

# Neoliberalism in Action

## Inequality, Insecurity and the Reconstitution of the Social

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### **Abstract**

This paper draws from Foucault's analysis of liberalism and neoliberalism to reconstruct the mechanisms and the means whereby neoliberalism has transformed society into an 'enterprise society' based on the market, competition, inequality, and the privilege of the individual. It highlights the role of financialization, neglected by Foucault, as a key apparatus in achieving this transformation. It elaborates the strategies of individualization, insecurity and depoliticization used as part of neoliberal social policy to undermine the principles and practices of mutualization and redistribution that the Welfare State and Fordism had promoted. It shows that the aim of neoliberal politics is the restoration of the power of capital to determine the distribution of wealth and to establish the enterprise as dominant form; this requires that it target society as a whole for a fundamental reconstruction, putting in place new mechanisms to control individual conduct. The analysis refers to the case of workers in the culture industry to illustrate the operation of these mechanisms in practice. It also outlines the main elements of the analytical apparatus that makes visible the new role of the state as an ensemble of apparatuses constituting the conditions for neoliberal market capitalism and the new type of individual appropriate for it. The paper thus adds a new dimension to Foucault's analysis.

### **Key words**

civil society ■ conduct ■ cultural workers ■ dispositif ■ financialization ■ neoliberalism

### Elements for the Analysis of the Politico-economic Field

**I**N *THE Birth of Biopolitics*, Foucault analyses the passage from liberalism in the 18th century to German ordoliberalism and more recently American neoliberalism, picking out several salient aspects of the shifts that had not been so clear before, and so reveals the mechanisms and principles underlying contemporary capitalist society. His turn to the critique of liberalism was part of the elaboration of the apparatus of biopolitics, and thus relates to issues of power and of subjection, or more accurately, to the exercise of power through a power over life, or biopower, that gradually developed into a positive force for constituting the conditions and framework supporting a specific, capitalist, distribution of power and wealth and a specific form of the subject. This paper examines how far his analyses help us uncover how these mechanisms and principles work in practice. Its focus is therefore on transformations in the socio-economic field and in the functioning of the state, paying attention to the practical as much as the discursive dimensions of contemporary reality.

It begins with the idea that the world and the relations inscribed in it are the result of specific compositions of apparatuses, or *dispositifs*, that are both discursive and non-discursive, put into place as a result of calculations aiming to constitute the world in a determinate way. Capitalism as an historical reality can thus be seen as the contingent product of these institutional arrangements and the practical rules that operate as its conditions of possibility. The analysis then proceeds to examine the motivations and calculations that have engendered the government of conduct in the period of the consolidation of neoliberalism. One focus in this analysis relates to the case of workers in the cultural industry in France, not only because it exemplifies the process which the paper is trying to describe, but because it is a test case for neoliberal thought and strategy, since one of the promoters of the policies and mechanisms for intervening in that sector and reconstructing society according to neoliberal principles is François Ewald, the editor of Foucault's posthumous works, which includes the lectures given in 1978–9 on neoliberalism. In a sense then, in France, what Foucault had revealed about neoliberalism has played a part in its implementation as social policy. A double visibility is thus made possible: on the one hand, an understanding of neoliberalism as a system of thought bound up with market capitalism and, on the other hand, how tools were fashioned from Foucault's work and used to reconstitute society.

Throughout this paper, reference is made to how these *dispositifs* have promoted insecurity, inequality and individualization as part of ensuring the conditions for power to exercise a hold over conduct. These conditions include the formation of a new type of individual, the subject who is an 'entrepreneur of him/herself' who is meant to fit into the frame of society remade as an 'enterprise society'. In *Birth of Biopolitics*, Foucault highlighted the shift from exchange to competition as defining the corresponding shift from liberalism to ordoliberalism; this logic of competition is generalized in neoliberalism to apply to the workings of all apparatuses of

the state, such as those of the Welfare State, as well as to subjects considered as autonomous individuals. The instrument for this is a financialization of risks and systems of protection and the grounding of the calculation of value according to this paradigm. The role of money as instrument in this process is something which is absent in Foucault's analysis, a lacuna which is remedied here in the demonstration of how financialization, through individualizing techniques, for example in the concept of 'human capital', has achieved the redistribution of risk and protection, leaving the individual increasingly at the mercy of the market. Additionally, financialization has transformed the pension funds of wage earners and public employees into a fiscal resource for the enterprise, with the consequence that savings are co-opted for the benefit of capital, thus ensnaring the earner in a double bind, at the affective, cognitive and political levels. Together with the monetarization of state administration, this has produced a situation of permanent insecurity and precarity, conditions necessary for the new apparatuses to work.

An important aspect of the neoliberal transformation of the social is the recruitment of civil society to serve its objectives. Foucault has pointed to the central role of the new *homo oeconomicus* in this, a figure thought of in terms of the individual as an 'entrepreneur of oneself', maximizing himself or herself as 'human capital' in competition with all other individuals. This paper, in unpacking the mechanisms put in place to achieve these changes, argues that this process not only adds to the general securitization which the neoliberal government of conduct promotes, but it is also destructive of social bonds and the conditions for social cohesion. This poses a severe problem for the neoliberal state, which it attempts to resolve by reconstituting racism and through war. Yet counter-conducts exist or are possible that enable one to escape the hold of 'enterprise society', as the paper outlines in conclusion.

### **The Economy as an Ensemble of Dispositif**

Unemployment, employment, and work are not 'natural' realities that have an objective existence, an economic existence in itself, that would be prior to the institutions that are supposed to govern them. They are in fact the result of a construction that operates through the intersection of two sets of dispositifs, those that establish the law, the norm, opinion, categories, knowledges (*savoirs*), and those that administer the conducts and the behaviour of individuals.

The Deleuzian (1986) and Foucauldian distinction between discursive and non-discursive formations can help us map the dispositifs of production and government (say, of workers, the unemployed). For them, non-discursive dispositifs or practices intervene on what one *does* (possible or probable action), whilst discursive practices or dispositifs intervene on what one *says* (possible or probable statements).

For instance in the case of the unemployed, 'non-discursive practices' or 'non-discursive formations' refer to the dispositifs that register, file,

control, call-up, distribute allocations, decide upon expulsions and sanctions, organize the monitoring (interviews, training) of unemployed workers; these are organizations managed by the state and by trade unions and employers associations. These dispositifs are able to intervene on the possible or probable action of those on benefit through a series of measures such as the amount and period of benefit, access to particular types of benefit, control over the search for work, pressure to retrain to fit the job market, etc. Such non-discursive practices try to govern the conduct of 'unemployed workers' according to two different logics: as 'legal subjects' and as 'living beings', as 'citizens' and as the 'governed'. According to Michel Foucault, social insurance is one of the dispositifs of the Welfare State in which is played out the regulation between the political power exercised on citizens (who have rights) and the power exercised on living subjects, on concrete, individual subjectivities (who have a particular age, specific skills, gender, ways of thinking, behaving, etc.) (Foucault, 2001: 963). In order to discharge their function of classification, control, repression, incitation, and the management of conduct and constitution of modes of subjectivities, these non-discursive dispositifs of social insurance have at their disposal a whole battery of 'technologies of the social', that is, procedures and mechanisms that constitute the social. The 'technologies' which put these tools to work operate according to multiple logics: those of juridico-legal and disciplinary dispositifs and those of surveillance. I shall examine below what they are, how they work and how they relay each other.

'Discursive formation' or 'discursive practices' can be understood as the ensemble of heterogeneous dispositifs for making statements. They function and produce statements in different ways – for example, legislative bodies such as a parliament drafts laws, employment agencies specify the norms, other agencies establish regulations, universities produce academic classifications and reports, media construct opinions, and experts make informed judgements. The objects of these discursive practices are categories such as 'unemployment', 'work', 'employment' constituted as such by these different regimes of discourse, which relate to the law, to opinion, and so on; their consistency and efficacy are enacted in the course of these different enunciative regimes intersecting in practice. By defining what is important, striking or interesting, these 'discursive practices' construct and determine the 'problems' of a society at a particular time. Thus, on the one hand, they delimit what is possible, and, on the other hand, they prevent statements appearing that do not conform to the dominant regime of statements, through techniques that, paradoxically, incite the circulation of speech and expression.

In the same way as non-discursive formations cannot be reduced to 'things', discursive formations cannot be reduced to 'words'. Discursive practices are not simply a product of the ability to speak, but the result of actions taken by a multiplicity of institutions and agencies that have a 'machinic' mode of operation. The academic, the expert, the journalist, whose discursive practices tend to replace everyday discourse and political

polemic, are not individual subjects of statements, but rather discursive terminals or outlets for a chain of functions, procedures, and protocols, a complex and articulated network of economic, political and cultural interests. Statements have an effect on a multiplicity of publics (media, academic, locally and nationally elected representatives, socio-professional categories, etc.), using a variety of semiotic and communicational techniques (that one could call techniques of the intellect) according to a differential management logic of publics and for constituting opinion. To that extent, the all-inclusive category of ideology insufficiently expresses the complex relationship between discursive practices and relations of power.

Discursive practices and non-discursive practices are not in a relation of causality, symbolization or representation, but of mutual presupposition. What one says is no more the reflection or inverted image of what one does than an infrastructure of production would be the support for a superstructure. Discursive and non-discursive practices are ceaselessly interwoven and together produce our world and the relations that constitute it.

We can thus understand unemployment, work, and employment as ‘overall effects’, as ‘mass effects’ of this multiplicity of processes and discursive and non-discursive dispositifs that intersect and find support in each other. ‘Unemployment’ is not an economic category at the start, or, to put it in another way, the economic must be understood entirely as an ensemble of ‘regulated’ activities. Regulated by whom and by what? Regulated by the law as well as norms, habits, knowledges, prescriptions that may be religious, but particularly nowadays mediatized or cultural.

What is called the ‘economic’ is an ensemble of activities regulated by the different embodied techniques and procedures that act upon the possible or probable action of the governed as well as by the different semiotic dispositifs that have an effect on the possible and probable statements that the governed may make. Regulation here means institution and constitution as well as limitation, repression and control. In other words, one must avoid thinking of capitalism or of capital as simply or inherently an economic reality that the law, norms and discourses would subsequently regulate and represent. Capital does not have an inherent logic, or autonomous and independent laws that one would need to limit and to control through rights, opinion, and knowledges. It needs to be constantly instituted.

Capitalism as an historical reality is the contingent product of an institutional framework and positive rules (legal and extra-legal) that constitute its conditions of possibility. As Foucault (2004a: 169) says, the economic process and the institutional framework ‘called up each other, supported each other, modified each other, each taking shape according to a constant reciprocity’.

### **The Government of Conduct**

Who operates the composition and integration of this multiplicity of processes by using in turn this or that dispositif, by relying on such and such a procedure, or by soliciting sometimes technologies of the body, sometimes discursive technologies? It is the 'government', if we understand the latter to refer to the ensemble of techniques and procedures put into place to direct the conduct of men and to take account of the probabilities of their action and their relations (Foucault, 2004b). The government utilizes and manages the discursive practices that enable the formation of know-hows and statements; it utilizes and manages non-discursive technologies and an arsenal of juridical and legal mechanisms that make it possible to stabilize relatively open, reversible, and modifiable relations of power into 'states of domination' and modalities of subjection. Or rather, to avoid confusing this notion of government with state government, one should say that it is the name given to the activity that consists in operating the composition of these multiple processes, whether these activities be exercised by statesmen, trade-unionists or bosses.

Government is a technique of power that implies that the governed, upon whom it is exercised, always have the possibility to respond, to act differently, to refuse. For Foucault, the government of conducts implies that resistance is always possible. Government is a strategic relation between governors and the governed whereby the former try to determine the conduct of the latter, and whereby the latter develop practices in order to 'avoid being governed', to minimize being governed, or to be governed in a different way according to different procedures, principles, technologies and knowledges, or else in order to govern themselves. Foucault calls these creative strategies of resistance 'counter-conducts': they open up processes of 'autonomous and independent' subjectivation, that is, possibilities for the constitution of oneself.

Counter-conducts and the processes of subjectivation that we have been able to observe in the struggles of short-term contract workers are as multiple and differentiated as the dispositifs of power that are meant to control them. They are expressed in different ways: flight, deflection, ruse, attempts to overturn the situation of domination, direct confrontation with the dispositifs of power, etc., without these means coming into conflict with each other. They may express simultaneously defensive and/or offensive attitudes, and may act according to both the logic of resistance and that of political experimentation.

Thus, unemployment, employment and work do not just emerge at the intersection of dispositifs of the control, incitement and generation of statements, but also at the intersection of different strategies relating to the government of conduct and the refusal to be directed, or relating to the desire to govern oneself, at both the individual and collective levels. This outline of a cartography of dispositifs of power provides us with an overview of the domains where different forms and strategies of government are exercised through various technologies. It provides us too with a cartography of

possible terrains of confrontations. But it does not tell us how the techniques of the government of conduct and techniques of the organization of counter-conducts are deployed, according to what strategies and mechanisms. We need to understand how these various techniques are articulated, how these different knowledges work, how the range of dispositifs function, how relations of power operate.

### **Competition as Organizing Principle of the Cultural Market**

The case of the conflict involving contract workers provides an occasion to examine these categories in action. It enables one to follow the discursive and non-discursive modalities of the genesis and constitution of a competitive market since, until the 1980s, only part of the economy of the cultural sector in France (cinema) followed that logic and since the stake in the conflict is precisely the institution of competition across this sector.

The concepts and arguments developed in Foucault's *Birth of Biopolitics* go to the heart of the problem we have set ourselves and so provide us with the tools for describing these modalities. The shift towards competition was a central plank in the 'social reconstruction' undertaken by neoliberalism, in France and elsewhere, whilst the restructuring of the regime of social insurance was itself the last step in building the edifice necessary for this shift. As noted earlier, the case is interesting because François Ewald, the editor of Foucault's posthumous works, that included Foucault's analysis of neoliberalism, promoted (if cautiously) these policies of social reconstruction alongside one of the leaders of the employers union.

To interrogate the work of Foucault from that perspective, one could start with two questions, relating to the main stakes in this conflict as well as to the major axis that crosses the employers' project of 'reform'. Why does the constitution of the labour market in the cultural industry pass through the management of 'social policy' – employers even calling themselves 'social entrepreneurs'; and why do unemployment benefits act as an obstacle? And why does the employers association in France qualify its economico-political project as a 'social' one? Foucault's answer is to claim that liberal government is from the beginning a 'government of society' (2004a: 271). Liberal government is not content with simply recognizing and observing economic laws, as the physiocrats did, but a government that targets society in its entirety. Liberal politics is a 'politics of society' whose intelligibility, scale, and rules of functioning is grounded in the market, as the ordoliberalists assert.

The 'social' has been introduced as a mode of government from the time that the relation between the capitalist economy and the political became problematic. Foucault's account points out that the art of government of a sovereign must be exercised upon a territory and subjects of rights, yet this space has been occupied since the 18th century by economic subjects who, instead of having rights, have interests. *Homo oeconomicus* is an absolutely heterogeneous figure who does not coincide with *homo juridicus*. Economic man and the subject of rights give rise to two quite

heterogeneous processes of constitution: subjects of rights become part of the ensemble of other subjects of rights through a dialectics of reconciliation. Indeed, the constitution of the political presupposes that the juridical subject transfers his or her rights to someone else. By contrast, economic man is integrated within the ensemble of the economic not by a subtraction of rights but by a multiplication of his own interests. One does not renounce interest, for it is on condition of preserving one's selfish interests that the multiplication and satisfaction of the needs of the collectivity can happen. For Foucault, neither the theory of justice, nor economic theory, neither law nor the market can reconcile this heterogeneity. One needs a new domain, a new field, a new frame of reference that would be neither the totality of subjects of rights nor the ensemble of economic subjects. Both groups are governable on condition that one can define an assemblage that would envelop them, making visible not only the links between them and their combinations, but also a whole series of other elements and interests that extend beyond economic interests alone.

Such an ensemble or assemblage is called civil society. In order for governmentality to preserve its all-inclusive character and not be split between two branches – an economic and a juridical art of government – liberalism invents and experiments with a set of techniques that apply to a new frame of reference: civil society. Civil society is here not the space where autonomy in relation to the state is produced, but the correlate of techniques of government. Civil society is not a primary and immediate reality, but something which is part of the modern technology of governmentality. It is at this juncture, it is in the management of this interface that liberalism is constituted as an art of government. It is at this intersection that biopolitics is born.

In the 20th century, biopolitics as an administration of conducts has a specific function. If social policy is integral to the birth of liberal capitalism, as Foucault has shown, it is inserted at the centre of a capitalist strategy as an answer to revolutionary politics, that is, to the emergence of an antagonistic dualism arising from the problematic relation between the economy and politics. The task of the government of conducts is that of neutralizing and depoliticizing by means of an increasingly more extensive social policy, whilst producing polarizations of power and income (that may incite dualisms). A politics of the social is thus placed at the centre of liberal strategies, if differently according to Keynesian liberalism, German ordoliberalism, and neoliberalism.

It is therefore a matter of unpacking what neoliberals understand by 'market' and by 'society', and to know how they conceptualize their relation. For neoliberalism, the market is not the spontaneous or anthropological expression of the tendency of human beings to exchange, as Adam Smith believed. Instead of exchange, they underline competition as the organizing principle of the market, specifically, competition between enterprises and between workers. Whilst exchange relates to equality, competition relates to inequality. The new mode of government substitutes the couple

inequality-enterprise in place of the couple exchange-equality. For the neoliberals, the market can operate as regulatory principle only if competition is made the regulatory principle of society. For neoliberalism, competition, like the market, is not the result of the ‘natural play’ of appetites, instincts or behaviours. It is rather a ‘formal play’ of inequalities that must be instituted and constantly nourished and maintained. Thus, appetites and instincts are not given: only inequality has the capacity to sharpen appetites, instincts and minds, driving individuals to rivalries.

Contrary to what the mass media declare, the neoliberal concept of the market is thus anti-naturalist. The market and competition are the result of a construction that requires a multiplicity of interventions, particularly from the state, having constitutive effects on both economic and non-economic conditions necessary for ‘laissez-faire’ to exist and function. It is not a question of intervening in the market for the market. This means administering the conditions, notably the social conditions, that enable the ‘fragile mechanism’ of competition to work; it means neoliberal government must take over social processes to create the conditions inside them amenable for market mechanism.

‘Social reconstruction’ in France drew directly from this tradition when, at the time of its initiation, it was justified on the grounds that ‘the principle of competitiveness reintroduces economic necessity inside a social world that tends too much to emphasise its emancipation or to try to dominate the economic’ (Kessler, 1999: 625). Thus, in the specific case of contract workers in the culture industry, we would need to at first understand the role of ‘non-discursive’ practices, particularly of the labour organization, in the conflict. The situation is that competition already existed in the labour market of the cultural sector, but according to the logic of ‘reform’; unemployment benefits introduced distortion because their effects amounted to a redistribution of (relative) income, from those who worked and earned more to those who worked and earned less. Figures for the allocation of incomes and benefits show that the result of compensating for incomes below the regulatory minimum was to greatly reduce the effects of salary differentiation.<sup>1</sup> The purpose of the ‘reform’ advocated by the national employment agency in France (Unedic) was to reduce or eliminate the logic of mutuality that existed and to instead generalize the principle of insurance that distributed benefits proportionally to earnings. According to the logic of neoliberalism, the system that protects workers better through a form of redistribution is described as ‘anti-competition’. This is the reason for neoliberalism’s objection to the introduction of the non-economic notion of ‘social justice’ through a system that evens out inequalities, even at the margins, and corrects ‘irrationalities’, for such a system distorts competition and thus prevents the market from functioning as it should; it is this proper functioning that would ensure the rational and efficient allocation of resources. A government of the market based on competition and enterprise must ensure that all are in a state of ‘equal inequality’, as Foucault expressed it.

It is important therefore to intervene in the domain of social policy to individualize it; this is what the ordoliberals called ‘individual social policy’ as opposed to ‘socialist social policy’, which is a collectivization and socialization of social expenditure. Foucault argues that this ‘individualization’ does not aim to insure individuals against risks, but to constitute an economic space in which individuals *individually* take upon themselves and confront risks.

In order to inscribe this logic of ‘individual social policy’ in the mechanisms for social protection, the reform of the regime of unemployment benefits has to put to work a combination of the oldest disciplinary techniques, such as surveillance, sanction, exclusion, examination, and the most recent techniques of securitization, such as procrastination, modulation, control, differentiation; the former techniques are reorganized and adapted to suit the new functions determined by the latter. At the same time, the activation of these human, disciplinary and security technologies drives an explosion in juridical and legal acts, and a multiplication of norms and regulations originating from the state, from regulatory markets and from labour agencies.

In the case we are considering, reform at first targeted a reduction in the number of contract workers, on the grounds that there were too many artists, creatives and companies in the sector. Conditions for triggering unemployment benefit payments were made more difficult, then measures were introduced to distinguish the skilled from the unskilled through the introduction of new diplomas to reclassify and differentiate between potential cultural workers and filter the employable from the unemployable. The unemployed are labelled, and ‘demonized’ – the system of benefit payments is criticized by employers agencies for being too lax and allowing abuse of one kind or another, and for allowing the possibility of escaping the logic of the enterprise and of ‘human capital’, for instance, by ‘the gradual disassociation of social protection from work’ (Kessler, 1999: 629). Reform can thus be seen to be more of an operation of power than an economic one. For, its aim is to recover control over the ‘social’ and over the conduct of the governed in order to achieve the goals of reducing the deficit and bringing the accounts of unemployment insurance in line with the logic of the enterprise.

The reduction in the number of short-term contract workers can be seen as an ‘exclusion’, but the excluded are included in a ‘population’ (the set of people in the employment market) on which governmental action is exercised in terms of a differential management of inequalities. Disciplinary technologies of exclusion are included in the functioning of a technology of security relating to the management of disparities. Governmental action relating to this management targets a continuum that stretches from the unemployed to the salaried professional passing through the low income worker, the precarious worker, the contract worker, part-timers, and so on. A multiplicity of laws, norms and regulations emerge that establish the transmission of types of contract, modes of insertion into regimes, of obtaining

qualification, of formation, of compensation, of access to rights and to a minimum of benefits. Such a continuum is ‘social’ and not simply ‘salarial’, agreeing in this with the aims of social reconstruction. It is crossed by discontinuities, thresholds, divisions, and segments that the technologies of security bring within the scope of a government of the same indeterminate population. The specific role of government is then, on the one hand, to detect the ‘differences’ of status, incomes, education, social insurances, etc., and to set these inequalities to act effectively one against the other. On the other hand, it is a question of amplifying the politics of individualization – of salaries, of careers, of the monitoring of the unemployed – inside each segment, each situation, as a way of inciting competition.

In this continuum, none of the positions of inequality should feel safe or stable. The construction of the precarious worker, of the poor, the unemployed and low income worker, the multiplication of ‘cases’ and ‘situations’ (for example, youth, urban youth, youth with qualifications, deprived youth, etc.) is part of the amplification and deepening of individualization and aims to weaken both individuals and, differentially, the overall job situation.

To understand the way the strategy of neoliberal government works, one could contrast it with the radical wing of trade unions. The latter think and act in accordance with the idea of a norm, namely the permanent work contract, that it seeks to apply generally to the whole population; it is based on norms considered ‘good’ independently of the situation, and to which all should conform. Employers and the state in the last 30 years think and act in accordance with a different logic, which is that of locating, constructing and consolidating a multiplicity of ‘normalities’. The goal of the management of these ‘normalities’ does not seek conformity to one model, but to maintain them in a state of ‘equal inequality’, of competition, to encourage differentials and perpetuate a ‘mobilizing’ uncertainty.

Inclusion and exclusion, the normal and the abnormal, do not determine a ‘great division’; they are instead variables of governmental action that tends, anyway, to multiply cases, situations or statuses. Government acts less through a divide than through the modulation of divisions and of differences. Foucault (2004a) clearly states that this modality of government does not relate to the mechanisms of normalization of disciplinary societies, founded on the inclusion of the normal and the exclusion of the abnormal. For him, the society based on security is not a society that has a need for mechanisms that establish a general normalization and exclude the non-normalizable.

Theories of exclusion or even of disaffiliation (Castel, 1995) still refer to disciplinary societies. This is not to say that there are no exclusions, disaffiliation and marginalization; it is their functioning that changes in neoliberal practices of government. Contemporary policies regarding employment, for example ‘workfare’, which forces those in receipt of assistance to work, are policies that introduce degrees of insecurity, instability, uncertainty, economic and existential precarity into the lives of individuals. They make insecure both individual lives and their relation to

the institutions that used to protect them. It is not the same insecurity for everyone whatever the level and conditions of employment, yet a differential of fear runs along the whole continuum.

The differential administration of these inequalities generates differential fears that affect all segments of society and that constitute the 'affective' base of this government of conducts by means of inequalities. Such inequalities work the more effectively the greater the gaps they establish. Nevertheless, the thresholds and the gaps are relative to what a society can 'tolerate' or deal with. Deleuze and Guattari (1980) have found a more appropriate term than the Foucauldian 'dispositif of security' to describe this situation. They speak of a micro-politics of insecurity, arguing that the administration of a major organized 'molar security' has as its correlate a micro-politics of little fears, a whole 'molecular insecurity' which is permanent, so much so that the formula of 'home affairs' ministries could be: a macro-politics of society for a micro-politics of insecurity.

The differential administration of the labour market has a fundamental function that answers a specific political question: how to produce polarizations of income and power inside the capital/labour relation without these polarizations becoming irreducible political dualisms. The administration of conducts is a complex of techniques whose goal is the neutralization and depoliticization of 'revolutionary politics' that appeared between the end of the 19th and the beginning of the 20th centuries and that had converted these inequalities into a fight 'to the death' between 'workers' and 'capitalists'.

### **Capitalization**

Neoliberal government intervenes in the domain of the social by converting the latter into a function of the enterprise. It intervenes to promote multiplicity, differentiation and competition of enterprises and to incite and constrain each individual to become an entrepreneur of him/herself, to become 'human capital'. Neoliberal politics implicates state interventions but, unlike in Keynesianism, its goal is to stimulate demand and not supply. Neoliberalism is a mode of government which consumes freedom, and to do so, it must first produce and organize it. Freedom is not a natural value pre-existing governmental action and whose exercise it guarantees (as in liberalism); however, it is necessary for the market to work. This freedom is in fact the correlate of dispositifs of security. The main difference from Keynesian liberalism is that, for neoliberalism, it is the freedom of the enterprise and the entrepreneur which needs to be produced and organized, whilst the freedom of the worker and that of the consumer who were at the centre of Keynesianism are made subordinate. For neoliberal social policy, the problem is to transform society into an 'enterprise society' and to constitute the worker as a 'kind of enterprise'.

Returning to the reconstruction of the cultural work market in France, we find that the problem was to ensure that the system of unemployment insurance works simultaneously as a system of capitalization and of individual insurance. The insurance contribution paid by the employer and the

worker is made to work as an individual investment against risks rather than as a form of the socialization and mutualization of risks. They are thus regarded as an invested capital; indeed the discourse of ‘reform’ called the period of contribution made by contract workers a ‘capital’ that the individual must manage as a ‘capital’. For employees, the effects of this notion of ‘capital’ is that unemployment benefits come to stand as part of the multiplicity of investments (in training, mobility, affectivity) that the individual as ‘human capital’ must make to optimize performances. One consequence is that the value of allocations is prevented from leading to the redistribution of incomes from one section of contract workers to another, but be proportional to the different investments made. The model of individual insurance replaces the model of the mutualization of risks and is generalized to all aspects of existence (health, pension, education, etc.).

The history of the reforms put into place in France shows why the management of state employment agencies (Unedic) resisted proposals in favour of an element of redistribution, in spite of the greater costs of the reforms. The political rationality behind this position is that, for neoliberal theory, redistribution to correct inequalities and counter the excessive effects of competition turn those on benefits into ‘passive consumers’ of state support (Kessler, 1999: 629), whilst gaps in income, status, and education are thought to transform passive conduct into the ‘proactive’ action of the entrepreneur optimizing his/her ‘investments’ in a situation of competition.

Foucault’s analysis (2004a: 271ff.) allows us to understand the role of capitalization as one of the techniques in the transformation of the worker into ‘human capital’ in charge of his/her own efforts to manage him/herself according to the logic of the market. Social policy based on redistribution and mutualization undermines this passage of the worker into an ‘enterprising self’, a kind of ‘permanent and multiple enterprise’. Capitalization is consistent with the view that the individual’s function, as a molecular fraction of capital, is not that of ensuring the productivity of labour but the profitability of capital as a whole. The individual becomes a ‘capital-competence’, a ‘machine-competence’; he or she cannot become the new *homo oeconomicus* without being ‘a lifestyle’, a ‘way of being’, a moral choice, a ‘mode of relating to oneself, to time, to one’s environment, to the future, the group, the family’ (Foucault, 2004a: 245).

The reform of social policy must not only promote the growth of the enterprise and the universalization of the idea of enterprise, it must transform its own services into enterprises, into sites of accumulation and profit; as Kessler has put it: ‘in the future, all social dispositifs must pass through the screen of economic rationality’ (1999: 629); ‘for, administered inside a competitive universe, they would become once more a function of the enterprise’ (p. 622). This means that the enterprise must re-internalize the apparatus of social protection that had been delegated to the state in the period of Fordism. This overturns the logic of the Welfare State, described by Keynes in 1939 as ‘a system where we can act as a community organized towards achieving common ends and promote social and economic

justice whilst respecting and protecting the individual: his freedom of choice, his faith, his thoughts and expression, his spirit of enterprise and his wealth' (Keynes, in Sennett: 2003: 197).

Even the ordoliberalists who established economic policy in postwar Germany recognized limits to the generalization of enterprise and competition. They thought competition was a 'principle of order' for the economy but not a 'principle on which one could construct society as a whole' (Foucault, 2004a: 248). Thus, the neoliberal generalization is in a sense absolute, limitless, since it is a matter of extending the economic form of the market 'to the entire social body and to generalize it inside the whole social system that, normally, does not pass through or is not authorized by the market' (p. 248).

### **Risks, Protection, Financialization**

Before returning to the case of contract workers, I would like to address some of the limitations and gaps in Foucault's analysis of neoliberalism in *Birth of Biopolitics*. Amongst the dimensions which Foucault fails to consider, although they are essential for understanding liberal practices today, are those of employment and unemployment, and particularly, financial policy, which is one of the most effective tools of the government of conduct. He neglects entirely the functioning of money in the transformation in the 'regime of accumulation', that is, the passage from managerial/industrial capitalism to shareholding/postindustrial capitalism. This is surprising, given that the conquest of the economy and society by neoliberalism has been accomplished and was made possible by finance, including the transformation of the direct and indirect income of earners into financial assets.

One must consider too that it is on the basis of financialization that a new conceptualization of risk and protection has been determined, with direct implications for the labour market and the Welfare State. From the 1970s we are seeing a new distribution of risk as well as the system of protection associated with it. In the Fordist settlement between employers, trade unions and the state, as well as in labour regulations and social security in France, the right to social protection was legitimated on the grounds of the asymmetry of power between employer and employee implied in the labour contract, it was thought, and judicially understood, as a compensation for salaried subordination. The financialization of the economy has completely upset this understanding, for it introduces another concept of risk and protection, fundamentally breaking with the settlement and compromises that were the outcome of the Second World War.

Unlike Foucault, Deleuze and Guattari, in *Anti-Oedipe* (1975), following de Brunhoff (1967 and 1971) and re-elaborating Marxist theory, provide a striking interpretation of money and its double nature, as exchange money and credit money. In this schema there are three forms of money that outline three lines or types of heterogeneous potentiality or its lack (*puissance ou impuissance*). First, there is money as structure of financing (creation and

destruction of money) that draws an initial ‘abstract and mutable line’, a ‘non-realizable quantity’ that produce its own singularities. The notion of abstraction does not refer to abstraction in Marx, but to the virtual of Bergson and/or Proust. Money is an abstract/virtual flux, it is non-figurative, indifferent to production, and that can give rise to any figure and production. There is then a second line which is ‘quite different, concrete, consisting of sensible curves: money as means of payment, split into segments, allocated for salaries, profits, interests, etc.’ (1975: 271). Money as means of payment implies a third line, the ‘sum total of goods produced’ at a particular time. The power of the institutions that regulate the ‘production and destruction of money’ (the banking system in managerial capitalism and finance in shareholder capitalism) is exercised through the control of the other two. Finance, by modulating the frequency and amplitude of investment, can give rise to any kind of figure/production. The asymmetry of power in capitalist societies is inscribed in the asymmetry of force/potentiality (*puissance*) between money for credit and money for payment. The money that circulates on the stock exchange, in pension funds, in banks, or that appears in the accounts of enterprises, is not at all the money we have in our pocket, or earn as salary or as various allocations. They belong to two regimes of different powers (*puissances*). What is called buying power is in fact a ‘powerlessness’, as Deleuze puts it. It is a matter of impotent monetary marks, since they are limited to a potential tax on a flux of consumption already determined by credit flux. In contrast, money for credit has the power to ‘rearticulate the economic chains, determine a displacement of figures’, and thus have an effect on the constitution of possible outcomes (1975: 271).

By thinking of money as the capitalist appropriation of virtuality, related to the power over potential becomings, Deleuze makes a striking innovation to the theory of money. Post-Fordist economy, it is now clear, is an economy based on potentialities, an economy in which finance allocates to itself the power over stating, delimiting and circumscribing what is possible for a society at a particular time. Contemporary economy presents itself as a proliferation of choices and options, of possible offers to consumers. It represents itself as an initiative power, when in fact the consumer has but a choice between alternatives fixed and determined by the actualization of the ‘abstract line’ drawn by credit money. With the New Deal, the power of the creation and destruction of money had to be shared with trade unions up to a point. In Fordism the conversion of the abstract line, the actualization of money is shared amongst incommensurable political ends, integrated into the regime of accumulation through trade-offs (regarding employment, effective demand, the sharing of the proceeds from productivity, i.e. what could be called a ‘socialism of capital’ that integrates elements of ‘class struggle’ into the regime of accumulation through concessions to aspects of ‘socialism’). Neoliberals’ hatred of the New Deal is a class hatred for a counter-power that had encroached upon the sovereignty of capitalist money. Neoliberalism is basically a reprivatization of

money, a reprivatization of the power to determine and circumscribe what is possible. It is clear that the analysis of money must be part of the analysis of the market and competition, since, as Deleuze argues, ‘it is banking that props up the whole system and the investment of desire’ (Deleuze and Guattari, 1975: 272) adding: ‘it is money and the market that truly police capitalism’ (p. 284).<sup>2</sup>

One of the key changes that the financialization of the economy has operated is the redistribution of risk and protection. It used to be the case that salaried employees enjoyed a degree of security whilst entrepreneurs took on most of the risk and the profits. Contemporary capitalism has overturned this relation of relative risks, for, as we have seen from the new strategies introduced to insecure or make precarious the condition of wage-earners, contract no longer provides the guarantees and securities once prevailing; the opposite movement has seen the introduction of stock options, golden handshakes and so on to protect management as well as shareholders from risk. This is a qualitative shift – it prompts us to temper the comments of Foucault on liberalism and competition by taking account of the asymmetrical effects of financialization for, on one side, ‘non-owners’ and, on the other side, shareholders and holders of savings. The former must rely on their earnings alone, often blocked or eroded because of the systematic reduction in social expenditures, whilst the latter can shift risks onto the stock market or insurances.

More importantly, the shift means that the passage from ‘managerial capitalism’ to ‘shareholding capitalism’ exemplifies the disengagement from and final elimination of the Fordist and the New Deal settlement, and initiates a new model of capitalism generalized to the rest of the world. Foucault had described the New Deal settlement in terms of accumulation based on ‘full employment’, the support of consumer demand, the growth of the GDP, the redistribution of incomes and wealth and the establishment of ‘social wealth’ or the allocation of collective goods. In rejecting this ‘managerial capitalism’, neoliberalism, as in Hayek, restores the basis of the liberal concept of ‘freedom’ and ‘right’, namely private property. Robert Castel (1995) uses the notion of ‘social property’ to characterize the gains of workers and the propertyless, for it is the means whereby the latter can have access to property through ‘collective rights’. From that point of view, we can see neoliberalism as the reversal of the ‘socialization and mutualization’ of wealth and property, precisely through the individualization of access to private property; it is one of the most powerful instruments of neoliberal depoliticization.

Theories of risk that have flourished with the rise of neoliberalism submerge the concept and the reality of ‘private property’, which is the motor of shareholding capitalism, under a vocabulary that obscures the political struggle and the stakes played out around ‘risks’.<sup>3</sup> The struggle over who has the right to ‘name’ risks and decide on modalities of protection, or the struggle opposing employers and workers, is recast by people like Ewald and Kessler in terms of the competition between ‘riskophiles’ or ‘social

entrepreneurs' and 'riskophobes' (those dependent on the welfare state) and in terms of division between lifestyles. The individualization of social insurance is one of the means for reinstating the power of 'private property' over 'social property' and thus redistributes power and incomes in favour of the former. As evidence of this shift one can refer to the income differential in the USA where in 2005 the relative distribution had returned to the levels of 1928.

One final element of the great transformations introduced by contemporary capitalism that Foucault failed to mention in his analysis of liberalism is the monetarization of state administration as part of the financialization of the economy. This financialization is integral to the apparatuses of the government of conduct because it produced a new 'alliance' or 'integration' between capital and labour founded not on employment, redistribution and social protection, but on shareholding and savings. The birth of neoliberalism sees the monetarist turn in the American administration and the Federal Reserve that, by multiplying the mechanisms for harvesting savings, has directed the latter to the financing of enterprise via the stock market. The 'silent revolution' affecting wage-earners' pension funds is the essence of the monetarist turn. This mobilization for stock market investment has one precise goal: that of eliminating the separation between labour and capital implicit in Fordism, by binding workers' savings with capitalist restructuring. The American 'new alliance' between fractions of capital and components of employees' income is no longer based on the Fordist sharing of productivity gains or on employment security; instead it operates through sharing the profit generated by the stock market.

What is interesting in this neoliberal shift is that the 'revolution' of pension funds began with the 'fiscal crisis' of the state of New York in 1974–5, that is, a crisis of the social and not simply industrial regulation of capitalism. The pension funds of public employees were used to finance the deficit of the state's welfare apparatus, which means that workers and trade unions indirectly replaced the traditional investors in public spending. This made the 'crisis' a primarily social one, whilst this investment of public employees' savings to offset the deficit of the welfare system in New York achieved two goals: implicate employees in the regulation of social expenditures and prevent a possible alliance between those on benefits and employees of social services. It can be seen therefore that the deproletarianization that the German ordoliberals hoped for (establishment of small-scale units of production, help with the ownership of one's home, 'working class' shareownership, etc.) is here realized through a new management of contract workers' savings. The aim of neoliberalism remains the same as that of the ordoliberals who claimed that 'a wage-earner who is also a capitalist is no longer proletarian' (Bilger, 1964, cited in Foucault, 2004a: 267). Such a politics has a powerful effect on the conduct of earners since it splits each person internally into a 'schizophrenic' double, torn by the different, possibly opposite, rationalities motivating the earner and the saver.

Contemporary capitalism creates new splits and inequalities, breaking down class solidarities and forcing trade unions on the defensive; restructurations, delocalizations, dependence on the tie-up between productivity and pension funds, employment insecurity and so on cumulatively have the effect of promoting and generalizing the disconnection between revenue, employment and work. The restoration of labour-value in a capitalism that systematically favours rent appears pointless. Yet it is necessary to counter the disconnection between income and work and reclaim the power to decide about this disjunction in order to open up new forms of socialization and mutualization.

### **Subjectivation, Responsibility, Workfare**

The conceptualization of the individual as ‘the entrepreneur of oneself’ is the end-product of capital as a machine for subjectivation or subjection. For Deleuze and Guattari (1980: 571) capital acts as a powerful ‘point of subjectivation constituting everyone as subjects, but some, the capitalists, are enunciators, whilst the others, the proletariat, are enunciated, subjected to technical machines’. With the idea of ‘human capital’ one can speak of the fulfilment of the double process of subjection and exploitation. On the one hand, ‘human capital’ takes individualization to its highest degree, since the subject implicates in all its activities ‘immaterial resources’ of the ‘self’ that are affective and cognitive. On the other hand, the techniques of ‘human capital’ lead to the identification of individualization with exploitation, since the ‘entrepreneur of oneself’ is both manager and slave of him/herself, capitalist and proletarian (Deleuze and Guattari, 1980: 571). As Foucault notes, with neoliberalism, governmental practices pass through the individual, subjectivity, conducts, lifestyles. And work is considered from the point of view of an economic conduct but as practised, rationalized and calculated by those who work.

Foucault could not have foreseen how the practices of the government of conduct, geared to the point of view of the individual, would lead to the establishment of new systems of the injunction to work (workfare) that integrates simultaneously the new subjective logic of human capital and the ‘old’ work discipline. Through the dispositifs of incitement to employability, techniques for the administration and management of human resources are introduced that transform socially recognized rights into dispositifs for, on the one hand, the administration of mobility on the labour market, and, on the other hand, for the control and modulation of the conduct of those receiving benefits who are induced to be available for work and obliged to work upon themselves to be ready to accept any kind of work, under any conditions, in the framework of a ‘precarious’ full employment. In reality, disciplinary and security options always co-exist and mobilize components of heterogeneous subjectivities. Workfare is an example of a politics of individualization that utilizes both disciplinary and security mechanisms, for instance, through the monitoring of cases in their individuality or singularity.

According to Foucault, the law proscribes, discipline prescribes and security aims for an increasingly individuated modulation of subjectivity, using elements of both prohibition and prescription. This implies a psychological, sociological and anthropological problematization of whoever is subject to the law, the norm and the rule. Techniques of security constantly integrate new elements (of conduct, of reactions, of opinions) and new expert knowledges (medical, psychological, economic, sociological, and that of social workers) that relate to the diagnosis and eventual transformation of individuals. One could, for instance, see the monitoring of the unemployed as a technique of the apparatus of security, working to transform the ‘excluded’ individual, the unemployed, the precarious worker, etc., into ‘human capital’, that is, techniques that mobilize the skills and subjectivity of the individual to adapt him/her for work opportunities.

Indeed, all this is far from the self-representation of employment policy, since it is the disciplinary instrument of punishment, obedience, duty, subordination, and culpability which is most often mobilized, re-actualized and deployed in the policy of workfare (the requirement to work). As unemployment became embedded in socio-economic reality as an ‘endemic disease’, the government of conducts largely relied on the disciplinary dimension, and the semiotic field yielded itself to the construction of a disciplinary logic adapted to the problematic of security. Consequently, unemployment appeared as the unemployed’s fault, as a moral sickness of the individual. Subjection requires making the individual responsible and culpable or criminalizable.

It is clear that a new theory of risk, involving the disassociation of social protection from work, sustains the passage to the new ‘moralization’ of workfare. This theory adds the risks of being ‘unemployable’ and not fitting into the system to the traditional social risks of accident, illness and old age (Kessler and Ewald, 2000: 71). Risks are today more endogenous than exogenous, and they partly depend on conducts. To be employable one must conduct oneself and have a lifestyle which is in harmony with the market. Risk now relates to a combination of the unpredictable event and events that are calculable because they depend on an individual’s characteristics and conduct.

With ‘social reconstruction’, one enters into a period of the monitoring of the behaviour and lifestyles of those receiving benefits, who are obliged to take responsibility for appropriate changes in their own conduct. Social policy has thus shifted from the constitution of a uniform right to the management of a lifestyle. Workfare is precisely the reorganization of an old disciplinary technique that acts on the movement of a body in a closed space and that now acts upon subjectivity and lifestyle outside the workplace or the enterprise. Workfare as a policy serves as an example of the way to integrate and adapt disciplinary techniques in apparatuses of security, and thus integrate the heterogeneity of apparatuses of power within a new modality of government.

### **Acceptable Equilibrium**

One of the consequences of the intervention of neoliberal politics in the domain of the social is an increase in poverty, a fact that has been quite evident in the construction of the cultural market. The creation of a 'human capital' which is employable by the industry and 'creditworthy' for insurances has been established at the expense of producing an increasing number of the 'new poor'. This kind of poverty does not relate to a lack of 'development' and is not the symptom of a 'backwardness' that economic growth would reduce. Instead it is one which is created anew by dispositifs of segmentation, division and differentiation within a society which is 'objectively' wealthy. Neoliberal poverty is quite different in form from that suffered by people in countries which are 'materially poor' since it arises from a political will. In effect, neoliberal politics use the massive accumulation of wealth, knowledges and possibilities that brings humanity to the brink of ending 'material poverty' to produce and reproduce a new poverty, a new precarity, a new insecurity. Inequality and precarity are not problems for neoliberal politics, for much the same reasons as disciplinary societies could accommodate a particular level of illegality: both play on such 'problems' as conditions for their own form of government (see Foucault, 1975). What they seek is an acceptable equilibrium between different 'normalities', those of poverty, precarity or wealth. It is no longer concerned by relative poverty, or the causes of poverty; its only concern is the 'absolute poverty' that prevents the individual from playing the game of competition. It only needs to define a threshold, a vital minimum (Foucault, 2004a: 149), above which the individual can become an 'enterprise' and below which he/she falls out of the game and needs punctual rather than systematic state assistance.

In order to establish this 'acceptable equilibrium' and produce this new form of 'poverty', neoliberals use institutions of the Welfare State, which they always opposed because it produces 'social property', overturning the functions and ends they were meant to fulfil. They have learned to tame its institutions and make them serve the ends of neoliberal capitalism, in much the same way as they have tamed democratic institutions to ensure they remain dominated by an 'oligarchy of wealth'.

Within the neoliberal logic, all protection against risks, all institutions of 'social property' are apparatuses that must function at a minimum level (minimum wages, minimum pension, income, etc.). The minimum has a political meaning, since it defines the threshold below which there is the risk of civil war or civil unrest. Via these techniques of the minimum, neoliberal politics operate a reversal of institutions of protection into apparatuses that produce insecurity. Theories of risk society would benefit if they took account of the risks to which neoliberalism are open: the risks of rebellion, of politicization, of the curtailment of 'privileges', including the right to private property which it considers as the most 'human' of rights.

### The Role of the State

In his analysis of ordoliberalism, Foucault underlined the role of liberal intervention geared to the market and enterprise; this is clear in all Western capitalist countries, since in them it is the state which opens the way for the neoliberal construction of the market as a so-called ‘self-regulating’ system. As we have seen, amongst the multiplicity of interventions to promote the model of the market based on competition one can mention not only the already well-known liberalization of financial markets and of the financing of enterprises, but the valorization of the entrepreneurial model in public opinion, and the institution of employment policy and schemes such as income support and workfare, tied to the monitoring of conduct to adapt the unemployed for work, and so on. In France, governmental action has included the reduction of the working week which in effect flexibilizes the employment market. Indeed, the state has practised the individualization of social policy well before the employers’ initiation, and neoliberal promotion, of ‘social reconstruction’ as a programme. This is clear in the shift in policy that constructs benefits as a conditional right, depending on appropriate conduct, thus seen as a contract rather than a universally shared social right.<sup>4</sup> There is therefore a collaboration at the level of administrative mechanisms between the state and the aims of neoliberal social policy; the state is far from hostile to the new *homo oeconomicus* since it is the institution which initiates, experiments with, puts into place and diffuses the new modalities of the government of conduct.

These changes raise once more the question of the problematic integration of the political and the economic in the reconstitution the ‘social’. The latter no longer acts to administer and optimize differences along a continuum, but functions to both integrate and exclude. For Foucault, the relation between the economy and the juridico-political is problematic because the economy and law establish bonds amongst individuals that are ‘abstract’, ‘partial’ and ‘idealized’. The economy is powerless to crystallize ‘existential territories’, to use Guattari’s terminology, whilst the law can only trace their outlines in a formal way alone. In order to territorialize themselves ‘existentially’, both the economy and the law require the social, civil society, the nation, etc. Foucault conceptualizes the recourse to the ‘social’, the ‘nation’, ‘civil society’ in terms of techniques that, in ensuring territorialization, allow the integration of the economic and the juridical. The power of ‘capital’ rests upon the de-territorialization of social and political relations, and its weakness arises from the processes of re-territorialization which, to be effective, must appeal to dispositifs that are not at all economic. Only the social, civil society, the nation, the state, etc., can provide the territorial limits, the boundaries of ‘community’ and the social bonds that the economy lacks. In effect, the bond between economic subjects is not local. Everywhere, the proliferation of profit is motivated by selfish impulses, so that there is no space in the totalizing space of the market for localization or territorialization or the invention of unique collectivities. ‘Human capital’ and the ‘legal subject’ mobilize and express but ‘abstract’, ‘idealized’ and

'partial aspects' of subjectivity that cannot as such produce the conditions for the kind of being-in-common which constitutes community. This latter process requires that they be integrated in a vaster and more complex ensemble.

In order to integrate *homo oeconomicus* and *homo juridicus*, capitalism needs the relations of 'civil society' that unite individuals to each other by what Foucault calls 'disinterested interest', that is, sympathy, the feeling of community, instinct, benevolence, but equally disgust and hatred. It is a matter of a bond between concrete and different individuals in the real. From such a situation, one sees the emergence of an ensemble of social relations, bonds of co-operation and subordination amongst individuals that 'constitute, beyond the purely economic bond, collective unities that escape juridical relations: neither purely economic, nor purely juridical, incompatible with the structures of the contract, of the play of rights that are conceded, delegated, alienated, and different also in their nature, if not in their forms, from the economic game' (Foucault, 2004a: 311). In other words, the economic bond and that of the juridical can only happen in and by way of civil society, 'for, if the economic bond and the juridical bond bind the community in a particular way, they undo it at another end' (Foucault, 2004a: 306). The market can only organize selfish interests, whilst the law only organizes the constitution of abstract interests. This means that it is 'disinterested interest' (of sympathy and of disgust) that constitutes territories, distinct assemblies, and territorializes the partial and ideal characteristics mobilized by *homo oeconomicus* and *homo juridicus*. As Foucault (2004a: 305) says: '*Homo oeconomicus* is the abstract, ideal and purely economic point that fills out the dense, full and complex reality of civil society'. Furthermore, 'Civil society is the concrete ensemble inside which one needs to replace these ideal points that economic men are, if one is to properly administer them . . . [yet] civil society will always present itself as a limited formation, as one amongst other formations' (2004a: 305).

The German ordoliberalists well understood this problem. The generalization of the logic of the market intensifies the need for social and political integration, since competition is a destructive rather than a unifying principle, systematically undoing the cohesion that society constructs. As Foucault (2004a) explains, they propose countering the 'cold' mechanisms of competition with the 'hot values' of the state, the nation, the social, civil society, that is, values inscribed in non-economic dimensions, given that the economic relation is unable by itself to achieve being-one-with-the-other or being-together (*l'être-ensemble*). American neoliberalism, which rejected any vestige of 'progressive' and 'socialist' territorialization operated by the Welfare State, has naturally slipped towards the values of Christian fundamentalism and martial values.

Racism (internal, against immigrants, and external, directed against other civilizations) is one of the most powerful phenomena operating through disgust and animosity that contribute to the constitution and fixing of territories and 'identities' and which 'capital' lacks. Today, the government

of conducts throughout the capitalist West is structured on this phenomenon that had diminished in relative intensity in the post-war period, only to experience an explosion and a reconfiguration with the rise of neoliberal economic policy. For example, in Italy, Berlusconi has relied on the racism of the Lega and the neo-fascism of Alleanza Nazionale to ground the hypermodern, mediatized and marketized politics he has promoted. Similarly, in France the discourse of reform and modernization of Sarkozy is coupled to a Ministry of Immigration and National Identity and is remarkably similar to the rhetoric of the Vichy government which collaborated with Nazi Germany. For Foucault, this resort to racism as a governmental technique is related to a structural necessity arising from the inability of capitalist economy to delimit and ground a territory, an identity or a sociality. But now it is a matter of economic policies relating to the production and reproduction of a population (bio-power) rather than to the ‘organization of labour’ strictly speaking.

The birth of biopower comes into contradiction with the modalities of sovereign power, understood as the power over life and death that a sovereign exercises over his subjects. This power finds itself limited and countered by another dispositif of power which takes charge of the ‘life’ of the population. Yet, biopower, much as the economic apparatus, does not produce ‘local’ bonds, concerned as it is with the production and reproduction of the ‘life’ of the species, which is boundless, and in principle has no territorializing aim. Biopower, like the economy, has no localization, or territoriality or its own space. In these circumstances, it is racism that will secure the exercise of a sovereign power (the restoration of the power of life or death through the selection of who belongs and who is excluded from the national community) and that will, additionally, enable biopower to be circumscribed within certain limits. We find here the explanation for the political force of the appeal to ‘national preference’ as part of the neoliberal socialization of the economy.

For Marxism and theoretical developments related in some way to its method, social relations that are ‘neither purely economic or juridical’ are remnants that the capitalist machine is bound to destroy. Yet, in reality, what is supposedly destined to disappear keeps returning to haunt a theory that is unable to foresee this. What keeps resurfacing is what Guattari has called the ‘existentializing function’ that cannot be contained by either the economy, or the law, or language, and that capital is compelled to re-invest in neo-archaisms. In the case of the conflict of temporary contract workers in the cultural industry, this investment has operated through the government of subjectivity, so that the latter is caught between, on the one hand, the hypermodernity of ‘human capital’ and the ‘entrepreneur of oneself’ and, on the other hand, the neo-archaisms of the ‘poor’, workfare, ‘labour-value’, and the figure of the ‘artist’. These neo-archaisms, backed by the state, the cultural industry, the social sciences and the media are precisely those criticized and actively opposed by the counter-conducts seeking to escape the subjection (*assujettissement*) of the wage-earner and ‘human capital’ by

the neoliberal logic of the enterprise. What this example illustrates is that the stake in this and other struggles is not that of deficits in social insurance or problems with productivity, but the government of conducts, that is, the problem of the control over a 'labour force', control to secure its subjection as 'human capital' within the frame of 'enterprise society'. In societies founded on insecurity, the escape from both hypermodernization and neo-archaisms is a condition for opening up and experimenting with a process of subjectivation which is autonomous and independent.

*Translated by Couze Venn*

#### *Notes*

1. The 'new professionals' in the 'creative sector' (media, fashion, culture, etc.) do not constitute homogeneous blocs of privileged individuals, distinct from the situation applying to workers, the unemployed, etc., as Boltanski and Chiapello (1999) claim; they are in fact internally highly differentiated.
2. One implication is that Bernard Stiegler's separation of industrial from finance capitalism looks like a politically naive approach.
3. Kessler and Ewald evacuate capitalism from their discussion of risk, whilst Ulrich Beck, whilst theoretically more sophisticated, is also guilty of the neglect of capitalism.
4. Regarding the cultural sector which has been used as an example in this paper, the state has taken action to reduce the number of temporary contract workers, whilst binding the financing of cultural projects to the number of workers on permanent contract. It has also promoted the 'professionalization' of the sector, so that the state grants itself the power to decide who can work as an artist, and has worked to ensure a consensus amongst the social partners through agreed norms and an apparatus of control: over small companies, over the financing of individual projects, over benefit 'fraud'.

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