nothing more than a rationale of social control through the mechanism of the market. Yet, for many of its victims around the world, the stakes run a good deal deeper than that: neoliberalism’s analysis of the current predicaments of capitalism has weighed the survival of a global economic system as vastly more important than the dream of a materially ennobled human life, decrying the desire for democratic accountability as a kind of moral weakness. The upshot, as Lordon puts it, is that the lives of billions are now overshadowed by a ‘scheme of liquidity’ which ‘irresistibly overflows and spreads throughout the whole of capitalist society, evidently primarily serving those in a position to assert their desire as a master-desire’ (2014: 44).

Must a biopolitical account of neoliberalism necessarily reject Marx, and avoid any consideration of capitalism? Dardot and Laval (2014) offer some helpful resources here. In their framing, Foucault’s engagement with neoliberalism exposits clearly the neoliberal paradox, its presupposition of the human both as competitive subject and as capital-in-formation. Nevertheless, they suggest, writing in the 1970s, Foucault had no way of anticipating the huge change in the offing for neoliberalism’s fortunes that was just in the offing. Reading the earliest formulations of neoliberalism’s fantasy, it was clear to him only that it grasped the market as a perfect instrument of governance. Whereas, in reality, the ideal of neoliberalism was itself emerging in a specific context. And, in this sense, its early expressions had to contend with a number of other already ongoing economic realities — namely, as Dardot and Laval observe, the fact that capitalism was itself already experiencing a governmental crisis of sorts.

Dardot and Laval’s engagement with neoliberalism brings them into contact with a rather different Marx from the one rejected by the variegated Foucauldians. Their starting point is that capitalism cannot be reduced to a simple logic of bourgeois accumulation. Far from being its master architects, the bourgeoisie are, in fact, a product of its emergence. Neoliberalism, therefore, is not merely the epiphenomenal expression of transhistorical capitalist machinations. To the contrary, the ideational superstructure of capitalism bears no necessary relationship to its base logic; ideology and practice are mutually implicated, with the former informing economic
governance ‘from within’. Nevertheless, with Foucault’s lectures on biopolitics as their principle inspiration, they contend that neoliberalism’s biopolitical project ‘coincides with the most profound intuitions of Marx, who clearly understood that a system of economic production is also a system of anthropological “production”’ (25). Neoliberalism is thus ‘unquestionably’ capitalist but, nevertheless, constitutes ‘a unique form of capitalism that must be analyzed as such in its irreducible specificity’ (20–1). Thus, whereas David Harvey (2007) argues that neoliberalism was born of a great crisis of accumulation in the 1970s, characterized by stagflation and falling profits, which drove the bourgeoisie to lay siege to working-class standards of living, for Dardot and Laval none of the contending parties necessarily had a ‘true’ consciousness of the terms of the crisis, or exactly how it might be resolved.

To the contrary, they suggest, the neoliberal form of knowledge emerged in a situation where it was not already connected to the ‘endogenous dynamic’ of Fordist capitalism, and where capitalist leaders did not already know the terms and strategies they would adopt to understand and resolve the crisis. Indeed, consulting the historical record, what they find in the early neoliberal debates was discussion not of a crisis of profitability but, rather, something much more along the lines of a crisis of governance. The Crisis of Democracy, for example, a report published in 1975 by the Trilateral Commission, spoke fearfully of an ‘excess of democracy’ in the west, and a rising tide of demand for the political participation of workers, the poor, and other marginal classes (Dardot and Laval 2014: 258). Interestingly, Dardot and Laval’s analysis here seems to square with that of Hardt and Negri (2000), who argue that Fordism eventually succumbed to the demands of workers for flexibility and a more democratic division of labour. Thus, the old model, premised on a relatively tight linkage between wages and productivity, which allowed for the emergence of a mass consumerist mode, came up on ‘endogenous limits’ (Dardot and Laval 2014: 227). This, combined with the economic impact of the two oil shocks, triggered a crisis in the Fordist way of knowing the world. Dardot and Laval add to this story an account of how early neoliberals explained the crisis in moral terms, as a corrosion of social trust caused by the welfare state, thereby opening up avenues of attack on public service. Neoliberalism’s solution to the crisis of capitalist governance was to refound society itself in the model of the enterprise, and to cast the state as itself ‘an enterprise in service of enterprises’ (384).

Thus we can explain ‘why, unlike in the 1930s, the crisis of Fordist capitalism resulted in an outcome conducive not to less capitalism, but to more capitalism’ (241, original emphasis). Neoliberalism is a way of seeing and governing the world, true, but it is also the discourse which capitalist leaders came to believe in as their previous way of seeing the world fell asunder. Applied to today’s political economy then, we see that the Foucauldian method grasps not only a neoliberalism that transcends mere ideology, but one also which is truly global in its scale of application. Foucauldians will agree that what is hidden in neoliberalism is not so much a real condition of labour, or a relation with value that must somehow be recovered. They will also agree that the point is to try to understand neoliberal governmentality on the basis of its specific production of truth, its subsumption of subjective difference within the framework of individual self-interest. To borrow Jason Read’s phrasing, ‘what has disappeared in neoliberalism is the tactical polyvalence of discourse; everything is framed in terms of interests, freedoms, and risks’ (2009: 35). Beyond this, however, we must also recognize neoliberalism as the harbinger of a major transformation in the pace and rhythm of capitalist life. The critique of biopolitical economy is thus the basis not for a reconciliation with value, but for a democratic renegotiation of the terms of life itself. On the strength of this assessment, Lordon is surely right when he says the task of the communist today is to return to the division of labour, and reimagine it in terms of ‘equal participation in the determination of a shared collective destiny’ (2014: 131).
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