Thinking Historically about Neoliberalism:
A Response to William Davies

Nicholas Gane
University of Warwick

Abstract
This brief response to Will Davies clarifies and expands a number of the core arguments of the article ‘The Emergence of Neoliberalism: Thinking through and Beyond Michel Foucault’s Lectures on Biopolitics’ (published in TCS 31(4): 3–27). It is argued that it is a mistake to treat Foucault as a neoliberal because his lectures on biopolitics centred on the emergence of different trajectories of neoliberal reason. Instead, Foucault’s genealogy of neoliberalism can be read as a critical history, one that is partial and incomplete but which nonetheless can be used as a starting point to think historically and critically about neoliberalism. It is suggested that a more nuanced history of neoliberalism, however, can be developed by paying closer attention to the complex relationship between neoliberal reason and the earlier liberal ideas of the 19th century – in particular those of John Stuart Mill. Finally, a claim is made for the value of historical analysis for understanding and responding to the challenges of the post-crisis present, to a situation in which neoliberal ideas appear to have a near-hegemonic grip over popular politics and discourse.

Keywords
Foucault, genealogy, history, Mill, neoliberalism, sociology

In 1971, Michel Foucault wrote a short polemic, entitled ‘Monstrosities in Criticism’, that took issue with reviews of Madness and Civilization and The Order of Things that had been published by Jean-Marc Pelorson and George Steiner. Foucault opened this piece with the statement that ‘There is criticism to which one responds, other criticism to which one replies’ (1971: 57). While Foucault does not expand on this distinction, my own reading of this statement is that there is informed and constructive criticism that merits an engaged response, and ‘bad’ criticism that...
‘deforms’ the text in question and for this reason deserves nothing more than a dismissive reply. You do not have to be Foucault or Steiner to feel the effects of these different types of criticism, and given a choice one always wants to be on the receiving end of the former. I am thus grateful to Will Davies for his careful reading of my recent article on the history of neoliberalism. I have learned much from Davies’ own work on this subject, in particular his recent book in the TCS book series, The Limits of Neoliberalism, which addresses many important points that I do not touch upon in my TCS article, including the concepts of sovereignty that underpin neoliberal forms of market governance, and notions of property rights and law that were pioneered by figures such as Ronald Coase and Harold Demsetz. My TCS article on Foucault’s lectures on biopolitics, however, had a different set of concerns: first, to consider the relation of neoliberal thought to 19th-century liberalism (i.e. what made it new or ‘neo-’); and second, to situate the emergence of neoliberal reason in the period between the two world wars – two points of interest that do not feature in existing historical accounts by Mirowski and Plewehe (2009), Peck (2010), and Burgin (2012).

A question which is raised implicitly by Davies is why it is necessary to use Foucault to think historically about neoliberalism in the first place. Davies describes Foucault’s Birth of Biopolitics as a ‘brilliant if somewhat jumbled series of lectures’ that ‘jump around to consider classical liberalism, the genealogy of “homo economicus” and the emergence of an 18th century “civil society”’. One could push this point further to say that there are real problems with the account of neoliberalism contained in these lectures (and they are just that – lectures – and so should not be read as Foucault’s final word on the subject). As I argue in the article, Foucault’s model of classical liberalism, which he inverts to produce his theory of neoliberal reason, is an odd one: it is drawn mainly from the work of Jeremy Bentham (although Adam Smith is re-introduced somewhat haphazardly in the final lectures of this series), rather than through consideration of other key figures such as John Stuart Mill, who was not only the most influential political liberal of the 19th century (at least in Europe), but also the figure to which Mises and Hayek initially sought to respond. There are other oddities about Foucault’s engagement with political economy that I could not cover in this article. In The Order of Things, Foucault is concerned primarily with the work of Ricardo, but arguably the seismic epistemic shift in economic thinking happened later in the 19th century with Mill who, as Schabas (2006) has brilliantly argued, was responsible for taking nature out of economics. There was also the marginalist revolution of the 1870s, and then, slightly later, the shift from political economy to a more formal style of economics following the publication of Alfred Marshall’s Principles of Economics in 1890. Other problems with Foucault’s lectures include his argument that post-war ordoliberalism has Weberian roots (something that is far from clear, not least because
key figures from the Freiburg School were influenced more by the work of Schutz – a member of the Mises circle and briefly of the Mont Pelerin Society or MPS); his neglect of the role that Weberian sociology played in preparing the epistemological ground for the early work of Austrian thinkers such as Mises and Hayek (the latter was the first to attempt an English translation of Weber’s *Economy and Society*); and his apparent blindness to the organizational structures through which the neoliberal project operated (the most famous of these is the MPS, the role of which has since been documented in detail by Mirowski and Plewhe, 2009). Foucault’s lectures on biopolitics, then, are not without their problems.

To make matters worse, it has recently become fashionable to read Foucault as a neoliberal, as someone who was seduced by the forms of neoliberal reason that he attempted to document in these lectures. François Ewald, a former assistant of Foucault and a key figure in the management of his literary estate, is one of the main culprits here. Ewald’s view is that Foucault was an apologist for neoliberalism, and in particular the brand of American neoliberal reason popularized by Gary Becker (as Davies says; see http://vimeo.com/43984248). Becker’s own view was that, while he agreed with much of Foucault’s account of neoliberalism, he could not tell whether Foucault, for his part, had sympathized with the tenets of Chicago School economics. Phil Mirowski, possibly the most outspoken commentator on this matter, takes the position that ultimately Foucault did share ‘quite a bit of common ground’ with neoliberal doctrines, not least because he portrayed the market as the ‘*sole legitimate site for the production of knowledge of the whole*; in other words, an absent deity rendered in a manner no different from Hayek or Stigler or Friedman or Buchanan’ (2013: 97–8). But what is noticeable about all the above statements is their distance from the actual text of Foucault’s lectures. For the record, what did Foucault actually say? In relation to Becker, he states that the American neoliberals ‘apply, or at any rate try to apply economic analysis to a series of objects, to domains of behaviour or conduct which were not market forms of conduct’. And he adds: ‘This of course raises the question of both theory and method, the problem of the legitimacy of applying such an economic model, the practical problem of the heuristic value of this model, etcetera’ (2008: 267–8). So the legitimacy of the application of economic analysis to non-economic phenomena is *not* something to be accepted blindly but is to be questioned. Likewise, where Foucault examines the emergence of the market as ‘a site of truth’ or ‘veridiction’ from the 18th century onwards (see 2008: 31–3), this is hardly an endorsement of this development but rather a call to question the positioning of ‘the market’ within classical liberal and then neoliberal modes or ‘arts’ of governance.

It makes little sense to characterize Foucault as a neoliberal because he attempted to document different national trajectories of neoliberal reason. Rather, a more productive step, for me at least, is to use his work as a
starting point for thinking historically and critically about the neoliberal project. The aim of my article was thus to refine and extend Foucault’s genealogy of neoliberal reason instead of simply focusing on its gaps and inaccuracies – of which, as I have argued above, there are many. In particular, I wanted to consider the type of 19th-century liberalism which Mises and then Hayek sought to reject. Against Foucault, I situated Mill rather than Bentham as the key figure who, in the eyes of Mises and Hayek, corrupted classical liberalism with socialist ideals. Davies is right to observe that the significance of positioning Mill in this way is not fully considered in my paper. This is partly because of the complexity of Mill’s own thought – from his early (Comtean) *System of Logic* through to his later *Principles of Political Economy*, which was extensively revised from its initial publication in 1848 through to Mill’s death in 1873. Davies rightly asks what a ‘Millian’ governmental rationality might look like. Again this depends on what part of Mill you read, but potentially there is in Mill a critique of the idea of market-led government that becomes so important in early neoliberal writings. Alan Ryan argues, for example, that for Mill:

> The market is not in general an effective mechanism either within or between different localized governments, because so much of government is a matter of attending to public goods that the market will not provide or of coping with market failures, such as by ensuring the cost of negative externalities falls on those who cause them and that the creation of positive externalities brings some reward to those who create them. (2012: 379)

The contemporary relevance of this statement, post-crash, is clear to see, as is the reason why neither neoliberals such as Hayek nor libertarians such as Mises were sympathetic to Mill. Mill’s egalitarian concern for political rather than economic liberty was a source of irritation to Mises and to a lesser extent Hayek, and for this reason, among others, it is worth revisiting his political economy. For example, if neoliberalism emerged out of a critique Mill’s weak socialism, what might the Left learn from the grounds of this rejection, and how might it respond? This question of finding the ground to respond politically to neoliberalism is very much one of our times, but at the same time it is one that has a history, and this history can potentially be mined in order to open out political possibilities and strategies in the present.

This leads, finally, to the question of the type of history at stake in writing a Foucauldian-style genealogy. Why not write a brief history of neoliberalism of the kind offered by David Harvey, which focuses most of its attention on life after Thatcher and Reagan? And does it matter, as Davies asks, if neoliberalism has its origins in the inter-war or post-Second World War period? Here, I would side with Foucault and argue that to understand the neoliberal project, including its epistemology, its economic and political
rationalities, its thresholds, and potential points of instability and disturbance, it is necessary to do so historically, and to do so by understanding the conditions of its emergence and then the lines of descent along which it developed subsequently. This type of approach will not appeal to everyone, particularly to those who want (or wanted) to think about the recent crisis as a point of rupture that contained the promise of a decisive break from the past. Instead, for me, history is a resource for thinking critically about the present, rather than a distraction from the politics of the ‘now’.

The challenge is to think about the new or neo- in terms of its continuities as well as the discontinuities that signal the emergence of a qualitatively different situation. History is a reminder that the epistemological and political basis of neoliberalism, as well as its organization through think-tanks that connected figures such as Hayek to front-bench politics, was forged out of a long struggle against classical liberal ideas, on the one hand, and leftist ideas (including those of Saint-Simon, Marx and Mill) on the other. It is for this reason that Foucault’s lectures on biopolitics, however flawed, remain a vital tool for questioning the complex arts of neoliberal governance that are at work through and beyond the current crisis – arts of government which are present both in the life of the state, as Davies says, and in the operation of a certain style of economic thought that continues to have a near-hegemonic grip over popular politics and discourse today.

References

Nicholas Gane is Professor of Sociology at the University of Warwick. His most recent book is Max Weber and Contemporary Capitalism (2012).

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