The Birth of Biopolitics

LECTURES AT THE COLLÈGE DE FRANCE, 1978–79

Edited by
Michel Senellart

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I WOULD LIKE TO refine a little the theses or hypotheses that I put forward last week with regard to what I think is a new art of government that began to be formulated, reflected upon, and outlined around the middle of the eighteenth century. I think an essential characteristic of this new art of government is the organization of numerous and complex internal mechanisms whose function—and this is what distinguishes them from raison d'État—is not so much to ensure the growth of the state's forces, wealth, and strength, to ensure its unlimited growth, as to limit the exercise of government power internally.
This art of government is certainly new in its mechanisms, its
effects, and its principle. But it is so only up to a point, because we
should not imagine that this art of government is the suppression,
obliteration, abolition, or, if you prefer, the Aufhebung of the raison
d’État I tried to talk about last week. In fact, we should not forget that
this new art of government, or this art of the least possible govern-
ment, this art of governing between a maximum and a minimum, and
rather minimum than maximum, should be seen as a sort of intensifi-
cation or internal refinement of raison d’État; it is a principle for
maintaining it, developing it more fully, and perfecting it. It is not
something other than raison d’État, an element external to and in con-
tradiction with raison d’État, but rather its point of inflection in the
curve of its development. If you like, to use a not very satisfactory
expression, I would say that it is the reason of the least state within
and as organizing principle of raison d’État itself, or again: it is the rea-
sion of least government as the principle organizing raison d’État itself.
There is someone, unfortunately I’ve not been able to find his name in
my papers, but when I do I will tell you, but certainly from the end of
the eighteenth century, who spoke about “frugal government.” Well, I
think that actually at this moment we are entering what could be
called the epoch of frugal government, which is, of course, not without
a number of paradoxes, since during this period of frugal government,
which was inaugurated in the eighteenth century and is no doubt still
not behind us, we see both the intensive and extensive development of
governmental practice, along with the negative effects, with the
resistances and revolts which we know are directed precisely against
the invasive intrusions of a government which nevertheless claims to
be and is supposed to be frugal. Let’s say—and this will be why we can
say that we are living in the age of frugal government—that this
extensive and intensive development of a government that is neverthe-
less supposed to be frugal has been constantly accompanied, outside
and within government, by the question of the too much and the
too little. Stretching things and giving a caricature of them, I
would say that whatever the extension and intensive development of
government there may be in fact, the question of frugality has
been at the very heart of the reflection which has revolved around
The question of frugality has, if not replaced, at least overtaken and to an extent forced back and somewhat marginalized a different question which preoccupied political reflection in the sixteenth and seventeenth centuries, and even up to the start of the eighteenth century, which was the problem of the constitution. Certainly, all the questions concerning monarchy, aristocracy, and democracy do not disappear. But just as they were the fundamental questions, I was going to say the royal questions, in the seventeenth and eighteenth centuries, so starting from the end of the eighteenth century, throughout the nineteenth century, and obviously more than ever today, the fundamental problem is not the constitution of states, but without a doubt the question of the frugality of government. [The] question of the frugality of government is indeed the question of liberalism. I would now like to take up two or three of the points I mentioned last week in order to clarify and refine them.

Last week I tried to show you that this idea, this theme, or this regulative principle rather, of frugal government was formed on the basis of what could be called or what I roughly designated as the connecting up of *raison d'État* and its calculation with a particular regime of truth that finds its theoretical expression and formulation in political economy. I tried to suggest that the appearance of political economy and the problem of least government were linked. But I think we should try to be a bit clearer about the nature of this connection. When I say connecting up of political economy with *raison d'État*, does this mean that political economy put forward a particular model of government? Does it mean that statesmen were initiated into political economy or that they began to listen to the economists? Did the economic model become the organizing principle of governmental practice? Clearly this is not what I wanted to say. What I meant, what I tried to designate, was something of a rather different nature and situated at a different level. The principle of this connection between the practice of government and a regime of truth that I tried to identify would be this: [ ... ] there was something in the regime of government, in the governmental practice of the sixteenth and seventeenth centuries, and already of the Middle Ages also, that was

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* Foucault adds: and which it has posed.
one of the privileged objects of governmental intervention and regulation, that was the privileged object of government vigilance and intervention. And it is not economic theory but this place itself that from the eighteenth century became a site and a mechanism of the formation of truth. And [instead of] continuing to saturate this site of the formation of truth with an unlimited regulatory governmentality, it is recognized—and this is where the shift takes place—that it must be left to function with the least possible interventions precisely so that it can both formulate its truth and propose it to governmental practice as rule and norm. This site of truth is not in the heads of economists, of course, but is the market.

Let’s put it more clearly. The market, in the very general sense of the word, as it operated in the Middle Ages, and in the sixteenth and seventeenth centuries, was, in a word, essentially a site of justice. In what sense was it a site of justice? In several senses. In the first place it was, of course, invested with extremely prolific and strict regulations: it was regulated with regard to the objects brought to market, their type of manufacture, their origin, the duties to be paid, the procedures of sale, and, of course, the prices fixed. So, the market was a site invested with regulations. It was also a site of justice in the sense that the sale price fixed in the market was seen, both by theorists and in practice, as a just price, or at any rate a price that should be the just price,² that is to say a price that was to have a certain relationship with work performed, with the needs of the merchants, and, of course, with the consumers’ needs and possibilities. The market was a site of justice to such an extent that it had to be a privileged site of distributive justice, since as you know, for at least some basic products, like food products, the rules of the market operated to ensure that, if not all, then at least some of the poorest could buy things as well as those who were more well-off. So in this sense the market was a site of distributive justice. Finally, what was it that essentially had to be ensured in the market, by the market, or rather by the regulations of the market, and which makes it a site of justice? Was it the truth of prices, as we would say now? Not at all. What had to be ensured was the absence of fraud. In other words, it was the protection of the buyer. The aim of the regulation of the market was, on the one hand, a distribution of goods that was as just as possible, and
then, on the other hand, the absence of theft and crime. In other words, the market was basically seen at this time as a risk, maybe for the merchant, but certainly for the buyer. The buyer had to be protected against the danger of bad goods and the fraud of the person selling them. It was necessary then to ensure the absence of fraud with regard to the nature of the objects, their quality, and so forth. This system—regulation, the just price, the sanction of fraud—thus meant that the market was essentially, and really functioned as, a site of justice, a place where what had to appear in exchange and be formulated in the price was justice. Let’s say that the market was a site of jurisdiction.

Now this is where the change takes place for a number of reasons that I will mention shortly. In the middle of the eighteenth century the market no longer appeared as, or rather no longer had to be a site of jurisdiction. On the one hand, the market appeared as something that obeyed and had to obey “natural,”* that is to say, spontaneous mechanisms. Even if it is not possible to grasp these mechanisms in their complexity, their spontaneity is such that attempts to modify them will only impair and distort them. On the other hand—and this is the second sense in which the market becomes a site of truth—not only does it allow natural mechanisms to appear, but when you allow these natural mechanisms to function, they permit the formation of a certain price that Boisguilbert3 will call the “natural” price, the physiocrats will call the “good price,”4 and that will later be called the “normal price,”5 that is to say, a certain price—natural, good, normal, it’s not important—which will adequately express the relationship, a definite, adequate relationship between the cost of production and the extent of demand. When you allow the market to function by itself according to its nature, according to its natural truth, if you like, it permits the formation of a certain price which will be called, metaphorically, the true price, and which will still sometimes be called the just price, but which no longer has any connotations of justice. It is a certain price that fluctuates around the value of the product.

The importance of economic theory—I mean the theory constructed in the discourse of the économistes and formed in their brains—the importance

* In inverted commas in the manuscript.
of the theory of the price-value relationship is due precisely to the fact that it enables economic theory to pick out something that will become fundamental: that the market must be that which reveals something like a truth. This does not mean that prices are, in the strict sense, true, and that there are true prices and false prices. But what is discovered at this moment, at once in governmental practice and in reflection on this governmental practice, is that inasmuch as prices are determined in accordance with the natural mechanisms of the market they constitute a standard of truth which enables us to discern which governmental practices are correct and which are erroneous. In other words, it is the natural mechanism of the market and the formation of a natural price that enables us to falsify and verify governmental practice when, on the basis of these elements, we examine what government does, the measures it takes, and the rules it imposes. In this sense, inasmuch as it enables production, need, supply, demand, value, and price, etcetera, to be linked together through exchange, the market constitutes a site of veridiction, I mean a site of verification-falsification for governmental practice. Consequently, the market determines that good government is no longer simply government that functions according to justice. The market determines that a good government is no longer quite simply one that is just. The market now means that to be good government, government has to function according to truth. In this history and formation of a new art of government, political economy does not therefore owe its privileged role to the fact that it will dictate a good type of conduct to government. Political economy was important, even in its theoretical formulation, inasmuch as (and only inasmuch as, but this is clearly a great deal) it pointed out to government where it had to go to find the principle of truth of its own governmental practice. In simple and barbaric terms, let’s say that from being a site of jurisdiction, which it remained up to the start of the eighteenth century, the market, through all the techniques I discussed last year with regard to scarcity and grain markets, etcetera, is becoming what I will call a site of veridiction. The market must tell the truth (dire le vrai); it must tell the truth in relation to governmental practice. Henceforth, and merely secondarily, it is its role of veridiction that will command, dictate, and prescribe the jurisdictional mechanisms, or absence of such mechanisms, on which [the market] must be articulated.
When I spoke of the coupling carried out in the eighteenth century between a regime of truth and a new governmental reason, and the connection of this with political economy, in no way did I mean that there was the formation of a scientific and theoretical discourse of political economy on one side, and then, on the other, those who governed who were either seduced by this political economy, or forced to take it into account by the pressure of this or that social group. What I meant was that the market—which had been the privileged object of governmental practice for a very long time and continued to be in the sixteenth and seventeenth centuries under the regime of raison d’État and a mercantilism which precisely made commerce one of the major instruments of the state’s power—was now constituted as a site of veridiction. And this is not simply or so much because we have entered the age of a market economy—this is at once true, and says nothing exactly—and it is not because people wanted to produce the rational theory of the market—which is what they did, but it was not sufficient. In fact, in order to reach an understanding of how the market, in its reality, became a site of veridiction for governmental practice, we would have to establish what I would call a polygonal or polyhedral relationship between: the particular monetary situation of the eighteenth century, with a new influx of gold on the one hand, and a relative consistency of currencies on the other; a continuous economic and demographic growth in the same period; an intensification of agricultural production; the access to governmental practice of a number of technicians who brought with them both methods and instruments of reflection; and finally a number of economic problems being given a theoretical form.

In other words, I do not think we need to look for—and consequently I do not think we can find—the cause of the constitution of the market as an agency of veridiction. If we want to analyze this absolutely fundamental phenomenon in the history of Western governmentality, this irruption of the market as a principle of veridiction, we should simply establish the intelligibility of this process by describing the connections between the different phenomena I have just referred to. This would involve showing how it became possible—that is to say, not

* Foucault repeats the words, stressing the article: the cause
showing that it was necessary, which is a futile task anyway, nor showing that it is a possibility (un possible), one possibility in a determinate field of possibilities ... Let’s say that what enables us to make reality intelligible is simply showing that it was possible; establishing the intelligibility of reality consists in showing its possibility. Speaking in general terms, let’s say that in this history of a jurisdictional and then veridictional market we have one of those innumerable intersections between jurisdic-
tion and veridiction that is undoubtedly a fundamental phenomenon in the history of the modern West.

It has been around these [questions] that I have tried to organize a number of problems—with regard to madness, for example. The problem was not to show that psychiatry was formed in the heads of psychiatrists as a theory, or science, or discourse claiming scientific status, and that this was concretized or applied in psychiatric hospitals. Nor was it to show how, at a certain moment, institutions of confinement, which had existed for a long time, secreted their own theory and justifications in the discourse of psychiatrists. The problem was the genesis of psychiatry on the basis of, and through institutions of confinement that were originally and basically articulated on mechanisms of jurisdiction in the very broad sense—since there were police type of jurisdictions, but for the present, at this level, it is not very important—and which at a certain point and in conditions that precisely had to be analyzed, were at the same time supported, relayed, transformed, and shifted by process of veridiction.

In the same way, studying penal institutions meant studying them first of all as sites and forms where jurisdictional practice was predominant and we can say autocratic. [It meant studying] how a certain practice of veridiction was formed and developed in these penal institutions that were fundamentally linked to a jurisdictional practice, and how this veridictional practice—supported, of course, by criminology, psychology, and so on, but this is not what is essential—began to install the veridictional question at the very heart of modern penal practice, even to the extent of creating difficulties for its jurisdiction, which was the question of truth addressed to the criminal: Who are you? When penal practice replaced the question: “What have you done?” with the question: “Who are you?” you see the jurisdictional function of the penal
system being transformed, or doubled, or possibly undermined, by the question of veridiction.

In the same way, studying the genealogy of the object “sexuality” through a number of institutions meant trying to identify in things like confessional practices, spiritual direction, the medical relationship, and so on, the moment when the exchange and cross-over took place between a jurisdiction of sexual relations, defining the permitted and the prohibited, and the veridiction of desire, in which the basic armature of the object “sexuality” currently appears.

You can see that all these cases—whether it is the market, the confessional, the psychiatric institution, or the prison—involves taking up a history of truth under different angles, or rather, taking up a history of truth that is coupled, from the start, with a history of law. While the history of error linked to a history of prohibitions has been attempted fairly frequently, I would propose undertaking a history of truth coupled with a history of law. Obviously, a history of truth should not be understood in the sense of a reconstruction of the genesis of the true through the elimination or rectification of errors; nor a history of the true which would constitute a historical succession of rationalities established through the rectification or elimination of ideologies. Nor would this history of truth be the description of insular and autonomous systems of truth. It would involve the genealogy of regimes of veridiction, that is to say, the constitution of a particular right (droit) of truth on the basis of a legal situation, the law (droit) and truth relationship finding its privileged expression in discourse, the discourse in which law is formulated and in which what can be true or false is formulated; the regime of veridiction, in fact, is not a law (loi) of truth, [but] the set of rules enabling one to establish which statements in a given discourse can be described as true or false.

Undertaking the history of regimes of veridiction—and not the history of truth, the history of error, or the history of ideology, etcetera—obviously means abandoning once again that well-known critique of European rationality and its excesses, which has been constantly taken up in various forms since the beginning of the nineteenth century. From romanticism to the Frankfurt School, what has always been called into question and challenged has been rationality with the weight of power
supposedly peculiar to it. Now the critique* of knowledge I would propose does not in fact consist in denouncing what is continually—I was going to say monotonously—oppressive under reason, for after all, believe me, insanity (déraison) is just as oppressive. Nor would this political critique of knowledge consist in flushing out the presumption of power in every truth affirmed, for again, believe me, there is just as much abuse of power in the lie or error. The critique I propose consists in determining under what conditions and with what effects a veridiction is exercised, that is to say, once again, a type of formulation falling under particular rules of verification and falsification. For example, when I say that critique would consist in determining under what conditions and with what effects a veridiction is exercised, you can see that the problem would not consist in saying: Look how oppressive psychiatry is, because it is false. Nor would it consist in being a little more sophisticated and saying: Look how oppressive it is, because it is true. It would consist in saying that the problem is to bring to light the conditions that had to be met for it to be possible to hold a discourse on madness—but the same would hold for delinquency and for sex—that can be true or false according to the rules of medicine, say, or of confession, psychology, or psychoanalysis.

In other words, to have political significance, analysis does not have to focus on the genesis of truths or the memory of errors. What does it matter when a science began to tell the truth? Recalling all the erroneous things that doctors have been able to say about sex or madness does us a fat lot of good ... I think that what is currently politically important is to determine the regime of veridiction established at a given moment that is precisely the one on the basis of which you can now recognize, for example, that doctors in the nineteenth century said so many stupid things about sex. What is important is the determination of the regime of veridiction that enabled them to say and assert a number of things as truths that it turns out we now know were perhaps not true at all. This is the point, in fact, where historical analysis may have a political significance. It is not so much the history of the true or the history of the false as the history of veridiction which has a political

* The manuscript adds, p. 10bis: “political”
significance. That is what I wanted to say regarding the question of the market or, let’s say, of the connecting up of a regime of truth to governmental practice.

Now let’s consider the second question, the second point on which I would like to refine a little what I said to you last week. I said, you recall, that governmentality in the regime of pure raison d’État, or at least its tendency, was interminable, without an end. In a sense, governmentality was unlimited. This was precisely the main characteristic of what was called at the time police and which at the end of the eighteenth century will be called, already with a backward glance, the police state. The police state is a government that merges with administration, that is entirely administrative, and an administration which possesses, which has behind it, all the weight of a governmentality.

I have tried to show how this complete governmentality, this governmentality with a tendency to be unlimited, had in fact, not exactly a limit, but a counter-weight in the existence of judicial institutions and magistrates, and in juridical discourses focusing precisely on the problem of the nature of the sovereign’s right to exercise his power and the legal limits within which the sovereign’s action can be inserted. So, governmentality was not completely unbalanced and unlimited in raison d’État, but there was a system of two parts relatively external to each other.

I also pointed out that in the new system of governmental reason perfected in the eighteenth century, frugal government, or the reason of the least state, entailed something very different. This was a limitation on the one hand, and an internal limitation on the other. Nevertheless we should not think that the nature of this internal limitation is completely different from law. In spite of everything it is always a juridical limitation, the problem being precisely how to formulate this limitation in legal terms in the regime of this new, self-limiting governmental reason. As you can see, this is a different problem. In the old system of raison d’État there was a governmentality with its tendency to be unlimited on one side, and then a system of law opposing it from outside, but within concrete and well-known political limits: the contrast was between royal power [on one side], and those upholding the judicial institution on the other. In the new system we are dealing with a different
problem: How can the necessary self-limitation of governmentality be formulated in law without government being paralyzed, and also—and this is the real problem—without stifling the site of truth which is exemplified by the market and which must be respected as such? In clear terms, the problem raised at the end of the eighteenth century is this: If there is political economy, what is its corresponding public law? Or again: What bases can be found for the law that will structure the exercise of power by public authorities when there is at least one region, but no doubt others too, where government non-intervention is absolutely necessary, not for legal, but for factual reasons, or rather, for reasons of truth? Limited by respect for the truth, how will power, how will government be able to formulate this respect for truth in terms of laws which must be respected? After all, the fact that for a long time, until recently, faculties of law in France were also faculties of political economy—to the great discomfort of economists and jurists—is only the extension, no doubt excessive in historical terms, of an original fact, which was that you could not think of political economy, that is to say, the freedom of the market, without at the same time addressing the problem of public law, namely that of limiting the power of public authorities.

A number of precise and concrete things are proof of this moreover. After all, the first economists were at the same time jurists and people who addressed the problem of public law. Beccaria, for example, who was a theorist of public law, basically in the form of penal law, was also an economist. You only have to read *The Wealth of Nations*, and not even his other works, to see that the problem of public law runs through all of Adam Smith’s work. Bentham, a public law theorist, was at the same time an economist and wrote books on political economy. In addition to these facts, which show the original link between the problem of political economy and the problem of limiting the power of public authorities, there is ample proof in the problems raised during the nineteenth and twentieth centuries concerning economic legislation, the separation of government and administration, the constitution of

* Foucault adds: This coupling between political economy and public law, which now seems very bizarre to us ... [unfinished sentence]
administrative law, whether specific administrative courts are needed, and so on. So, when I spoke last week of the self-limitation of governmental reason I was not referring to a disappearance of law, but to the problem raised by the juridical limitation of an exercise of political power which problems of truth were making it necessary to determine.

So, there is a shift of the center of gravity of public law. The fundamental problem of public law will no longer be the foundation of sovereignty, the conditions of the sovereign’s legitimacy, or the conditions under which the sovereign’s rights can be exercised legitimately, as it was in the seventeenth and eighteenth centuries. The problem becomes how to set juridical limits to the exercise of power by a public authority. Schematically, we can say that at the end of the eighteenth and the beginning of the nineteenth century there were basically two ways of resolving this. The first I will call the axiomatic, juridico-deductive approach, which was, up to a point, the path taken by the French Revolution—we could also call it Rousseau’s approach.* In what does it consist? It does not start from government and its necessary limitation, but from law in its classical form. That is to say, it tries to define the natural or original rights that belong to every individual, and then to define under what conditions, for what reason, and according to what ideal or historical procedures a limitation or exchange of rights was accepted. It also consists in defining those rights one has agreed to cede and those, on the other hand, for which no cession has been agreed and which thus remain imprescriptible rights in all circumstances and under any possible government or political regime. Finally, on this basis, and only on this basis, having thus defined the division of rights, the sphere of sovereignty, and the limits of the right of sovereignty, you can then deduce from this only what we can call the bounds of governmental competence, but within the framework determined by the armature constituting sovereignty itself. In other words, put clearly and simply this approach consists in starting from the rights of man in order to arrive at the limitation of govern mentality by way of the constitution of the sovereign. I would say that, broadly speaking, this is the revolutionary approach. It is a way of posing right from the start the problem of legitimacy and the

* In the manuscript, the other way is called (p. 15), “the inductive and residual way.”
inalienability of rights through a sort of ideal or real renewal of society, the state, the sovereign, and government. Consequently, you can see that if, historically and politically, this is the revolutionaries’ approach, we can call it a retroactive, or retroactionary approach inasmuch as it consists in taking up the problem of public law that the jurists had constantly opposed to the *raison d’État* of the seventeenth and eighteenth centuries. In this respect there is continuity between the seventeenth century theorists of natural law and the jurists and legislators of the French Revolution.

The other approach does not start from law but from governmental practice itself. It starts from government practice and tries to analyze it in terms of the de facto limits that can be set to this governmentality. These de facto limits may derive from history, from tradition, or from an historically determined state of affairs, but they can and must also be determined as desirable limits, as it were, as the good limits to be established precisely in terms of the objectives of governmentality, of the objects with which it has to deal, of the country’s resources, population, and economy, etcetera. In short, this approach consists in the analysis of government: its practice, its de facto limits, and its desirable limits. On this basis, it distinguishes those things it would be either contradictory or absurd for government to tamper with. Better still, and more radically, it distinguishes those things that it would be pointless for government to interfere with. Following this approach means that government’s sphere of competence will be defined on the basis of what it would or would not be useful for government to do or not do. Government’s limit of competence will be bounded by the utility of governmental intervention. The question addressed to government at every moment of its action and with regard to each of its institutions, old or new, is: Is it useful? For what is it useful? Within what limits is it useful? When does it stop being useful? When does it become harmful? This is not the revolutionary question: What are my original rights and how can I assert them against any sovereign? But it is the radical question, the question of English radicalism; the problem of English radicalism is the problem of utility.

Don’t think that English political radicalism is no more than the projection of a utilitarian ideology on the level of politics. It is, rather, an
attempt to define the sphere of competence of government in terms of utility on the basis of an internal elaboration of governmental practice which is nevertheless fully thought through and always endowed and permeated with philosophical, theoretical, and juridical elements. In this respect utilitarianism appears as something very different from a philosophy or an ideology. Utilitarianism is a technology of government, just as public law was the form of reflection, or, if you like, the juridical technology with which one tried to limit the unlimited tendency of raison d’État.

A comment with regard to this word “radicalism” or “radical.” The word “radical,” which I think dates from the end of the seventeenth and the start of the eighteenth century, was employed in England to designate—and it is this that is quite interesting—the position of those who, faced with the sovereign’s real or possible abuses, wanted to assert those famous original rights supposedly possessed by the Anglo-Saxons prior to the Norman invasion (I talked about this two or three years ago). This is radicalism. So it consisted in the assertion of original rights in the sense of basic rights identified by the historical reflections of public law. However, for English radicalism, “radical” designates a position which involves continually questioning government, and governmentality in general, as to its utility or non-utility.

So, there are two approaches: the revolutionary approach, basically structured around traditional positions of public law, and the radical approach, basically structured around the new economy of government reason. These two approaches imply two conceptions of the law. In the revolutionary, axiomatic approach, the law will be seen as the expression of a will. So there will be a system of will-law. The problem of the will is, of course, at the heart of all the problems of right, which again confirms the fact that this is a fundamentally juridical problematic. The law is therefore conceived as the expression of a collective will indicating the part of right individuals have agreed to cede, and the part they wish to hold on to. In the other problematic, the radical utilitarian approach, the law is conceived as the effect of a transaction that separates the sphere of intervention of public authorities from that of the individual’s independence. This leads us to another distinction which is also very important. On one side you have a juridical conception of freedom: every
individual originally has in his possession a certain freedom, a part of which he will or will not cede. On the other side, freedom is not conceived as the exercise of some basic rights, but simply as the independence of the governed with regard to government. We have therefore two absolutely heterogeneous conceptions of freedom, one based on the rights of man, and the other starting from the independence of the governed. I am not saying that the two systems of the rights of man and of the independence of the governed do not intertwine, but they have different historical origins and I think they are essentially heterogeneous or disparate. With regard to the problem of what are currently called human rights, we would only need look at where, in what countries, how, and in what form these rights are claimed to see that at times the question is actually the juridical question of rights, and at others it is a question of this assertion or claim of the independence of the governed vis-à-vis governmentality.

So, we have two ways of constituting the regulation of public authorities by law, two conceptions of the law, and two conceptions of freedom. This ambiguity is a characteristic feature of, let’s say, nineteenth and also twentieth century European liberalism. When I say two routes, two ways, two conceptions of freedom and of law, I do not mean two separate, distinct, incompatible, contradictory, and mutually exclusive systems, but two heterogeneous procedures, forms of coherence, and ways of doing things. We should keep in mind that heterogeneity is never a principle of exclusion; it never prevents coexistence, conjunction, or connection. And it is precisely in this case, in this kind of analysis, that we emphasize, and must emphasize a non-dialectical logic if want to avoid being simplistic. For what is dialectical logic? Dialectical logic puts to work contradictory terms within the homogeneous. I suggest replacing this dialectical logic with what I would call a strategic logic. A logic of strategy does not stress contradictory terms within a homogeneity that promises their resolution in a unity. The function of strategic logic is to establish the possible connections between disparate terms which remain disparate. The logic of strategy is the logic of connections between the heterogeneous and not the logic of the homogenization of the contradictory. So let’s reject the logic of the dialectic and try to see—this is what I will try to show in these lectures—the connections which succeeded in holding together and
conjoining the fundamental axiomatic of the rights of man and the utilitarian calculus of the independence of the governed.

I wanted to add something to this, but I think it would take too long; I will come back to it later.* I would like to return for a moment to what I said at the start with regard to the market—and it is a point to which I will come back later.\[15\] Still, just now, I would like to stress that between these two heterogeneous systems—that of the revolutionary axiomatic, of public law and the rights of man, and that of the empirical and utilitarian approach which defines the sphere of independence of the governed on the basis of the necessary limitation of government—there is, of course, a ceaseless connection and a whole series of bridges, transits, and joints. Consider the history of property rights, for example.† But it is quite clear (I will talk about this in the lectures) that of the two systems, one has been strong and has held out, while the other has receded. The one that has been strong and has stood fast is, of course, the radical approach which tried to define the juridical limitation of public authorities in terms of governmental utility. This tendency will characterize not only the history of European liberalism strictly speaking, but the history of the public authorities in the West. Consequently, this problem of utility—of individual and collective

* Foucault passes quickly over pages 18–20 of the manuscript: “Obviously we would find many examples of this in the discourse of the American revolutionaries. And maybe revolutionary thought is precisely this: to think at the same time the utility of independence and the axiomatic of rights (American revolution).

[p. 18a] Contemporaries were perfectly aware of this heterogeneity. Bentham, Dumont, the Rights of Man. And it remained perceptible for two centuries, since it has proved impossible to find a genuine coherence and equilibrium between these procedures. Overwhelmingly, and not without some reversals, regulation of the public authorities in terms of utility prevails over the axiomatic of sovereignty in terms of original rights. Collective utility (rather than collective will) as general axis of the art of government.

[p. 19] General tendency, but which does not cancel the other. Especially since they produce similar, although undoubtedly not superimposable, effects. For the axiomatic of sovereignty is led to mark imprescriptible rights so strongly that it cannot in fact find any place for an art of government and the exercise of power by a public authority, unless the juridical constitution of the sovereign as the collective will is so strong that the exercise of basic rights are reduced to pure ideality. Totalitarian orientation. But the radicalism of utility, on the basis of the distinction individual utility/collective utility, will also be led to emphasize general utility over individual utility and infinitely reduce the independence of the governed as a consequence.

[p. 20] Orientation of indefinitely extended governmentality.”

† Foucault adds: you will see it function very well in the two [inaudible word] and in a way [inaudible word]
utility, the utility of each and all, the utility of individuals and the general utility—will be the major criteria for working out the limits of the powers of public authorities and the formation of a form of public law and administrative law. Since the beginning of the nineteenth century we have been living in an age in which the problem of utility increasingly encompasses all the traditional problems of law.

So, on the basis of this I would like to make a remark. With regard to the market, we found that one of the points of anchorage of the new governmental reason was an understanding of the market as a mechanism of exchange and a site of veridiction regarding the relationship between value and price. Now we find a second point of anchorage of the new governmental reason. This is the elaboration of the powers of public authorities and the measure of their interventions by reference to the principle of utility. So, we have exchange on the side of the market, and utility on the side of the public authorities. Exchange value and spontaneous veridiction of economic processes, measures of utility and internal jurisdiction of acts of the public authorities. Exchange for wealth and utility for the public authorities: this is how governmental reason articulates the fundamental principle of its self-limitation. Exchange on one side and utility on the other: obviously, the general category covering both or for thinking both—that is, exchange which must be respected in the market since the market is veridiction, and utility to limit the power of the public authorities since it must only be exercised where it is positively and exactly useful—is, of course, interest, since interest is the principle of exchange and interest is the criterion of utility. Governmental reason in its modern form, in the form established at the beginning of the eighteenth century with the fundamental characteristic of a search for the principle of its self-limitation, is a reason that functions in terms of interest. But this is no longer the interest of an entirely self-referring state which only seeks its own growth, wealth, population, and power, as was the state of raison d'État. In the principle to which governmental reason must conform, interest is now interests, a complex interplay between individual and collective interests, between social utility and economic profit, between the equilibrium of the market and the regime of public authorities, between basic rights and the independence of the governed. Government, at any rate, government in this new governmental reason, is something that works with interests.
More precisely, we can say that it is through interests that government can get a hold on everything that exists for it in the form of individuals, actions, words, wealth, resources, property, rights, and so forth. We can put this more clearly, if you like, with a very simple question: On what did the sovereign, the monarch, the state have a hold in the previous system, and on what was its right to exercise this hold based, legitimized, and founded? It was things, lands. The king was often, not always, considered to be the owner of the realm, and it was as such that he could intervene. Or at any rate he owned an estate. He could exercise a hold over the subjects since, as subjects, they had a personal relation to the sovereign that meant that whatever the rights of the subjects themselves he could exercise a hold over everything. In other words, there was a direct hold of power in the form of the sovereign, in the form of his ministers, a direct hold of government over things and people.

On the basis of the new governmental reason—and this is the point of separation between the old and the new, between *raison d’État* and reason of the least state—government must no longer intervene, and it no longer has a direct hold on things and people; it can only exert a hold, it is only legitimate, founded in law and reason, to intervene, insofar as interest, or interests, the interplay of interests, make a particular individual, thing, good, wealth, or process of interest for individuals, or for the set of individuals, or for the interest of a given individual faced with the interest of all, etcetera. Government is only interested in interests. The new government, the new governmental reason, does not deal with what I would call the things in themselves of governmentality, such as individuals, things, wealth, and land. It no longer deals with these things in themselves. It deals with the phenomena of politics, that is to say, interests, which precisely constitute politics and its stakes; it deals with interests, or that respect in which a given individual, thing, wealth, and so on interests other individuals or the collective body of individuals.

I think we have a striking example of this in the penal system. I have tried to show how in the penal system of the seventeenth century, and still at the start of the eighteenth century, basically when the sovereign punished he intervened himself, and this was the true reason for the torture and execution (*la supplice*); he intervened individually so to speak, or anyway as the sovereign, but physically on the individual’s body, and
this gave him the right of public torture and execution: it was the mani-
festation of the sovereign himself over someone who had committed a
crime and who, by committing a crime, had of course wronged some
people, but above all had struck the sovereign in the very body of his
power.16 This was the site of the formation, justification, and even foun-
dation of public torture and execution.

From the eighteenth century the well-known principle of mildness
of punishment appears (you can see it very clearly in Beccaria17) which,
once again, was not the expression of something like a change
in people’s sensibility. If you wanted to analyze it better than I have
done, on what was this moderation of punishments based? Something
is interposed between the crime, on the one hand, and the sovereign
authority with the right to punish, possibly with death, on the other.
This is the thin phenomenal theme of interests, which henceforth is
the only thing on which governmental reason can have a hold. As a
result, punishment appeared as having to be calculated in terms of the
injured party’s interests, in terms of redress for damages, etcetera.
Punishment will be rooted only in the play of the interests of others,
of the family circle, of society, and so on. Is it worthwhile punishing?
What interest is there in punishing? What form must punishment
take for it to be in society’s interests to punish? Is there an interest in
t torturing, or is it more worthwhile to re-educate, and if so, how and
up to what point? How much will it cost? The insertion of this thin
phenomenal film of interest as the only sphere, or rather, as the only
possible surface of government intervention, is what explains these
changes, all of which must be referred back to this reorganization of
governmental reason.

In its new regime, government is basically no longer to be exercised
over subjects and other things subjected through these subjects.
Government is now to be exercised over what we could call the phe-
nomenal republic of interests. The fundamental question of liberalism is:
What is the utility value of government and all actions of government in
a society where exchange determines the true value of things?* I think

* Foucault adds: Utility value of government faced with a system in which exchange determines
the true value of things. How is this possible?
this question encapsulates the fundamental questions raised by liberalism. With this question liberalism posed the fundamental question of government, which is whether all the political, economic, and other forms which have been contrasted with liberalism can really avoid this question and avoid formulating this question of the utility of a government in a regime where exchange determines the value of things.
1. In the “Course summary” Foucault refers to Benjamin Franklin (see below, p. 322). See, for example, the letter from Franklin to Charles de Weissenstein of 1 July 1778 in A.H. Smyth, ed., The Writings of Benjamin Franklin (New York: Macmillan, 1905-1907) vol. VII, p. 168, quoted in D.R. McCoy, “Benjamin Franklin’s vision of a republican political economy for America,” The William and Mary Quarterly, 3rd series, vol. 35 (4), October 1978, p. 617: “A virtuous and laborious people could always be ‘cheaply governed’ in a republican system.”

2. The just price (justum pretium) was fixed as the ideal model of transactions by medieval scholasticism on the basis of the Aristotelian doctrine of commutative justice (Nicomachean Ethics, Book V). See S.L. Kaplan, Bread, Politics and Political Economy in the Reign of Louis XV (The Hague: Martinus Nijhoff, 1976), Volume One, pp. 58-59: “Lieutenants general of police, commissaires, inspectors, grain measurers and local officials repeatedly invoked the ‘just price’ which they construed as their obligation to assure ... The just price was a price which would neither ‘disgust’ merchants nor ‘wound’ consumers. It was predicated upon an ideal of moderation which tended to vary with the circumstances. A price was thought just when merchants settled for a moderate profit and the bulk of the people, who lived in a state of chronic misery, did not suffer immoderately, that is to say, more than they did usually. In untrodden moments the just price was simply the current price (as the theologians had recommended), fixed by common estimation rather than imposed by merchant maneuvers or governmental fiat.” See J.W. Baldwin, The Medieval Theories of the Just Price: Romanists, canonists and theologians in the twelfth and thirteenth centuries (Philadelphia: American Philosophical Society, 1959); Joseph A. Schumpeter, History of Economic Analysis, edited from a manuscript by E. Boody Schumpeter (London and Boston: Allen & Unwin, 1982) pp. 60-61, and pp. 88-89. See the complementary bibliography given in S.L. Kaplan, Bread, Politics and Political Economy, p. 59, note 14. On the question of price, see Les Mots et les Choses (Paris: Gallimard, 1966) ch. 6, section 4; English translation by A. Sheridan, The Order of Things. An Archeology of the Human Sciences (London: Tavistock and New York: Pantheon, 1970) ch. 6, section 4: “The pledge and the price” (where the question of price is essentially treated in relation to the function of money).

3. Pierre Le Pesant, seigneur de Boisguilbert (1646-1714), the author notably of Détail de la France (1695) and the Traité de la nature, culture, commerce et intérêt des grains (1707). He is seen as being the precursor of the physiocrats. See Joseph A. Schumpeter, History of Economic Analysis, p. 215 note 1, and especially A. Sauvy, Pierre de Boisguilbert, ou la Naissance de l’économie politique (Paris: INED, 1966) 2 volumes. However, it seems that Boisguilbert does not use the concept of “natural price.” He sometimes speaks of “price of proportion” (or “proportional” price) without a precise analytical content (buyers and sellers draw the same advantage) and “price de rigueur,” with reference to (minimum acceptable) cost of production.

4. See, E. Depitre, introduction to Dupont de Nemours, De l’exportation et de l’importation des grains (1764), (Paris: P. Geuthner, 1911) pp. xxiii-xxiv: “In the physiocratic system nothing is easier to determine than the good price: it is the common and hardly varying price of the general market, the one established by competition between freely trading nations.” See also, Sécurité, Territoire, Population, lecture of 5 April 1978, note 25; Security, Territory, Population, p. 361.


6. On this new definition of the market as site of veridiction or of the truth of prices, see, for example, E. Bonnot de Condillac, Le Commerce et le Gouvernement considérés relativement l’un à l’autre (Amsterdam-Paris: Jombert & Cellot, 1776) Part 1, ch. 4: “Des marchés ou des lieux où se rendent ceux qui ont besoin de faire des échanges.” See especially p. 23 of the 1795 edition (reprinted, Paris-Geneva: Slatkine, 1980): “[... ] prices can only be regulated in markets, because it is only there that the gathered citizens, by comparing their interests in exchanging, can judge the value of things relative to their needs. They can only do that there because it is only in markets that everything is put on view: it is only in markets that
one can judge the relationship of abundance and scarcity between things that determines their respective prices.”


8. This expression had already been employed by Foucault in the lecture delivered in May 1978 at the Société française de philosophie, “Qu’est-ce que la critique?” Bulletin de la Société française de philosophie, 84th year, no. 2, April–June 1990, p. 51, with regard to the difference between genealogy and the procedures of explanatory history: “Let’s say roughly that, in contrast with a genealogy orientated towards the unity of an originating cause pregnant with a multiple descent, it would be a matter of a genealogy, that is to say something which tries to reconstruct the conditions of appearance of a singularity on the basis of multiple determining elements, from which it arises not as the product, but as the effect. Establishing intelligibility (mise en intelligibilité), therefore, but in which we should see that it does not function according to a principle of closure.” Foucault had already dwelt on this problem of intelligibility in history in Sécurité, Territoire, Population, lecture 8 March 1978, p. 244; Security, Territory, Population, pp. 238–239. On the distinction between genesis and genealogy, see ibid., lecture of 8 February 1978, p. 121; pp. 116-117.


10. Author of the famous treatise Dei delitti e delle pene (An Essay on Crimes and Punishments) which was published in Livorno in 1764, Cesare Bonesana, marquis de Beccaria (1738-1794) in 1769 obtained the chair of cameral and economic sciences established shortly before at Milan (he renamed it the chair of political economy), which he left after two years for employment in the Milan administration. His lecture notes were published for the first time in 1804 by P. Custodi, with the title Elementi di economia pubblica (Scrittori italiani di economia politica: Parte Moderna, vol. XI and XII) (Milan: G.G. Destefanis, 1804). See also the Discours de M. le Marqui Cesare Beccaria Bonesana... professeur royal de la chaire nouvellement établie par ordre de S.M. impérale pour le commerce et l'administration publique, prononcé à son installation dans les écoles Palatines, trans. J.A. Comparet (Lausanne: F. Grasset, 1769) [translated from the original Italian edition, Prolusione letta dal regio professore Marchese Cesare Beccaria Bonesana nell'apertura della nuova cattedra di scienze camerali ultimamente comendata da S.M.I.R.A. (Florence: G. Allegrini e comp., 1769)] and, Principes d'économie politique appliqués à l'agriculture par l'auteur du “Traité des délits et des peines” (Paris: V* Bouchard-Huzard, 1852). “The bulk of his economic writings consisted of those government reports” (Joseph A. Schumpeter, History of Economic Analysis, p. 179); Schumpeter describes Beccaria as the “Italian A. Smith,” ibid. See, Atti di governo by Beccaria, being published in the projected seventeen volumes of the Edizione nazionale (five volumes so far published: vol. VI-X, 1987-2000). These writings address very diverse questions: money, mines, weights and measures, manufacture and commerce, fairs and markets, etcetera. I owe these clarifications to the recent thesis of Ph. Audegean, “Philosophie réformatrice, Cesare Beccaria et la critique des savoirs de son temps: droit, rhétorique, économie” (University of Paris 1-Sorbonne, 2003).


13. Foucault comes back to these points in the lecture of 21 February 1979 (see below, p. 167 sq).

14. See, “Il faut défendre la société,” lecture of 4 February 1976, p. 84 sq; “Society Must be Defended,” pp. 98 sq. The word “radicalism” is not employed by Foucault here. See the works of Christopher Hill, with which Foucault was very familiar (see A. Fontana and M. Bertani, “Situation du cours”; “Course context,” ibid. p. 262; ibid. p. 290).

15. See below, lecture of 28 March 1979, p. 273 sq.


LAST WEEK I TRIED to clarify what seem to me to be some of the basic characteristics of the liberal art of government. First of all I spoke about the problem of economic truth and of the truth of the market, and then of the problem of the limitation of governmentality by the calculus of utility. I would now like to deal with a third aspect which I think is also fundamental, that of international equilibriums, or Europe and the international space in liberalism.

You remember that when last year we talked about raison d’État,¹ I tried to show you that there was a kind of equilibrium, a system of

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¹ raison d’État: a justification of state action based on the idea that the state exists for the greater good of the nation or the people.
counterweights between what could be called unlimited objectives within the state, on the one hand, and limited external objectives, on the other. The unlimited objectives within the state were pursued through the mechanism of the police state, that is to say, an always more emphatic, accentuated, fine, and subtle governmentality of regimentation with no predetermined limits. So, internally there were unlimited objectives, and then limited objectives externally inasmuch as at the same time as the formation of raison d’État and the organization of the police state was taking place there was also the pursuit and real organization of what is called European balance, the principle of which is the following: to see to it that no state prevails over the others so as to reconstitute imperial unity in Europe; to see to it, consequently, that no state dominates all the others, or prevails over its neighbors to such an extent that it can dominate them, etcetera. It is quite easy to see and understand the connection between these two mechanisms of unlimited objectives with the police state, and limited objectives with European balance, inasmuch as if the raison d’être, purpose, and objective of the police state, or of the internal mechanisms which endlessly organize and develop the police state, is the strengthening of the state itself, then the target of each state is to strengthen itself endlessly, that is to say its aim is an unlimited increase of its power in relation to the others. In clear terms, competition to be the best in this competitive game will introduce into Europe a number of inequalities, which will increase, which will be sanctioned by an imbalance in the population, and consequently in military strength, and you will end up with the well-known imperial situation from which European balance, since the Treaty of Westphalia, wished to free Europe. The balance was established to avoid this situation.

More precisely, in mercantilist calculation and in the way in which mercantilism organizes the economic-political calculation of forces, it is clear that a European equilibrium is actually unavoidable if you want to prevent the realization of a new imperial configuration. For mercantilism, competition between states assumes that everything by which one state is enriched can, and in truth must, be deducted from the wealth of other states. What one state acquires must be taken from the other; one can only enrich itself at the cost of the others. In other words, what I think is important is that for the mercantilists the economic game is a
zero sum game. It is a zero sum game quite simply because of the monetarist conception and practice of mercantilism. There is a certain amount of gold in the world. Since gold defines, measures, and constitutes the wealth of each state, it is understood that whenever one state gets richer it will take from the common stock of gold and consequently impoverish the others. The monetarist character of mercantilist policy and calculation consequently entails that competition can only be conceived in the form of a zero sum game and so of the enrichment of some at the expense of others. To avoid the phenomenon of having one and only one winner in this zero sum game, to avoid this political consequence of competition thus defined, strict economic logic requires the establishment of something like an equilibrium which will allow the game to be interrupted, as it were, at a given moment. That is to say, the game will be halted when there is a danger of the difference between the players becoming too great, and it is precisely in this that European equilibrium consists. This is exactly—well, up to a point—Pascal’s problem: in a zero sum game, what happens when you interrupt the game and divide out the winnings between the players? Interrupting the game of competition with the diplomacy of European equilibrium is necessarily entailed by the monetarist conception and practice of the mercantilists. This is the starting point.

Now, what happens in the middle of the eighteenth century, in that period I have talked about and tried to locate the formation of a new governmental reason? Things will, of course, be completely different in this new raison d’État, or in this new reason of the least state which finds the core of its veridiction in the market and its de facto jurisdiction in utility. In fact, for the physiocrats, but also for Adam Smith, the freedom of the market can and must function in such a way that what they call the natural price or the good price will be established through and thanks to this freedom. Anyway, this natural price or good price is such that it must always be profitable to whom? It will be profitable to the seller, but also to the buyer; to both buyer and seller. That is to say, the beneficial effects of competition will not be divided unequally between them and necessarily to the advantage of one at the expense of the other. The legitimate game of natural competition, that is to say, competition under conditions of freedom, can only lead to a dual profit. The fluctuation of the price
around the value, which last week I showed that according to the phys-
ocrats and Adam Smith was assured by the freedom of the market, 
brings into play a mechanism of mutual enrichment: maximum profit 
for the seller, minimum expense for the buyers. So we find this idea, 
which will be at the center of the economic game as defined by the lib-
erals, that actually the enrichment of one country, like the enrichment 
of one individual, can only really be established and maintained in the 
long term by a mutual enrichment. My neighbor’s wealth is important 
for my own enrichment, and not in the sense that the mercantilists said 
my neighbor must possess gold in order to buy my products, which will 
enable me to impoverish him by enriching myself. My neighbor must be 
rich, and he will be rich to the same extent as I enrich myself through 
my commerce and our mutual commerce. Consequently there is a correl-
ative enrichment, an enrichment en bloc, a regional enrichment: either 
the whole of Europe will be rich, or the whole of Europe will be poor. 
There is no longer any cake to be divided up. We enter an age of an 
economic historicity governed by, if not unlimited enrichment, then at 
least reciprocal enrichment through the game of competition.

I think something very important begins to take shape here, the con-
sequences of which are, as you know, far from being exhausted. What is 
taking shape is a new idea of Europe that is not at all the imperial and 
Carolingian Europe more or less inherited from the Roman Empire and 
referring to quite specific political structures. Nor is it any longer the 
classical Europe of balance, of an equilibrium between forces established 
in such a way that the force of one never prevails too decisively over the 
other. It is a Europe of collective enrichment; Europe as a collective sub-
ject that, whatever the competition between states, or rather through 
the competition between states, has to advance in the form of unlimited 
economic progress.

This idea of progress, of a European progress, is a fundamental theme 
in liberalism and completely overturns the themes of European equilib-
rium, even though these themes do not disappear completely. With this 
conception of the physiocrats and Adam Smith we leave behind a con-
ception of the economic game as a zero sum game. But if it is no longer 
to be a zero sum game, then permanent and continuous inputs are still 
necessary. In other words, if freedom of the market must ensure the
reciprocal, correlative, and more or less simultaneous enrichment of all the countries of Europe, for this to function, and for freedom of the market to thus unfold according to a game that is not a zero sum game, then it is necessary to summon around Europe, and for Europe, an increasingly extended market and even, if it comes to it, everything in the world that can be put on the market. In other words, we are invited to a globalization of the market when it is laid down as a principle, and an objective, that the enrichment of Europe must be brought about as a collective and unlimited enrichment, and not through the enrichment of some and the impoverishment of others. The unlimited character of the economic development of Europe, and the consequent existence of a non-zero sum game, entails, of course, that the whole world is summoned around Europe to exchange its own and Europe’s products in the European market.

Of course, I do not mean that this is the first time that Europe thinks about the world, or thinks the world. I mean simply that this may be the first time that Europe appears as an economic unit, as an economic subject in the world, or considers the world as able to be and having to be its economic domain. It seems to me that it is the first time that Europe appears in its own eyes as having to have the world for its unlimited market. Europe is no longer merely covetous of all the world’s riches that sparkle in its dreams or perceptions. Europe is now in a state of permanent and collective enrichment through its own competition, on condition that the entire world becomes its market. In short, in the time of mercantilism, raison d’État, and the police state, etcetera, the calculation of a European balance enabled one to block the consequences of an economic game conceived as being over.* Now, the opening up of a world market allows one to continue the economic game and consequently to avoid the conflicts which derive from a finite market. But this opening of the economic game onto the world clearly implies a difference of both kind and status between Europe and the rest of the world. That is to say, there will be Europe on one side, with Europeans as the

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* The manuscript adds, p. 5: “by halting the game when the losses and gains of the different players diverge too much from the situation at the start of the game (Pascal’s problem of the interruption of the game).”
players, and then the world on the other, which will be the stake. The game is in Europe, but the stake is the world.

It seems to me that we have in this one of the fundamental features of this new art of government that is indexed to the problem of the market and market veridiction. Obviously, this organization, or at any rate this reflection on the reciprocal positions of Europe and the world, is not the start of colonization. Colonization had long been underway. Nor do I think this is the start of imperialism in the modern or contemporary sense of the term, for we probably see the formation of this new imperialism later in the nineteenth century. But let’s say that we have the start of a new type of global calculation in European governmental practice. I think there are many signs of this appearance of a new form of global rationality, of a new calculation on the scale of the world. I will refer to just some of these.

Take, for example, the history of maritime law in the eighteenth century, and the way in which, in terms of international law, there was an attempt to think of the world, or at least the sea, as a space of free competition, of free maritime circulation, and consequently as one of the necessary conditions for the organization of a world market. The history of piracy—the way in which it was at once used, encouraged, combated, and suppressed, etcetera—could also figure as one of the aspects of this elaboration of a worldwide space in terms of a number of legal principles. We can say that there was a juridification of the world which should be thought of in terms of the organization of a market.

Yet another example of this appearance of a governmental rationality that has the entire planet for its horizon is the eighteenth century projects for peace and international organization. If you consider those that existed in the seventeenth century, you will see that these projects for peace were essentially based on European equilibrium, that is to say, on the exact balance of reciprocal forces between different states; between the different powerful states, or between different coalitions of states, or between the powerful states and a coalition of the smaller states, and so on. From the eighteenth century, the idea of perpetual peace and the idea of international organization are, I think, articulated completely differently. It is no longer so much the limitation of internal forces that is called upon to guarantee and found a perpetual peace, but rather the unlimited nature of the
external market. The larger the external market, the fewer its borders and limits, the more you will have a guarantee of perpetual peace.

If you take Kant’s text on the project of perpetual peace, for example, which dates from 1795, right at the end of the eighteenth century, there is a chapter entitled “On the Guarantee of a Perpetual Peace.” How does Kant conceive of this perpetual peace? He says: What fundamentally is it in history that guarantees this perpetual peace and promises us that one day it really will take shape and form in history? Is it men’s will and their mutual understanding, the political and diplomatic devices that they will have been able to construct, or the organization of rights that they will have been able to install between them? Not at all. It is nature, just as in the physiocrats it was nature that guaranteed the good regulation of the market. And how does nature guarantee perpetual peace? It is very simple, Kant says. Nature after all has done some absolutely marvelous things, since it has managed, for example, to get not only animals, but even peoples to live in lands completely scorched by the Sun or frozen by eternal sheets of ice. There are people who manage to live there in spite of everything, which proves that there is nowhere in the world where human beings cannot live. But for people to be able to live they must be able to feed themselves, to produce their food, have a social organization, and exchange their products between themselves or with people from other regions. Nature intended the entire world, the whole of its surface, to be given over to the economic activity of production and exchange. And on that basis, nature has prescribed a number of obligations that are juridical obligations for man, but which nature has in a way dictated to him secretly, which she has, as it were, marked out in the very arrangement of things, geography, the climate, and so on. What are these arrangements?

First, that men can have relations of exchange with each other individually, supported by property, etcetera, and this prescription or precept of nature will be taken up in legal obligations and become civil law.

Second, nature determined that men be distributed across the world in distinct regions and that within each of these regions they have privileged relationships with each other that they do not have with the inhabitants of other regions, and men have taken up this precept in legal terms by forming separate states which maintain certain legal relationships
between them. This will become international law.\textsuperscript{11} But in addition, nature has wished that there are not only juridical relationships between these states, guaranteeing their independence, but also commercial relationships that cross the borders between states and consequently make the juridical independence of each state porous, as it were.\textsuperscript{12} Commercial relationships cross the world, just as nature intended and to the same extent as nature intended the whole world to be populated, and this will constitute cosmopolitan law or commercial law. This edifice of civil law, international law, and cosmopolitan law is nothing other than man’s taking up of a precept of nature as obligations.\textsuperscript{13} So we can say that law, inasmuch as it resumes the precept of nature, will be able to promise what was in a way already outlined in the first action of nature when it populated the entire world:* something like perpetual peace. Perpetual peace is guaranteed by nature and this guarantee is manifested in the population of the entire world and in the commercial relationships stretching across the whole world. The guarantee of perpetual peace is therefore actually commercial globalization.

A number of things should no doubt be added to this, but in any case I should answer an objection straightaway. When I say that a new form of political calculation on an international scale emerges in the thought of the physiocrats, Adam Smith, of Kant too, and of eighteenth century jurists, I do not in any way mean that every other form of reflection, calculation, and analysis, that every other governmental practice disappears. For, if it is true that something like a worldwide, global market is discovered in this period, if at this moment the privileged position of Europe in relation to the world is asserted, and if it is also asserted at this time that competition between European states is a factor in their common enrichment, this does not mean of course—as all history proves—that we enter into a period of European peace and the peaceful globalization of politics. In fact, with the nineteenth century we enter the worst period of customs barriers, forms of economic protectionism, of national economies and political nationalism, and the biggest wars the world has ever known. What I wanted to show you was simply that a

\textsuperscript{*} Foucault adds: it promises already
particular form of reflection, analysis, and calculation appeared at this
time which is integrated as it were into political practices that may per-
fectly well conform to a different type of calculation, a different system of
thought, and a different practice of power. We would only have to look at
what happened at the Congress of Vienna, for example. It could be said
that this is the most striking manifestation of what was sought after in
the seventeenth and eighteenth centuries, namely a European balance.
What were its concerns in fact? Its task was to put an end to what
appeared to be the resurrection of the imperial idea with Napoleon.
Because the historical paradox of Napoleon is that if, at the level of inter-
nal policy, he was manifestly hostile to the idea of a police state, and his
problem was really how to limit governmental practice internally—and
this is clear from his interventions in the Council of State and the way in
which he reflected on his own governmental practice—on the other
hand, we can say that Napoleon was completely archaic in his external
policy, inasmuch as he wanted to reconstitute something like the imper-
ial configuration against which the whole of Europe had been ranked
since the seventeenth century. In truth, Napoleon’s imperial idea, so far
as it can be reconstructed, in spite of the astounding silence of historians
on this theme, seems to have corresponded to three objectives.

First (and I think I talked about this last year), if we go by what the
historians and jurists of the eighteenth century said about the
Carolingian Empire, in terms of internal policy, the Empire guaranteed
freedoms. In its opposition to the monarchy, the Empire did not repre-
sent more power but rather less power and less governmentality. On the
other hand—and probably on the basis of the limitlessness of the revo-
lutionary objectives, that is to say, to revolutionize the whole world—
the Empire was a way of taking up the revolutionary project that
irrupted in France in 1792-1793, and of taking it up in the then archaic
idea of imperial domination inherited from Carolingian forms or from
the form of the Holy Roman Empire. This mixture of the idea of an
Empire which internally guarantees freedoms, of an Empire which will
give a European form to the unlimited revolutionary project, and finally
of an Empire which will reconstitute the Carolingian, or German, or
Austrian form of Empire, made up the hotchpotch of Napoleon’s
imperial politics.
The problem of the Congress of Vienna was, of course, to close off, as it were, that imperial limitlessness. It was, of course, to re-establish the equilibrium of Europe, but basically with two different objectives: the Austrian objective and the English objective. The Austrian objective was to reconstitute a European equilibrium in the old form of the seventeenth and eighteenth centuries, ensuring that no country can prevail over the others in Europe. Austria was absolutely tied to this kind of project inasmuch as it only had an administrative government, being made up of a number of different states and only organizing these in the form of the old police state. This plurality of police states at the heart of Europe meant that Europe itself was basically modeled on this old schema of a balanced multiplicity of police states. Europe had to be in the image of Austria for Austria to remain as it was. To that extent, we can say that, for Metternich,\(^9\) the calculation of European equilibrium was still and remained of the eighteenth century. On the other hand, what kind of equilibrium was sought by England* and imposed together with Austria at the Congress of Vienna? It was a way of regionalizing Europe, of limiting, of course, the power of each of the European states, but so as to allow England a political and economic role as economic mediator between Europe and the world market, so as to globalize the European economy through the mediation, the relay of England’s economic power. So we have here a completely different calculation of European equilibrium founded on the principle of Europe as a particular economic region faced with, or within, a world that must become its market. The calculation of European equilibrium for [Austria]† at the Congress of Vienna is completely different. So you can see that within a single historical reality you may very well find two entirely different types of rationality and political calculation.

I will stop these speculations here and before moving on to the analysis of present day liberalism in Germany and America, I would like to summarize a little what I have said about these fundamental features of liberalism, or at any rate of an art of government which emerges in the eighteenth century.

* The manuscript clarifies, p. 10: “Castlereagh” [Henry Robert Stewart Castlereagh (1762–1822), Tory foreign secretary from 1812 to 1822, who played an important role at Vienna checking the ambitions of Russia and Prussia].
† M.F.: England
So, I have tried to indicate three features: veridiction of the market, limitation by the calculation of governmental utility, and now the position of Europe as a region of unlimited economic development in relation to a world market. This is what I have called liberalism.

Why speak of liberalism, and why speak of a liberal art of government, when it is quite clear that the things I have referred to and the features I have tried to indicate basically point to a much more general phenomenon than the pure and simple economic doctrine, or the pure and simple political doctrine, or the pure and simple economic-political choice of liberalism in the strict sense? If we take things up a bit further back, if we take them up at their origin, you can see that what characterizes this new art of government I have spoken about would be much more a naturalism than liberalism, inasmuch as the freedom that the physiocrats and Adam Smith talk about is much more the spontaneity, the internal and intrinsic mechanics of economic processes than a juridical freedom of the individual recognized as such. Even in Kant, who is much more a jurist than an economist, you have seen that perpetual peace is not guaranteed by law, but by nature. In actual fact, it is something like a governmental naturalism which emerges in the middle of the eighteenth century. And yet I think we can speak of liberalism. I could also tell you—but I will come back to this—that this naturalism, which I think is fundamental or at any rate original in this art of government, appears very clearly in the physiocratic conception of enlightened despotism. I will come back to this at greater length, but, in a few words, what conclusions do the physiocrats draw from their discovery of the existence of spontaneous mechanisms of the economy which must be respected by every government if it does not want to induce effects counter to or even the opposite of its objectives? Is it that people must be given the freedom to act as they wish? Is it that governments must recognize the essential, basic natural rights of individuals? Is it that government must be as little authoritarian as possible? It is none of these things. What the physiocrats deduce from their discovery is that the government must know these mechanisms in their innermost and complex nature. Once it knows these mechanisms, it must, of course, undertake to respect them. But this does not mean that it provide itself with a juridical framework respecting individual freedoms

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and the basic rights of individuals. It means, simply, that it arm its politics with a precise, continuous, clear and distinct knowledge of what is taking place in society, in the market, and in the economic circuits, so that the limitation of its power is not given by respect for the freedom of individuals, but simply by the evidence of economic analysis which it knows has to be respected. It is limited by evidence, not by the freedom of individuals.

So, what we see appearing in the middle of the eighteenth century really is a naturalism much more than a liberalism. Nevertheless, I think we can employ the word liberalism inasmuch as freedom really is at the heart of this practice or of the problems it confronts. Actually, I think we should be clear that when we speak of liberalism with regard to this new art of government, this does not mean that we are passing from an authoritarian government in the seventeenth century and at the start of the eighteenth century to a government which becomes more tolerant, more lax, and more flexible. I do not want to say that this is not the case, but neither do I want to say that it is. It does not seem to me that a proposition like that has much historical or political meaning. I did not want to say that there was a quantitative increase of freedom between the start of the eighteenth century and, let's say, the nineteenth century. I have not said this for two reasons. One is factual and the other is a reason of method and principle.

The factual reason first of all. What sense is there in saying, or simply wondering, if an administrative monarchy like that of France in the seventeenth and eighteenth centuries, with all its big, heavy, unwieldy, and inflexible machinery, with its statutory privileges which had to be recognized, with the arbitrariness of decisions left to different people, and with all the shortcomings of its instruments, allowed more or less freedom than a regime which is liberal, let’s say, but which takes on the task of continuously and effectively taking charge of individuals and their well-being, health, and work, their way of being, behaving, and even dying, etcetera? So, comparing the quantity of freedom between one system and another does not in fact have much sense. And we do not see

* Foucault adds: we should not understand
what type of demonstration, what type of gauge or measure we could apply.

This leads us to the second reason, which seems to me to be more fundamental. This is that we should not think of freedom as a universal which is gradually realized over time, or which undergoes quantitative variations, greater or lesser drastic reductions, or more or less important periods of eclipse. It is not a universal which is particularized in time and geography. Freedom is not a white surface with more or less numerous black spaces here and there and from time to time. Freedom is never anything other—but this is already a great deal—than an actual relation between governors and governed, a relation in which the measure of the “too little”* existing freedom is given by the “even more”† freedom demanded. So when I say “liberal”‡ I am not pointing to a form of governmentality which would leave more white spaces of freedom. I mean something else.

If I employ the world “liberal,” it is first of all because this governmental practice in the process of establishing itself is not satisfied with respecting this or that freedom, with guaranteeing this or that freedom. More profoundly, it is a consumer of freedom. It is a consumer of freedom inasmuch as it can only function insofar as a number of freedoms actually exist: freedom of the market, freedom to buy and sell, the free exercise of property rights, freedom of discussion, possible freedom of expression, and so on. The new governmental reason needs freedom therefore, the new art of government consumes freedom. It consumes freedom, which means that it must produce it. It must produce it, it must organize it. The new art of government therefore appears as the management of freedom, not in the sense of the imperative: “be free,” with the immediate contradiction that this imperative may contain. The formula of liberalism is not “be free.” Liberalism formulates simply the following: I am going to produce what you need to be free. I am going to see to it that you are free to be free. And so, if this liberalism is not so much the imperative of freedom as the management and organization of

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* In inverted commas in the manuscript, p. 13.
† In inverted commas in the manuscript, p. 13.
‡ In inverted commas in the manuscript, p. 13.
the conditions in which one can be free, it is clear that at the heart of this liberal practice is an always different and mobile problematic relationship between the production of freedom and that which in the production of freedom risks limiting and destroying it. Liberalism as I understand it, the liberalism we can describe as the art of government formed in the eighteenth century, entails at its heart a productive/destructive relationship [with]* freedom [...].† Liberalism must produce freedom, but this very act entails the establishment of limitations, controls, forms of coercion, and obligations relying on threats, etcetera.

Clearly, we have examples of this. There must be free trade, of course, but how can we practice free trade in fact if we do not control and limit a number of things, and if we do not organize a series of preventive measures to avoid the effects of one country’s hegemony over others, which would be precisely the limitation and restriction of free trade? All the European countries and the United States encounter this paradox from the start of the nineteenth century when, convinced by the economists of the end of the eighteenth century, those in power who want to establish the order of commercial freedom come up against British hegemony. American governments, for example, who used this problem of free trade as a reason for revolt against England, established protectionist tariffs from the start of the nineteenth century in order to save a free trade that would be compromised by English hegemony. Similarly, there must be freedom of the internal market, of course, but again, for there to be a market there must be buyers as well as sellers. Consequently, if necessary, the market must be supported and buyers created by mechanisms of assistance. For freedom of the internal market to exist, the effects of monopolies must be prevented, and so anti-monopoly legislation is needed. There must be a free labor market, but again there must be a large enough number of sufficiently competent, qualified, and politically disarmed workers to prevent them exerting pressure on the labor market. We have then the conditions for the creation for a formidable body

* Manuscript. M.F.: in relation to
† An inaudible passage on the recording; [...] a relation [...] of consumption/annulment of freedom.
of legislation and an incredible range of governmental interventions to guarantee production of the freedom needed in order to govern.

Broadly speaking, in the liberal regime, in the liberal art of government, freedom of behavior is entailed, called for, needed, and serves as a regulator, but it also has to be produced and organized. So, freedom in the regime of liberalism is not a given, it is not a ready-made region which has to be respected, or if it is, it is so only partially, regionally, in this or that case, etcetera. Freedom is something which is constantly produced. Liberalism is not acceptance of freedom; it proposes to manufacture it constantly, to arouse it and produce it, with, of course, [the system]* of constraints and the problems of cost raised by this production.

What, then, will be the principle of calculation for this cost of manufacturing freedom? The principle of calculation is what is called security. That is to say, liberalism, the liberal art of government, is forced to determine the precise extent to which and up to what point individual interest, that is to say, individual interests insofar as they are different and possibly opposed to each other, constitute a danger for the interest of all. The problem of security is the protection of the collective interest against individual interests. Conversely, individual interests have to be protected against everything that could be seen as an encroachment of the collective interest. Again, the freedom of economic processes must not be a danger, either for enterprises or for workers. The freedom of the workers must not become a danger for the enterprise and production. Individual accidents and events in an individual’s life, such as illness or inevitable old age, must not be a danger either for individuals or for society. In short, strategies of security, which are, in a way, both liberalism’s other face and its very condition, must correspond to all these imperatives concerning the need to ensure that the mechanism of interests does not give rise to individual or collective dangers. The game of freedom and security is at the very heart of this new governmental reason whose general characteristics I have tried to describe. The problems of what I shall call the economy of power peculiar to liberalism are internally sustained, as it were, by this interplay of freedom and security.

* Conjecture: inaudible words
Broadly speaking, in the old political system of sovereignty there was a set of legal and economic relations between the sovereign and the subject which committed, and even obliged the sovereign to protect the subject. But this protection was, in a way, external. The subject could demand the protection of his sovereign against an external or internal enemy. It is completely different in the case of liberalism. It is no longer just that kind of external protection of the individual himself which must be assured. Liberalism turns into a mechanism continually having to arbitrate between the freedom and security of individuals by reference to this notion of danger. Basically, if on one side—and this is what I said last week—liberalism is an art of government that fundamentally deals with interests, it cannot do this—and this is the other side of the coin—without at the same time managing the dangers and mechanisms of security/freedom, the interplay of security/freedom which must ensure that individuals or the community have the least exposure to danger.

A number of consequences follow from this. First, we can say that the motto of liberalism is: “Live dangerously.” “Live dangerously,” that is to say, individuals are constantly exposed to danger, or rather, they are conditioned to experience their situation, their life, their present, and their future as containing danger. I think this kind of stimulus of danger will be one of the major implications of liberalism. An entire education and culture of danger appears in the nineteenth century which is very different from those great apocalyptic threats of plague, death, and war which fed the political and cosmological imagination of the Middle Ages, and even of the seventeenth century. The horsemen of the Apocalypse disappear and in their place everyday dangers appear, emerge, and spread everywhere, perpetually being brought to life, reactualized, and circulated by what could be called the political culture of danger in the nineteenth century. This political culture of danger has a number of aspects. For example, there is the campaign for savings banks at the start of the nineteenth century; you see the appearance of detective fiction and journalistic interest in crime around the middle of the nineteenth century; there are the campaigns around disease and hygiene; and then think too of what took place with regard to sexuality and the fear of degeneration: degeneration of the individual, the family, the race, and the human species. In short, everywhere you see this stimulation of
the fear of danger which is, as it were, the condition, the internal psychological and cultural correlative of liberalism. There is no liberalism without a culture of danger.

The second consequence of this liberalism and liberal art of government is the considerable extension of procedures of control, constraint, and coercion which are something like the counterpart and counterweights of different freedoms. I have drawn attention to the fact that the development, dramatic rise, and dissemination throughout society of these famous disciplinary techniques for taking charge of the behavior of individuals day by day and in its fine detail is exactly contemporaneous with the age of freedoms. Economic freedom, liberalism in the sense I have just been talking about, and disciplinary techniques are completely bound up with each other. At the beginning of his career, or around 1792-1795, Bentham presented the famous Panopticon as a procedure for institutions like schools, factories, and prisons which would enable one to supervise the conduct of individuals while increasing the profitability and productivity of their activity. At the end of his life, in his project of the general codification of English legislation, Bentham will propose that the Panopticon should be the formula for the whole of government, saying that the Panopticon is the very formula of liberal government. What basically must a government do? It must give way to everything due to natural mechanisms in both behavior and production. It must give way to these mechanisms and make no other intervention, to start with at least, than that of supervision. Government, initially limited to the function of supervision, is only to intervene when it sees that something is not happening according to the general mechanics of behavior, exchange, and economic life. Panopticism is not a regional mechanics limited to certain institutions; for Bentham, panopticism really is a general political formula that characterizes a type of government.

The third consequence (the second being the conjunction between the disciplines and liberalism), is the appearance in this new art of government of mechanisms with the function of producing, breathing life into, and increasing freedom, of introducing additional freedom through additional control and intervention. That is to say, control is no longer just the necessary counterweight to freedom, as in the case of panopticism: it becomes its mainspring. And here again we have examples of
this, such as what took place in England and the United States in the twentieth century, in the 1930s say, when not only the economic but also the political consequences of the developing economic crisis were immediately detected and seen to represent a danger to a number of what were thought to be basic freedoms. Roosevelt’s welfare policy, for example, starting from 1932, was a way of guaranteeing and producing more freedom in a dangerous situation of unemployment: freedom to work, freedom of consumption, political freedom, and so on. What was the price of this? The price was precisely a series of artificial, voluntarist interventions, of direct economic interventions in the market represented by the basic Welfare measures, and which from 1946, and even from the start moreover, were described as being in themselves threats of a new despotism. In this case democratic freedoms are only guaranteed by an economic interventionism which is denounced as a threat to freedom. So we arrive, if you like—and this is also an important point to keep hold of—at the idea that in the end this liberal art of government introduces by itself or is the victim from within what could be called crises of governmentality. These are crises which may be due, for example, to the increase in the economic cost of the exercise of these freedoms. Consider, for example, how, in the texts of the Trilateral in recent years, there has been an attempt to project the effects of political freedom on the economic level of cost. So there is a problem, or crisis, if you like, or a consciousness of crisis, based on the definition of the economic cost of the exercise of freedom.

Another form of crisis would be due to the inflation of the compensatory mechanisms of freedom. That is to say, for the exercise of some freedoms, like that of the freedom of the market and anti-monopoly legislation, for example, you could have the formation of a legislative strait-jacket which the market partners experience as excessive interventionism and excessive constraint and coercion. At a much more local level, you have everything which takes on the appearance of revolt and rejection of the world of the disciplines. Finally, and above all, there are processes of clogging such that the mechanisms for producing freedom, precisely
those that are called upon to manufacture this freedom, actually produce destructive effects which prevail over the very freedom they are supposed to produce. This is, if you like, the ambiguity of all the devices which could be called “liberogenic,”* that is to say, devices intended to produce freedom which potentially risk producing exactly the opposite.

This is precisely the present crisis of liberalism. All of those mechanisms which since the years from 1925 to 1930 have tried to offer economic and political formulae to secure states against communism, socialism, National Socialism, and fascism, all these mechanisms and guarantees of freedom which have been implemented in order to produce this additional freedom or, at any rate, to react to threats to this freedom, have taken the form of economic interventions, that is to say, shackling economic practice, or anyway, of coercive interventions in the domain of economic practice. Whether German liberals of the Freiburg School from 1927 to 1930,30 or present day, so-called libertarian American liberals,31 in both cases the starting point of their analysis and the cornerstone of their problem is this: mechanisms of economic intervention have been deployed to avoid the reduction of freedom that would be entailed by transition to socialism, fascism, or National Socialism. But is it not the case that these mechanisms of economic intervention surreptitiously introduce types of intervention and modes of action which are as harmful to freedom as the visible and manifest political forms one wants to avoid? In other words, Keynesian kinds of intervention will be absolutely central to these different discussions. We can say that around Keynes,32 around the economic interventionist policy perfected between 1930 and 1960, immediately before and after the war, all these interventions have brought about what we can call a crisis of liberalism, and this crisis manifests itself in a number of re-evaluations, re-appraisals, and new projects in the art of government which were formulated immediately before and after the war in Germany, and which are presently being formulated in America.

To summarize, or conclude, I would like to say that if it is true that a feature of the contemporary world, or of the modern world since the

* “libérogènes”: in inverted commas in the manuscript.
eighteenth century, really has been the constant presence of phenomena of what may be called crises of capitalism, couldn’t we also say that there have been crises of liberalism, which are not, of course, independent of these crises of capitalism? The problem of the thirties I have just been referring to is indeed the proof of this. But crises of liberalism are not just the pure and simple or direct projection of these crises of capitalism in the political sphere. You can find crises of liberalism linked to crises of the capitalist economy. But you can also find them with a chronological gap with regard to these crises, and in any case the way in which these crises manifest themselves, are handled, call forth reactions, and prompt re-organizations is not directly deducible from the crises of capitalism. It is the crisis of the general apparatus (dispositif) of governmentality, and it seems to me that you could study the history of these crises of the general apparatus of governmentality which was installed in the eighteenth century.

That is what I will try to do this year, but approaching things retrospectively, as it were. That is to say, I will start with the way in which the elements of this crisis of the apparatus of governmentality have been set out and formulated over the last thirty years, and [I will try]* to find in the history of the nineteenth century some of the elements which enable us to clarify the way in which the crisis of the apparatus of governmentality is currently experienced, lived, practiced, and formulated.

* M.F.: trying

2. See this formula of a journalist, de Law, in the Mercure de France, April 1720, with regard to foreign trade: “One can usually only win if the other loses,” quoted by C. Larrère, L’Invention de l’économie au XVIIIe siècle (Paris: PUF, 1992) p. 102, with regard to the mercantilist conception of foreign trade.

3. Foucault is alluding to the method of rational calculation of chance set out by Pascal in 1654 and, more precisely, to the problem of the “proportion of the last or first rounds”: “In a game of $n$ rounds, what rule enables one to determine the fraction of the other’s money that should be given to player A if the game is stopped just before its conclusion” or “just after the first round won.” C. Chevalley, Pascal. Contingence et probabilités (Paris: PUF, 1995) p. 88. See Blaise Pascal, Letters to Fermat from 29 July to 24 August 1654, in Œuvres complètes, ed. L. Lafuma (Paris: Le Seuil, 1963) pp. 43-49.


6. Ibid. p. 35; English, ibid. p. 108: “Perpetual peace is guaranteed by no less an authority than the great artist [Künstlerin] Nature herself (natura daedala rerum). The mechanical process of nature visibly exhibits the purposive plan ( ... ).”

7. Ibid. pp. 38-39; English ibid. p. 110: “It is in itself wonderful that moss can still grow in the cold wastes around the Arctic Ocean; the reindeer can scrape it out from beneath the snow, and can thus itself serve as nourishment or as a draft animal for the Ostiaks or Samoyeds. Similarly the sandy salt deserts containing the camel, which seems as if it had been created for travelling over them in order that they might not be left unutilised.”

8. Ibid. p. 38; English pp. 109-110: “Firstly, she has taken care that human beings are able to live in all the areas where they are settled.”

9. Ibid.; English ibid. p. 110: “[The third provisional arrangement of nature is] she has compelled them by the same means to enter into more or less legal relationships.” Foucault does not mention the means by which, according to Kant, nature has achieved her ends of populating inhospitable regions and establishing juridical bonds, namely: war.


11. Ibid. pp. 46-47; English ibid. p. 113: “The idea of international right presupposes the separate existence [Absonderung] of many independent adjoining States.”

12. Ibid. pp. 47-48; English ibid. p. 114: “Thus nature wisely separates the nations, although the will of each individual State, even basing its argument on international right, would gladly unite them under its own sway by force or by cunning. On the other hand, nature also unites nations which the concept of cosmopolitan right would not have protected from violence and war, and does so by means of their mutual self-interest. For the spirit of commerce sooner or later takes hold of every people, and it cannot exist side by side with war.”

13. Ibid. p. 43; English ibid. p. 112: “And how does nature guarantee that what man ought to do by the laws of his freedom (but does not do) will in fact be done through nature’s compulsion, without prejudice to the free agency of man? This question arises, moreover, in all three areas of public right—in political, international and cosmopolitan right.”

14. The conference in Vienna from September 1814 to June 1815 which brought together the major powers allied against France (Russia, Great Britain, Austria, and Prussia). Its aim was to establish a lasting peace after the Napoleonic wars and to redraw the political map of Europe. See, C.K. Webers, The Congress of Vienna: 1814-1815 (London and New York: H. Milford, Oxford University Press, 1919; reprinted: London: Thames and Hudson, 1963).
15. See the interview of 1982, “Space, Knowledge, and Power,” Essential Works of Foucault, 3, p. 351, in which Foucault claims that Napoleon can be placed “almost exactly at the break between the old organization of the eighteenth-century police state ( ... ) and the forms of the modern state, which he invented.” In Surveiller et Punir, p. 219; Discipline and Punish, p. 217, however, Foucault places the Napoleonic figure “at the point of junction of the monarchical, ritual exercise of sovereignty and the hierarchical, permanent exercise of indefinite discipline.” See the quotation, on the same page, taken from J.B. Treilhard, Exposé des motifs des lois composant le code de procédure criminelle (Paris: 1808) p. 14.


18. See, for example, Mably, Observations sur l'histoire de France (Geneva: 1765) Book VIII, ch. 7: “( ... ) will a new Charlemagne come among us? We must wish for it, but we cannot hope so,” in Mably, Sur la théorie du pouvoir politique, selected texts (Paris: Éditions sociales, 1975) p. 194.


20. Foucault does not return to this subject in these lectures.


24. We recall the way in which, the previous year, Foucault corrected his previous analysis of the relations between disciplinary techniques and individual freedoms (see Sécurité, Territoire, Population, lecture of 18 January 1978, pp. 49-50; Security, Territory, Population, pp. 48-49). The present argument extends this clarification, making freedom “the correlative ( ... ) of apparatuses of security.”

25. It is worth recalling that the Panopticon, or Inspection-House, was not just a model of prison organization, but the idea of a new principle of construction which can be applied to all sorts of establishments. See the complete title of the first edition: “Panopticon: or, the Inspection-House; containing the idea of a new principle of construction applicable to any sort of establishment, in which persons of any description are to be kept under inspection; and in particular to Penitentiary-houses, Prisons, Houses of industry, Workhouses, Poor Houses, Manufactories, Madhouses, Lazarettos, Hospitals, and Schools; with a plan of management adapted to the principle; in a series of letters, written in 1787, from Crechoff in White Russia, to a friend in England (in one volume, Dublin: Thomas Byrne, 1791; and in two volumes, London: T. Payne, 1791), included in Jeremy Bentham, Works, ed. John Bowring (Edinburgh: W. Tait, 1838-1843) vol. IV, pp. 37-66 (see especially letters 16 to 21). The most recent, and readily available, edition of the Panopticon Letters is Jeremy Bentham, The Panopticon Writings, ed. M. Božović (New York and London: Verso, 1995); French translation by M. Sissung in J. Bentham, Le Panoptique (Paris: Belfond, 1977) pp. 97-168. The French translation of 1791 did not include the 21 letters and its title was less explicit: Panoptique, Mémoire sur un nouveau principe pour construire des maisons d'inspection, et nommément des maisons de force...

It seems that this phrase is not Bentham’s, but translates Foucault’s fairly free interpretation of Bentham’s political-economic thought after 1811 (date of the failure of the Panopticon). Foucault seems to make a kind of short-cut between the distinction agenda/non-agenda referred to several times in the lectures (see the lectures of 10 January 1979, above p. 12, 14 February 1979, below p. 133, and 7 March, below p. 195) and the principle of inspection, or supervision, applied to government. In the Constitutional Code, however, government itself is the object of inspection on the part of the “tribunal of public opinion.” (See *Le Pouvoir psychiatrique*, lecture of 28 November 1973, p. 78; *Psychiatric Power*, p. 77, with regard to the democratization of the exercise of power in terms of the panoptic apparatus: the accent is put on visibility, not on control through “publicity”). What’s more, it is not clear that Bentham, in his economic writings or in the Constitutional Code, is a partisan of economic laissez-faire, as Foucault suggests here (see L.J. Hume, “Jeremy Bentham and the nineteenth-century revolution in government,” *The Historical Journal*, vol. 10 (3), 1967, pp. 361-375). Compare however with the *sponte acta* defined in the text of 1801-1804 (see above, lecture of 10 January, note 9).

This was, of course, the economic and social program of struggle against the crisis, the New Deal, developed by Franklin Roosevelt immediately after his election as President of the U.S. in November 1932.

Foucault says, “the Tricontinental.” Founded in 1973, the Trilateral Commission, which brought together representatives of North America (the U.S. and Canada), Europe, and Japan, with the objective of strengthening cooperation between these three major zones to confront the new challenges of the end of the century. The “Tricontinental,” on the other hand, is the name of the conference called by Fidel Castro in Havana, from December 1965 to January 1966, to facilitate a face to face encounter between revolutionary organizations of the Old and New Worlds.

See below, lectures of 31 January, and 7, 14, and 21 February 1979.

See below, lectures of 14 and 21 March 1979.

See below, lecture of 31 January 1979, note 10.
Phobia of the state. ~ Questions of method: sense and stakes of the bracketing off of a theory of the state in the analysis of mechanisms of power. ~ Neo-liberal governmental practices: German liberalism from 1948 to 1962; American neo-liberalism. ~ German neo-liberalism (1). ~ Its political-economic context. ~ The scientific council brought together by Erhard in 1947. Its program: abolition of price controls and limitation of governmental interventions. ~ The middle way defined by Erhard in 1948 between anarchy and the “termite state.” ~ Its double meaning: (a) respect for economic freedom as condition of the state’s political representativity; (b) the institution of economic freedom as basis for the formation of political sovereignty. ~ Fundamental characteristic of contemporary German governmentality: economic freedom, the source of juridical legitimacy and political consensus. ~ Economic growth, axis of a new historical consciousness enabling the break with the past. ~ Rallying of Christian Democracy and the SPD to liberal politics. ~ The principles of liberal government and the absence of a socialist governmental rationality.

I AM SURE YOU have all heard of the art historian, Berenson.1 He was almost one hundred years old, approaching death, when he said something like: “God knows I fear the destruction of the world by the atomic bomb, but there is at least one thing I fear as much, and that is the invasion of humanity by the state.”2 I think this is the purest, clearest
expression of a state-phobia one of the most constant features of which is its coupling with fear of the atomic bomb. The state and the atomic bomb, or rather the bomb than the state, or the state is no better than the bomb, or the state entails the bomb, or the bomb entails and necessarily calls for the state: this familiar theme is not that recent since Berenson expressed it around 1950-1952. This state-phobia runs through many contemporary themes and has undoubtedly been sustained by many sources for a long time: the Soviet experience of the 1920s, the German experience of Nazism, English post–war planning, and so on. The phobia has also had many agents and promoters, from economics professors inspired by Austrian neo–marginalism, to political exiles who, from 1920, 1925 have certainly played a major role in the formation of contemporary political consciousness, and a role that perhaps has not been studied closely. An entire political history of exile could be written, or a history of political exile and its ideological, theoretical, and practical effects. Political exile at the end of the nineteenth century was certainly one of the major agents of the spread of socialism, and I think twentieth century political exile, or political dissidence, has also been a significant agent of the spread of what could be called anti–statism, or state-phobia.

To tell the truth, I do not want to talk about this state-phobia directly and head on, because for me it seems above all to be one of the signs of the crises of governamentalty I was talking about last week, of those crises of governamentalty of the sixteenth century, which I spoke about last year, and of the second half of the eighteenth century, which manifests itself in that immense, difficult, and tangled criticism of despotism, tyranny, and arbitrariness. Well, just as at the end of the eighteenth century there was a criticism of despotism and a phobia about despotism—an ambiguous phobia about despotism—so too today there is a phobia about the state which is perhaps also ambiguous. Anyway, I would like to take up this problem of the state, or the question of the state, or state-phobia, on the basis of the analysis of governamentalty that I have already talked about.

You will, of course, put to me the question, or make the objection: Once again you do without a theory of the state. Well, I would reply, yes, I do, I want to, I must do without a theory of the state, as one can and
must forgo an indigestible meal. What does doing without a theory of the state mean? If you say that in my analyses I cancel the presence and the effect of state mechanisms, then I would reply: Wrong, you are mistaken or want to deceive yourself, for to tell the truth I do exactly the opposite of this. Whether in the case of madness, of the constitution of that category, that quasi-natural object, mental illness, or of the organization of a clinical medicine, or of the integration of disciplinary mechanisms and technologies within the penal system, what was involved in each case was always the identification of the gradual, piecemeal, but continuous takeover by the state of a number of practices, ways of doing things, and, if you like, governmentalities. The problem of bringing under state control, of ‘statification’ (étatisation) is at the heart of the questions I have tried to address.

However, if, on the other hand, “doing without a theory of the state” means not starting off with an analysis of the nature, structure, and functions of the state in and for itself, if it means not starting from the state considered as a sort of political universal and then, through successive extension, deducing the status of the mad, the sick, children, delinquents, and so on, in our kind of society then I reply: Yes, of course, I am determined to refrain from that kind of analysis. There is no question of deducing this set of practices from a supposed essence of the state in and for itself. We must refrain from this kind of analysis first of all because, quite simply, history is not a deductive science, and secondly, for another no doubt more important and serious reason: the state does not have an essence. The state is not a universal nor in itself an autonomous source of power. The state is nothing else but the effect, the profile, the mobile shape of a perpetual statification (étatisation) or statifications, in the sense of incessant transactions which modify, or move, or drastically change, or insidiously shift sources of finance, modes of investment, decision-making centers, forms and types of control, relationships between local powers, the central authority, and so on. In short, the state has no heart, as we well know, but not just in the sense that it has no feelings, either good or bad, but it has no heart in the sense that it has no interior. The state is nothing else but the mobile effect of a regime of multiple governmentalities. That is why I propose to analyze, or rather to take up and test this anxiety about the state, this state-phobia, which
seems to me a typical feature of common themes today, not by trying to wrest from the state the secret of what it is, like Marx tried to extract the secret of the commodity, but by moving outside and questioning the problem of the state, undertaking an investigation of the problem of the state, on the basis of practices of governmentality.

Having said that, in this perspective, and continuing with the analysis of liberal governmentality, I would like to see how it appears and reflects on itself, how at the same time it is brought into play and analyzes itself, how, in short, it currently programs itself. I have indicated some of what seem to me to be the, as it were, first characteristics of liberal governmentality as it appeared in the middle of the eighteenth century. So I will skip two centuries, because obviously I do not claim to be able to undertake the overall, general, and continuous history of liberalism from the eighteenth to the twentieth century. Starting from how liberal governmentality is currently programming itself, I would just like to pick out and clarify some problems which recur from the eighteenth to the twentieth century. More or less, and subject to the qualification that I may change the plan—because, as you know, I am like the crawfish and advance sideways—I think, I hope we can study successively the problem of law and order,* the opposition between the state and civil society, or rather the way in which this opposition functioned and was employed, and then, finally, if I am lucky, we will come to the problem of biopolitics and the problem of life. Law and order, the state and civil society, and politics of life: these are the three themes that I would like to pick out in this broad and lengthy history of two centuries of liberalism.5

So, let’s take things as they stand now. What is the nature of today’s liberal, or, as one says, neo-liberal program? You know that it is identified in two main forms, with different cornerstones and historical contexts. The German form is linked to the Weimar Republic, the crisis of 1929, the development of Nazism, the critique of Nazism, and, finally, post-war reconstruction. The other, American form, is a neo-liberalism defined by reference to the New Deal, the criticism of Roosevelt’s6

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* In English in original; G.B.
policies, and which, especially after the war, is developed and organized against federal interventionism, and then against the aid and other programs of the mainly Democrat administrations of Truman,\textsuperscript{7} Kennedy,\textsuperscript{8} Johnson,\textsuperscript{9} etcetera. There are, of course, a number of connections between these two forms of neo-liberalism, which I have cut out with somewhat arbitrary slices. First of all there is the main doctrinal adversary, Keynes,\textsuperscript{10} the common enemy, which ensures that criticism of Keynes will pass back and forth between these two neo-liberalisms. Second, they share the same objects of repulsion, namely, the state-controlled economy, planning, and state interventionism on precisely those overall quantities to which Keynes attached such theoretical and especially practical importance. Finally, a series of persons, theories, and books pass between these two forms of neo-liberalism, the main ones referring to the Austrian school broadly speaking, to Austrian neo-marginalism, at any rate to those who came from there, like von Mises,\textsuperscript{11} Hayek,\textsuperscript{12} and so on. I would like to talk above all about the first, about, to put it very roughly, German neo-liberalism, both because it seems to me to be more important theoretically than the others for the problem of governmentality, and also because I am not sure I will have enough time to talk about the Americans.

So let’s take the example of German neo-liberalism.\textsuperscript{13} It’s April 1948—fine, I’m ashamed to remind you of things so well known—and throughout Europe economic policies governed by a series of well-known requirements reign almost unchallenged:

First, the requirement of reconstruction, that is to say, the conversion of a war economy back into a peace economy, the reconstruction of destroyed economic potential, and also the integration of new technological information which appeared during the war, and new demographic and geopolitical facts.

The second requirement is that of planning as the major instrument of reconstruction. Planning is required both due to internal necessities and also because of the weight represented by America and American policy and the existence of the Marshall plan,\textsuperscript{14} which practically entailed—except precisely for Germany and Belgium, to which we will return shortly—the planning of each country and a degree of coordination between the different plans.
Finally, the third requirement is constituted by social objectives that were considered to be politically indispensable in order to avoid the renewal of fascism and Nazism in Europe. In France this requirement was formulated by the CNR.15

With these three requirements—reconstruction, planning, and, broadly speaking, socialization and social objectives—all of which entailed an interventionist policy on the allocations of resources, price stability, the level of savings, the choice of investments, and a policy of full employment, we are, in short—and once again, please forgive all these banalities—in the middle of a fully-fledged Keynesian policy. Now, in April 1948, a Scientific Council16 formed alongside the German economic administration in what was called the Bi-Zone, that is to say, the Anglo-American zone, presented a report which laid down the following principle: “The Council is of the view that the function of the direction of the economic process should be assured as widely as possible by the price mechanism.”17 It turned out that this resolution or principle was accepted unanimously. And the Council voted by a simple majority for drawing the following consequence from this principle: We call for the immediate deregulation of prices in order [to bring prices in line with]* world prices. So, broadly speaking, there is the principle of no price controls and the demand for immediate deregulation. We are in the realm of decisions, or of demands anyway, a realm of proposals that, in its elementary simplicity, calls to mind what the physiocrats called for or what Turgot decided in 1774.18 This took place on 18 April 1948. Ten days later, the 28th, at the meeting of the Council at Frankfurt,19 Ludwig Erhard20—who was not in charge of the Scientific Council, for it had come together around him, but of the economic administration of the Anglo-American zone, or at any rate of the German part of the economic administration of the zone—gave a speech in which he took up the conclusions of this report.21 That is to say, he laid down the principle of no price controls and called for gradual deregulation, but he accompanied this principle, and the conclusion he drew from it, with a number of important considerations. He says: “We must free the

* M.F.: to obtain a tendential alignment with
“We must avoid,” he says, “both anarchy and the termite state,” because “only a state that establishes both the freedom and responsibility of the citizens can legitimately speak in the name of the people.”

You can see that this economic liberalism, this principle of respect for the market economy that was formulated by the Scientific Council, is inscribed within something much more general, and this is a principle according to which interventions by the state should generally be limited. The borders and limits of state control should be precisely fixed and relations between individuals and the state determined. Ludwig Erhard’s speech clearly differentiates these liberal choices, which he was about to propose to the Frankfurt meeting, from some other economic experiments that managed to be undertaken at this time despite the dirigiste, interventionist, and Keynesian ambiance in Europe. That is to say, a liberal policy was also adopted in Belgium, and partially too in Italy where, spurred on by Luigi Einaudi, who was then the director of the Bank of Italy, a number of liberal measures were adopted. But in Belgium and Italy these were specifically economic interventions. In Erhard’s speech, and in the choices he proposed at that time, there was something quite different. What was at stake, and the text itself says this, was the legitimacy of the state.

What does Ludwig Erhard mean when he says that we must free the economy from state controls while avoiding anarchy and the termite state, because “only a state that establishes both the freedom and responsibility of the citizens can legitimately speak in the name of the people”? Actually, it is fairly ambiguous, in the sense that I think it can and should be understood at two levels. On the one hand, at a trivial level, if you like, it is simply a matter of saying that a state which abuses its power in the economic realm, and more generally in the realm of political life, violates basic rights, impairs essential freedoms, and thereby forfeits its own rights. A state cannot exercise its power legitimately if it violates the freedom of individuals; it forfeits its rights. The text does not say that it forfeits all its rights. It does not say, for example, that it is stripped of its rights of sovereignty. It says that it forfeits its rights of representativity. That is to say, a state which violates the basic freedoms, the essential rights of citizens, is no longer representative of its citizens. We can see what the precise tactical objective of this
kind of statement is in reality: it amounts to saying that the National Socialist state, which violated all these rights, was not, could not be seen retrospectively as not having exercised its sovereignty legitimately. That is to say, roughly, that the orders, laws, and regulations imposed on German citizens are not invalidated and, as a result, the Germans cannot be held responsible for what was done in the legislative or regulatory framework of Nazism. However, on the other hand, it was and is retrospectively stripped of its rights of representativity. That is to say, what it did cannot be considered as having been done in the name of the German people. The whole, extremely difficult problem of the legitimacy and legal status to be given to the measures taken [under] Nazism are present in this statement.

But there is [also] a broader, more general, and at the same time more sophisticated meaning to Ludwig Erhard’s statement that only a state that recognizes economic freedom and thus makes way for the freedom and responsibility of individuals can speak in the name of the people. Basically, Erhard is saying that in the current state of affairs—that is to say, in 1948, before the German state had been reconstituted, before the two German states had been constituted—it is clearly not possible to lay claim to historical rights for a not yet reconstituted Germany and for a still to be reconstituted German state, when these rights are debarred by history itself. It is not possible to claim juridical legitimacy inasmuch as no apparatus, no consensus, and no collective will can manifest itself in a situation in which Germany is on the one hand divided, and on the other occupied. So, there are no historical rights, there is no juridical legitimacy, on which to found a new German state.

But—and this is what Ludwig Erhard’s text says implicitly—let’s suppose an institutional framework whose nature or origin is not important: an institutional framework $x$. Let us suppose that the function of this institutional framework $x$ is not, of course, to exercise sovereignty, since, precisely, there is nothing in the current situation that can found a juridical power of coercion, but is simply to guarantee freedom. So, its function is not to constrain, but simply to create a space of freedom, to guarantee a freedom, and precisely to guarantee it in the economic domain. Let us now suppose that in this institution $x$—whose function is not the sovereign exercise of the power to constrain, but
simply to establish a space of freedom—any number of individuals freely agree to play this game of economic freedom guaranteed by the institutional framework. What will happen? What would be implied by the free exercise of this freedom by individuals who are not constrained to exercise it but who have simply been given the possibility of exercising it? Well, it would imply adherence to this framework; it would imply that consent has been given to any decision which may be taken to guarantee this economic freedom or to secure that which makes this economic freedom possible. In other words, the institution of economic freedom will have to function, or at any rate will be able to function as a siphon, as it were, as a point of attraction for the formation of a political sovereignty. Of course, I am adding to Ludwig Erhard’s apparently banal words a whole series of implicit meanings which will only take on their value and effect later. I am adding a whole historical weight that is not yet present, but I will try to explain how and why this meaning, which is at once theoretical, political, and programmatic, really was in the minds of those who wrote this discourse, if not in the mind of the one who actually delivered it.

I think this idea of a legitimizing foundation of the state on the guaranteed exercise of an economic freedom is important. Of course, we must take up this idea and its formulation in the precise context in which it appears, and straightaway it is easy to see tactical and strategic shrewdness. It was a matter of finding a juridical expedient in order to ask from an economic regime what could not be directly asked from constitutional law, or from international law, or even quite simply from the political partners. Even more precisely, it was an artful move with regard to both the Americans and Europe, since by guaranteeing economic freedom to a Germany in the process of reconstruction and prior to any state apparatus, the Americans, and let’s say different American lobbies were assured that they could have the free relationships that they could choose with this German industry and economy. Secondly, both Western and Eastern Europe were reassured by ensuring that the institutional embryo being formed presented absolutely none of the dangers of the strong or totalitarian state they had experienced in the previous years. But beyond these immediate tactical imperatives, and beyond the immediate context and situation of 1948, I think there was the formulation in
this discourse of something which will remain a fundamental feature of contemporary German governmentality*: we should not think that economic activity in contemporary Germany, that is to say, for thirty years, from 1948 until today, has been only one branch of the nation’s activity. We should not think that good economic management has had no other effect and no other foreseen and calculated end than that of securing the prosperity of all and each. In fact, in contemporary Germany, the economy, economic development and economic growth, produces sovereignty; it produces political sovereignty through the institution and institutional game that, precisely, makes this economy work. The economy produces legitimacy for the state that is its guarantor. In other words, the economy creates public law, and this is an absolutely important phenomenon, which is not entirely unique in history to be sure, but is nonetheless a quite singular phenomenon in our times. In contemporary Germany there is a circuit going constantly from the economic institution to the state; and if there is an inverse circuit going from the state to the economic institution, it should not be forgotten that the element that comes first in this kind of siphon is the economic institution. There is a permanent genesis, a permanent genealogy of the state from the economic institution. And even this is not saying enough, for the economy does not only bring a juridical structure or legal legitimization to a German state that history had just debarred. This economic institution, the economic freedom that from the start it is the role of this institution to guarantee and maintain, produces something even more real, concrete, and immediate than a legal legitimization; it produces a permanent consensus of all those who may appear as agents within these economic processes, as investors, workers, employers, and trade unions. All these economic partners produce a consensus, which is a political consensus, inasmuch as they accept this economic game of freedom.

Let’s say that in leaving people free to act, the German neo-liberal institution lets them speak, and to a large extent it lets them act because

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* Foucault adds: for there is here, I think, one of the essential features on which we should reflect and the programming of which seems to me to be one of the fundamental features of this German neo-liberalism.
it wants to let them speak; but what does it let them say? Well, it lets them say that one is right to give them freedom to act. That is to say, over and above juridical legitimation, adherence to this liberal system produces permanent consensus as a surplus product, and, symmetrically to the genealogy of the state from the economic institution, the production of well-being by economic growth will produce a circuit going from the economic institution to the population’s overall adherence to its regime and system.

If we believe historians of the sixteenth century, like Max Weber, it would seem that the enrichment of an individual in sixteenth century protestant Germany was a sign of God’s arbitrary election of that individual. What did wealth signify? Wealth was a sign that God really had granted his protection to that individual and that he showed by this the certainty of a salvation which could not be guaranteed by anything in the individual’s real and concrete works. You will not be saved because you have tried to enrich yourself as you should, but if in actual fact you have become rich, this is a sign sent to you on earth by God that you will be saved. So, enrichment enters into a system of signs in sixteenth century Germany. In twentieth century Germany, an individual’s enrichment will not be the arbitrary sign of his election by God, but general enrichment will be the sign of something else: not, of course, of God’s election, but the daily sign of the adherence of individuals to the state. In other words, the economy always signifies, but not at all in the sense that it endlessly produces those signs of the equivalence and exchange value of things, which, in its illusory structures, or its structures of the simulacrum, has nothing to do with the use of things. The economy produces political signs that enable the structures, mechanisms, and justifications of power to function. The free market, the economically free market, binds and manifests political bonds. A strong Deutschmark, a satisfactory rate of growth, an expanding purchasing power, and a favorable balance of payments are, of course, the effects of good government in contemporary Germany, but to a certain extent this is even more the way in which the founding consensus of a state—which history, defeat, or the decision of the victors had just outlawed—is constantly manifested and reinforced. The state rediscovers its law, its juridical law, and its real foundation in
the existence and practice of economic freedom. History had said no to the German state, but now the economy will allow it to assert itself. Continuous economic growth will take over from a malfunctioning history. It will thus be possible to live and accept the breach of history as a breach in memory, inasmuch as a new dimension of temporality will be established in Germany that will no longer be a temporality of history, but one of economic growth. A reversal of the axis of time, permission to forget, and economic growth are all, I think, at the very heart of the way in which the German economic-political system functions. Economic freedom is jointly produced through growth, well-being, the state, and the forgetting of history.

In contemporary Germany we have what we can say is a radically economic state, taking the word “radically” in the strict sense, that is to say, its root is precisely economic. As you know, Fichte—and this is generally all that is known about Fichte—spoke of a closed commercial state. I will have to come back to this a bit later. I will just say, making a somewhat artificial symmetry, that we have here the opposite of a closed commercial state. We have a state-forming commercial opening. Is this the first example in history of a radically economic state? We would have to ask historians who have a much better understanding of history than I do. Was Venice a radically economic state? Can we say that the United Provinces in the sixteenth century, and still in the seventeenth century, were an economic state? Anyway, we are dealing with something new in comparison with everything that since the eighteenth century constituted the functioning, justification, and programming of governmentality. If it is true that we are still dealing with a liberal type of governmentality, you can see the shift that has been carried out in relation to the liberalism programmed by the physiocrats, Turgot, and the economists of the eighteenth century, for whom the problem was exactly the opposite. The problem they had to resolve was the following: given the existence of a legitimate state, which is already functioning in the fully and completely administrative form of a police state, how can we limit this existing state and, above all, allow for the necessary economic freedom within it? The problem the Germans had to resolve was the exact opposite: given a state that does not exist, how
I think this is the kind of commentary we can give on the apparently banal little sentence of the future Chancellor Erhard on 28 April 1948 (once again, giving a lot of extra weight to this phrase, but extra weight which I will try to show is not arbitrary). Obviously, this idea, this formulation of 1948, could only take on this historical depth by being very quickly inscribed in a sequence of subsequent decisions and events.

So, on 18 April there is the report of the Scientific Council; on 28 April Erhard’s discourse; on 24 June 1948, abolition of price controls on industrial products, then of price controls on food, and then progressively, but relatively slowly, of all price controls. In 1952 price controls are abolished on coal and electricity, which is, I think, one of the last price controls to be abolished in Germany. And it is only in 1953 that there is removal of exchange controls for foreign trade that reaches the level of around 80%-95%. So, in 1952-1953 liberalization is more or less established.

Another thing to note is that this policy of liberalization, more or less explicitly supported by the Americans for the reasons I mentioned, aroused considerable mistrust on the part of the other occupying powers, particularly the English who were in a period of fully-fledged Labour Party Keynesianism. It aroused considerable resistance in Germany itself, since, of course, prices began to rise as soon as the first price controls were abolished. The German socialists demanded Erhard’s resignation in August 1948 and in November of the same year there was a general strike against Erhard’s economic policy and a call for a return to a state-controlled economy. The strike failed and prices stabilized in December 1948.

The third series of important facts for pinpointing the way in which the neo-liberal program I have been talking about was inscribed in reality was a rallying of support for it on the part of a number of organizations and people. First of all, and very early on, there was support from the Christian Democrats, in spite of its stronger links with a Christian, social economy than with a liberal type of economy. With the Christian
Democrats came Christian theorists of the social economy and in particular those of Munich, the famous Jesuit Oswald Nell-Breuning, who taught political economy at Munich. The support of the labor unions was, of course, much more important. The first major, most official and most manifest case of adherence to the program being that of Theodor Blank, who was vice president of the miners’ union and who declared that the liberal order constitutes a valid alternative to capitalism and economic planning. It could be said that this phrase is completely hypocritical or naively plays on a number of ambiguities: in fact, in saying that the liberal order constituted an alternative to capitalism and economic planning, you can see the asymmetries on which he was playing, since the liberal order never claimed, or was certainly not claiming through the mouth of the future chancellor Erhard to be an alternative to capitalism, but was indeed a particular way of making capitalism work. And if it is true that he was opposed to planning, someone like Theodor Blank, as a trade union representative on the one hand, and with his social Christian origins and ideology, etc., on the other, could not criticize it all that directly. And, in fact, what he meant was that in neoliberalism there was the finally fulfilled promise of a middle way or third order between capitalism and socialism. Once again, this was not what was at stake at all. The phrase was simply intended to get the Christian inspired trade unions of the time to swallow the pill.

Finally and above all, the SPD, social democracy, came over to the program, although obviously it did so much more slowly than the others since practically until 1950 German social democracy remained faithful to most of what had been its general principles of Marxist inspired socialism since the end of the nineteenth century. At the Hanover Congress, and again at the Bad Dürkheim Congress in 1949, the German Socialist Party still recognized the historical and political validity of the class struggle and had the socialization of the means of production as its objective. Fine, this is still how things stand in 1949, in 1950. In 1955, Karl Schiller, who will later become Minister of the Economy and Finance in federal Germany, writes a book that will cause a big stir since it bears the significant title *Socialism and Competition*, that is to say, not socialism or competition, but socialism
and competition. I don’t know if he states it for the first time in this book, but anyway he gives the greatest publicity to what will become the formula of German socialism: “as much competition as possible and as much planning as necessary.” This is in 1955. In 1959, at the Bad Godesberg congress, German social democracy first renounced the principle of transition to the socialization of the means of production and, secondly and correlatively, recognized that not only was private ownership of the means of production perfectly legitimate, but that it had a right to state protection and encouragement. That is to say, one of the state’s essential and basic tasks is to protect not only private property in general, but private property in the means of production, with the condition, adds the motion of the congress, of compatibility with “an equitable social order.” Finally, third, the congress approved the principle of a market economy, here again with the restriction, wherever “the conditions of genuine competition prevail.”

Clearly, for anyone who thinks in Marxist terms, or on the basis of Marxism, or on the basis of the tradition of German socialism, what is important in these motions is obviously the series of renunciations—desertions, heresies, betrayals, as you like—of the class struggle, of the social appropriation of the means of production, and so on. From an orthodox Marxist perspective it is these renunciations which are important and all the rest, all these vague little restrictions like aiming for an equitable social order, or realizing the conditions of genuine competition, is just so much hypocrisy. But for someone who hears these same phrases with a different ear or on the basis of a different theoretical “background,” these words—“equitable social order,” “condition of genuine economic competition”—resonate very differently because they indicate—and here again is something that I would like to explain next week—adherence to a doctrinal and programmatic whole which is not simply an economic theory on the effectiveness and utility of market freedom: it is adherence to a type of governmentality that was precisely the means by which the German economy served as the basis for the legitimate state.

Why did German social democracy finally come over, albeit somewhat late, but fairly easily, to these theses, practices, and programs of
neo-liberalism? There are at least two reasons. One, of course, was a necessary and indispensable reason of political tactics. You can see that as long as the SPD, under the leadership of the old Schumacher, maintained the traditional attitude of a socialist party—on the one hand accepting the system of the state, of the constitution and juridical structures of the so-called liberal democratic regime, while, on the other, rejecting in theory the principles of the capitalist economic system, thus adopting the task within this legal framework, seen as sufficient for developing the basic role of essential freedoms, of simply correcting the existing system in terms of a number of distant objectives—it could have no place in the new economic-political state that was being born. There could be no place for it precisely because the new state was the opposite of this. It was not a matter of choosing or accepting a legal framework or a given historical framework because it had been formed in that way by the state or by popular consensus, and then working within, economically, at a number of adjustments. It was quite the opposite. In the new German economic-political regime one started by giving oneself a certain economic functioning which was the very basis of the state and of its existence and international recognition. One gave oneself this economic framework, and it is then that the legitimacy of the state emerged as it were. How could a socialist party, whose at least long-term objective is a completely different economic regime, be integrated into this political game, since the givens had been reversed, so to speak, and it was the economic that was radical in relation to the state, and not the state that was primary as the historical-juridical framework for this or that economic choice? Consequently, to enter into the political game of the new Germany, the SPD really had to convert to these neo-liberal theses, if not to the economic, scientific, or theoretical theses, at least to the general practice of this neo-liberalism as governmental practice. Thus the famous Bad Godesberg congress with its absolute renunciation of the most traditional themes of social democracy certainly was the break with Marxist theory, with Marxist socialism, but at the same time it was—and this was not just a betrayal, except, if you like, in general historical terms—the acceptance of what was already in the process of functioning as the economic-political consensus of German liberalism. It was not so much the renunciation of this or that part of the
program common to most socialist parties as entry into the game of governmentality. There remains one more step for social democracy to make, and this was the break with the English model and any reference to Keynesian economics. This step was taken by Karl Schiller, him again, in 1963, since he even abandons the formula: “as much competition as possible and as much planning as necessary.” In 1963 he asserts the principle that all, even flexible planning is dangerous for the liberal economy. At this point social democracy has arrived; it has entered fully into the type of economic-political governmentality that was adopted by Germany in 1948. It joins in the game so well that six years later Willy Brandt becomes Chancellor of Federal Germany.

This is, for sure, one of the reasons, and not the least, but I think we should try to examine further this problem of the relation between German socialism and the neo-liberal governmentality defined by Erhard in 1948, or at least by his counselors about whom I spoke a little last week. We can try to understand a bit better what happened and why it happened in this way. Actually, there is no doubt another reason than this kind of tactical stranglehold in which the German socialist party found itself after 1948. It is often said, well, at least by those who know his work, that there is no theory of power in Marx, that the theory of the state is inadequate, and that it really is time to produce it. But is it really so important to provide oneself with a theory of the state? After all, the English have not done so badly and, at least until these last few years, have been tolerably well-governed without a theory of the state. At any rate, the last of the theories of the state is found in Hobbes, that is to say, in someone who was both the contemporary and “supporter” of a type of monarchy that the English precisely got rid of at that time. After Hobbes, there is Locke. Locke does not produce a theory of the state; he produces a theory of government. So, we can say that the English political system has never functioned, and liberal doctrine has never functioned on the basis of, or even by providing itself with a theory of the state. They have adopted principles of government.

In short, whether or not there is a theory of the state in Marx is for Marxists to decide. As for myself, I would say that what socialism lacks is not so much a theory of the state as a governmental reason, the
definition of what a governmental rationality would be in socialism, that is to say, a reasonable and calculable measure of the extent, modes, and objectives of governmental action. Socialism provides itself with, or anyway proposes, an historical rationality. You know this and there’s no point saying anything more about it. It proposes an economic rationality. God knows how much discussion there has been about whether or not this rationality holds up, especially in the years from 1920 to 1930. Around this period the neo-liberals I have talked about, like von Mises, Hayek, and so on, especially von Mises,\(^{49}\) denied that there was an economic rationality to socialism. Others replied to him, and we will come back to this. Let’s say that the problem of the economic rationality of socialism is something about which we can argue. In any case, socialism offers an economic rationality just as it puts forward an historical rationality. We can also say that it possesses, and has shown that it possesses, rational techniques of intervention, of administrative intervention, in domains like those of health, social insurance, and so on. So, it is possible to recognize the existence of an historical rationality, an economic rationality, and an administrative rationality in socialism, or, at any rate, let’s say that we can argue about the existence of these rationalities in socialism and we cannot eliminate all these forms of rationality with a wave of the hand. But I do not think that there is an autonomous socialist governmentality. There is no governmental rationality of socialism. In actual fact, and history has shown this, socialism can only be implemented connected up to diverse types of governmentality. It has been connected up to liberal governmentality, and then socialism and its forms of rationality function as counterweights, as a corrective, and a palliative to internal dangers. One can, moreover, [reproach it, as do liberals],\(^*\) with being itself a danger, but it has lived, it has actually functioned, and we have examples of it within and connected up to liberal governmentalities. We have seen it function, and still see it function, within governmentalities that would no doubt fall more under what last year we called the police state,\(^{50}\) that is to say, a hyper-administrative state in which there is, so to

\* M.F.: liberals reproach it
speak, a fusion, a continuity, the constitution of a sort of massive bloc between governmentality and administration. At that point, in the governmentality of a police state, socialism functions as the internal logic of an administrative apparatus. Maybe there are still other governmentalities that socialism is connected up to; it remains to be seen. But in any case, I do not think that for the moment there is an autonomous governmentality of socialism.

Let’s consider things from a different angle. When we cross the border separating the Germany of Helmut Schmidt51 and the Germany of [Erich Honecker52],* the question every good Western intellectual asks himself is, of course: Where is true socialism? Is it where I have just come from, or there where I am going? Is it on the right or the left, on this side or the other? Where is true socialism? But does this question have any meaning? Basically, should we not say instead that socialism is no more true here than there for the simple reason that socialism does not have to be true. What I mean is that socialism is anyway connected up to a type of governmentality: here it is connected up to this governmentality and there it is connected up to another, yielding very dissimilar fruit in both cases and, in the event of course of a more or less normal or aberrant branch, the same deadly fruit.

But do we address to liberalism the question which is always raised within and with regard to socialism, namely: true or false? A form of liberalism does not have to be true or false. One asks whether a form of liberalism is pure, radical, consistent, or mixed, etcetera. That is to say, we ask what rules it adopts for itself, how it offsets compensating mechanisms, how it calculates the mechanisms of measurement it has installed within its governmentality. I think that if we are so strongly inclined to put to socialism this indiscreet question of truth that we never address to liberalism—“Are you true or are you false?”—it is precisely because socialism lacks an intrinsic governmental rationality, and because it replaces this essential, and still not overcome [absence of] an internal governmental rationality, with the relationship of conformity to

* M.F.: I have forgotten his name, but it’s not important.
† Foucault repeats: Where is true socialism?
a text. The relationship of conformity to a text, or to a series of texts, is charged with concealing this absence of governmental rationality. A way of reading and interpreting is advanced that must found socialism and indicate the very limits and possibilities of its potential action, whereas what it really needs is to define for itself its way of doing things and its way of governing. I think the importance of the text in socialism is commensurate with the lacuna constituted by the absence of a socialist art of government. With regard to all forms of real socialism, of every socialism implemented in policy, we should not ask what text it refers to, whether or not it betrays the text, whether or not it conforms to the text, or whether it is true or false. We should simply and always ask socialism: So, what is this necessarily extrinsic governmentality that makes you function and only within which you can function? And if this kind of question seems to smell too much of resentment, let us put the question in a more general way, and more turned towards the future: What would really be the governmentality appropriate to socialism? Is there a governmentality appropriate to socialism? What governmentality is possible as a strictly, intrinsically, and autonomously socialist governmentality? In any case, we know only that if there is a really socialist governmentality, then it is not hidden within socialism and its texts. It cannot be deduced from them. It must be invented.33

This, then, is the historical framework within which what is called German neo-liberalism takes shape. You can see that we are dealing with a whole set of things that it would be impossible to reduce to a pure and simple calculation of political groups or political personnel of Germany after its defeat, although the existence, pressure, and the possible strategies defined by this situation were absolutely determinant. It is something other than a political calculation, even if it is completely permeated by political calculation. No more is it an ideology, although, of course, there is a whole set of perfectly coherent ideas, analytical principles, and so forth. What is involved in fact is a new programming of liberal governmentality. It is an internal reorganization that, once again,

* In the manuscript Foucault notes: “Socialism is not the alternative to liberalism. They do not exist on the same level, although there are levels at which they come into collision with each other, where things don’t go well together. Hence the possibility of their unhappy symbiosis.”
does not ask the state what freedom it will leave to the economy, but asks the economy how its freedom can have a state-creating function and role, in the sense that it will really make possible the foundation of the state's legitimacy?

I will stop there.* So, next week I would like to talk about the formation of this neo-liberal doctrine around 1925, and its implementation from around 1952.

* Foucault forgoes reading the last pages of the manuscript (pp. 22-25):

“[p. 22] Reversal in comparison with the ‘liberalism’ defined by d’Argenson or Turgot.
—Take a state: if you want to enrich yourself, then you must not govern too much. Therefore, freedom of the market.
—Take a state that does not exist. How to ensure that it exists just enough. Therefore, a free market.

To get the legality of the state from the veridiction of the market: this is the German miracle.

[p. 23] There has been a precedent, the Zollverein, but precisely it was a failure. And German nationalism was constructed against economic liberalism.
—either because it failed to defend itself against French imperialism: Fichte,
—or because, from 1840, the solidarity between economic and political liberalism unravels. The liberal economic policy, from which German unity (against Austria) was expected, turns out to serve England in fact. It is realized that unity can only be brought about by a revolutionary politics and that the economy must be inserted within the nationalist framework. List: National Ökonomie.

[p. 24] N.B. Nationalism is only seen as an instrument → the future age of liberalism
—From 1870 economic liberalism/free market economy modeled on free competition was rejected
—in the name of external policy: struggle against England; the free market is an instrument of English domination;
—in the name of internal policy: the proletariat must be reintegrated into German society;
—in the name of the historicist doctrine that rejected the presupposition of nature, of natural law, as the founding principle of an economy. The economy is only ever a dimension of successive historical configurations.
—finally, after 1918, liberalism is rejected.
—by the extension of a war economy and its methods of planning;
—by the development of a Welfare economy [English in original; G.B.] that seems to theorize and justify Bismarckian practices on a new basis (or at least their [...] )
—[p. 25] finally by the development of the principle of a policy of full employment and state intervention.

In short, an economy of balances [...] All of this constitutes an enormous burden, taken over by socialism. There had already been attempts to lift it (Lujo Brentano). There were also theoretical instruments (Austrian). But what is interesting is that the Freiburg School did not just develop an economic theory, or even a doctrine. It completely rethought the relation between the economy and politics, the whole of the art of government. And with good reason: it had to grapple with a considerable historical phenomenon. Nazism, in fact, was not just the accumulation and crystallization of all the policies of nationalism, interventionism, and planning that had marginalized liberalism ... “ (end of the manuscript).

2. The quotation is, as Foucault suggests, fairly free. The manuscript contains only: “Berenson: atomic destruction, state invasion.”

3. These are named later in the lecture: von Mises, Hayek (see below, note 11).


5. Foucault will only deal with the first two points in the remainder of the course. See above, lecture of 10 January 1979, pp. 21-22, the reasons he gives to justify their analysis, the condition of the intelligibility of the third point (“only when we know what this governmental regime called liberalism was, will we be able to grasp what biopolitics is”) and his comment right at the start of the lecture of 7 March 1979 (below p. 185): “I would like to assure you that, in spite of everything, I really did intend to talk about biopolitics, and then, things being what they are, I have ended up talking at length, and maybe for too long, about neo-liberalism, and neo-liberalism in its German form.”

6. See above, p. 68.

7. Harry S. Truman (1884-1972), President of the United States from 1945 to 1953.


10. John Maynard Keynes (1883-1946), British economist and author of *A Treatise on Money* (London and New York: Harcourt, Brace & Co., 1930), and especially *The General Theory of Employment, Interest and Money* (London: Macmillan & Co., 1936), French translation by J. de Largentaye, *Théorie générale de l’emploi, de l’intérêt et de la monnaie* (Paris: Payot, 1942). In the latter work, the publication of which marks a crucial date in the history of economic thought (the “Keynesian revolution”), addressing the problem of under-employment and criticizing in particular Pigou’s theory of unemployment (A.C. Pigou, *The Theory of Unemployment*, London: Macmillan, 1933), Keynes explained the contemporary crisis of capitalism by the fall in marginal efficiency of capital and the excessively high rate of interest entailing a decline in investment. This analysis led him to advocate state intervention with a view to assuring full employment, through measures encouraging consumption (leaving the gold standard, increasing private and public investment). The traditional “microeconomic” vision, based on the interaction between prices and wages, thus had to be replaced by a “macroeconomic” vision based on relations between aggregates, or overall quantities, which can be influenced by economic policy, such as the national revenue, total consumption, the volume of savings and investment. Appointed as deputy governor of the Bank of England, in 1944 Keynes took part in the Bretton Woods conference which resulted in the creation of the International Monetary Fund and the World Bank for economic reconstruction and development.


13. On this current of thought, see P.-A. Kunz, L’Expérience néo-libérale allemande dans le contexte international des idées, doctoral thesis in political science (Lausanne: University of Geneve, Imprimerie central, 1962), and especially F. Bilger, La Pensée économique libérale de l’Allemagne contemporaine (Paris: Librairie Générale de Droit, 1964) and J. François-Poncet, La Politique économique de l’Allemagne occidentale (Paris: Sirèy, 1970), works used extensively by Foucault, as can be seen from his preparatory notes.

14. The European Recovery Program proposed in 1947 by the American Secretary of State G. Marshall, and adopted in 1948 by 16 Western European countries.

15. The National Council of Resistance (Conseil national de la Résistance, CNR) was formed in the Spring of 1943 in order to unite the different and politically divided resistance movements. It was presided over by Jean Moulin and then by Georges Bidault. “During their plenary meeting, all came to an agreement to remain united after Liberation. The Resistance Charter, which resulted from these deliberations, discussed and approved by the different groups making up the CNR, contained a bold social and economic program. Amongst other reforms, it called for ‘a complete plan of social security aiming to guarantee every citizen the means of existence, when they cannot procure these through work, with management entrusted to the representatives of the different interests and the state’” (H. G. Galant, Histoire politique de la sécurité sociale française, 1945–1952 (Paris: Librairie A. Colin, 1955) p. 24). See below, lecture of 7 March 1979, note 25 on the French plan for social security in 1945.

16. Formed on 19 December 1947, one half of this Scientific Council (wissenschaftliche Beirat) was made up of representatives of the Freiburg School (W. Eucken, F. Böhm, A. Müller, L. Miksch, A. Lampe, O. Veit, ... ), and the other by representatives of Christian-social doctrines, such as the Jesuit O. von Nell-Breuning, and socialists, such as K. Schiller, G. Weisser, H. Peter.


18. Controller General of Finances from 1774 to 1776 under Louis XVI, Turgot, in line with the doctrine of the économistes and the physiocrats, decreed free trade in grains (decree of September 1774). See G. Weulersse, La Physiocratie sous le ministère de Turgot et de Necker (1774–1781) (Poitiers: Impr. de Poitou, 1925; republished Paris: PUF, 1950). See F. Bilger, La Pensée économique libérale de l’Allemagne contemporaine, p. 215: “(... ) if Erhard was not a party man, he was the Turgot of an economic doctrine.”

19. According to F. Bilger, La Pensée économique libérale, p. 211, the fourteenth plenary meeting of the Council was held on 21 April and not, as Foucault says, the 28th.

20. Ludwig Erhard (1897–1977). Assistant and then director of the Institute of Economic Observation attached to the Nuremberg College of commerce, he steered clear of Nazism during the Third Reich and devoted himself to economic research. He directed the economic administration of the Anglo-American zone from February 1948. As a Christian Democrat deputy he contributed to a large extent to the adhesion of the CDU (Christlich-Democratische-Union) to the principles of the “social market economy.” From 1948, at the time of the fourteenth plenary meeting of the Council, he traced out the major orientations of his political future (the primacy of monetary policy and the policy of growth, alignment of prices on the supply of commodities, equitable and gradual distribution of increasing material well-being). He was chosen as Minister of the Economy by Adenauer in 1951 and is considered to be the father of the “German economic miracle (Wirtschaftswunder).” See J. François-Poncet, La Politique économique de l’Allemagne occidentale, pp. 74–75. On these neo-liberal councilors, see N. Pietri, L’Allemagne de l’Ouest (1945–1969) (SEDÉS, 1987) pp. 44–45; D.L. Bark and D.R. Gress, Histoire de l’Allemagne depuis 1945 (Paris: R. Laffont, 1992) pp. 199–200. See his main work, Wohlfahrt für alle (Düsseldorf: Econ Verlag, 1957); French translation by F. Brière with preface by J. Ruelle, La prospérité pour tous (Paris: Plon, 1959), and Deutsche Wirtschaftspolitik, der Weg der sozialen Marktwirtschaft

22. Ibid. (Grundtexte) p. 40: “Wenn auch nicht im Ziele völlig einig, so ist doch die Richtung klar, die wir einzuschlagen haben—die Befreiung von der staatlichen Befehlwirtschaft, die alle Menschen in das Entwürdigende Joch einer alles Leben überwuchernden Bürokratie zwingt ( ... ).” See F. Bilger, La Pensée économique libérale, p. 211 (“freedom of the economy from State controls”).

23. Ibid.: “Es sind aber weder die Anarchie noch der Termitenstaat als menschliche Lebensformen geeignet. Nur wo Freiheit und Bindung zum verpflichtenden Gesetz werden, findet der Staat die sittliche Rechtfertigung, im Namen des Volkes zu sprechen und zu handeln.” French translation in F. Bilger, La Pensée économique libérale, p. 211: “Neither anarchy nor the termite-state are worthy forms of life. Only a state establishing both the freedom and responsibility of its citizens can legitimately speak in the name of the people.” It would be better to translate Termitenstaat as “state of termites,” an expression already used in 1944 by Wilhelm Röpke in Civitas Humana: Grundfragen der Gesellschafts- und Wirtschaftsreform (Erlenbach-Zurich: E. Rentsch, 1944); English translation by Cyril Spencer Fox, Civitas Humana. A Humane Order of Society (London: William Hodge, 1948) with regard to the “mortal danger” of “Collectivism” p. 2: “this resulting insect State [Termitenstaat] would not only destroy most institutions and values which comprise a development of three thousand years and which, with a conscious pride, we designate Occidental civilization ... it would take from the life of the individual just that essential purpose which only freedom can bestow.”

24. Luigi Einaudi (1874-1961): Professor of political economy at Turin and Milan. His opposition to fascism and his attachment to liberalism forced him to emigrate to Switzerland (1943-1944). He was Governor of the Bank of Italy (1945), parliamentary deputy (1946), and Minister of Finance (1947). He was elected President of the Republic (1948-1955). See his, Lezioni di politica economica (Turin: G. Einaudi, 1944).


27. Foucault does not refer to Fichte again in the rest of the lectures. However, with reference to Zollverein, he mentions him in pages of the manuscript that he did not use which correspond to the end of this lecture (see above, footnote *, p. 00).

28. 24 June 1948, which is actually a decisive turning point in the history of post-war Germany (Erhard, armed with the authorization of the Economic Council, abolishes all price controls without asking for the prior agreement of the military governments), should be linked with 18 June, “J day,” which, thanks to monetary reform (creation of the Deutsche Mark), marks the first stage, and the determinant condition, of this process of transformation. See D.R. Bark and D.L. Gress, Histoire de l’Allemagne depuis 1945, pp. 191-194; N. Pietri, L’Allemagne de l’Ouest, pp. 46-48. As Erhard writes in Wohlstand für alle, p. 21; Prosperity Through Competition, p. 12: “The big chance for Germany came in 1948: it depended on linking the currency reform with an equally resolute economic reform.” The law of 24 June 1948 bears the name, moreover, of “law on the principles of management and prices policy after monetary reform.” See G. Schneilin and H. Schumacher, Economie de l’Allemagne depuis 1945 (Paris: A. Colin, 1992) p. 24; J. François-Poncet, La Politique économique, pp. 71-73. This point is all the more important as monetary stability represents, after the fundamental principle (“realization of a system of prices of perfect competition”),
the major principle of the neo-liberal program. See below, lecture of 14 February 1979, pp. 138–139.

29. Churchill, beaten in the 1945 election, was replaced by C.R. Attlee, leader of the Labour Party since 1935. His government (1945–1951) was marked by a strong state hold on the economy (nationalizations, austerity plan, social security).


31. Oswald von Nell-Breuning (1890–1991), S.J., was a member of the Scientific Council in the ministry for the Economy from 1948 to 1965. He was a theoretician of a “genuinely Christian socialism,” based on the social encyclicals of Popes Leo XIII and Pious XI. He was the drafter of the encyclical Quadragesimo Anno (15 May 1931): see O. von Nell-Breuning, Die soziale Enzyklika. Erläuterungen zum Weltrundschreiben Papst Pius’ XI. über die gesellschaftsordnung (Cologne: Hermann, 1932); he published Gesellschaftsordnung. Wesensbild und Ordnungsbild der menschlichen Gesellschaft (Nuremberg-Bamberg-Passau: Glock & Lutz, 1947) and, with H. Sacher, Beiträge zu einem Wörterbuch der Politik, Heft 2: Zur christlichen Staatslehre (Fribourg-en-Brisgau: Herder, 1948), as well as several articles (on wage justice, the concept of the proletariat, et cetera) extending the teaching of the encyclical Quadragesimo Anno. “(... ) Convinced of the intrinsic justice of socialism, [he] asserted that modern man could only lead a satisfying life if he participated in the management of his enterprise, which did not mean only co-management but, in the short term, labor union control of all private industry” (D.J. Bark and D.R. Gress, Histoire d’Allemagne, p. 145); see F. Bilger, La Pensée économique libérale, pp. 248–253 (on the combination of competition and corporative organization recommended by Nell-Breuning). His, very relative, “rallying” to the neo-liberal program is expressed in particular in the article “Neoliberalismus und katholische Soziallehre,” in P.M. Boarman, ed., Der Christ und die soziale Marktwirtschaft (Stuttgart-Cologne: Kohlhammer, 1955) pp. 101–122.

32. It is not at Munich, but at the Johann-Wolfgang-Goethe-Universität in Frankfurt that Oswald von Nell-Breuning takes on various teaching responsibilities from 1948.

33. Theodor Blank (1905–1972), CDU deputy, and Catholic union leader. On 26 October 1950, Adenauer entrusted him with the direction of what would become the Ministry of Defense, with the title “general counselor of the federal chancellor responsible for matters concerning the increase of allied forces.”

34. See F. Bilger, La Pensée économique libérale, p. 211: “Christian trade unionist, vice president of the miners’ union, he became acquainted with the works of the Freiburg School and accepted that the liberal order was a valid alternative to capitalism and economic planning, both of which he rejected.”

35. 9–11 May 1946, the first Congress of the SPD (Sozialdemokratische Partei Deutschlands). Schumacher was confirmed as president.

36. See the texts quoted by F. Bilger, La Pensée libérale, p. 271.

37. Karl Schiller (1911–1994), professor of economics at the University of Hamburg, was an SPD member of the Hamburg parliament (1949–1957), rector of his university (1958–1959), then senator responsible for the economy in West Berlin (1961–1965), deputy in the Bundestag (1965–1972), and federal minister of the Economy (see the following note). From 1947 he was a member of the Scientific Council of economic administration brought together by Erhard.


39. K. Schiller, Sozialismus und Wettbewerb (Hamburg: Verlagges. deutscher Konsumgenossenschaften, 1955). 40. D.L. Bark and D.R. Gress, Histoire d’Allemagne, pp. 428–429: “In 1953 he forged an expression with regard to the social market economy defining the alterations that the social democrats could bring to it: ‘As much competition as possible, as much planning as necessary.’  See H. Körner and others, Wirtschaftspolitik, Wissenschaft und politische Aufgabe (Bern: Paul Haupt, 1976) p. 86.” He formulated the famous slogan during a session of the SPD on economic policy that took place at Bochum in February 1953. The formula was taken up

41. Meeting at an extraordinary congress from the 13 to 15 November 1959 at Bad Godesberg, by a majority of 324 to 16 the SPD adopted the “basic program” (*Grundsatzprogram*) which, breaking with the Marxist inspired Heidelberg program of 1925, marked a decisive turning point in the party’s line.


43. “A totalitarian or dictatorial economy destroys freedom. That is why the German Social Democratic Party approves a free market economy wherever competition exists. However, where the markets are dominated by individuals or groups, measures must be taken to preserve the freedom of the economy. Competition as much as possible—planning as much as necessary” (*Basic program*, quoted by D.L. Bark and D.R. Gress, *Histoire de l'Allemagne*, p. 430). See F. Bilger, *La Pensée économique libérale*, p. 273.

44. Kurt Schumacher (1895–1952) was deputy in the Reichstag between 1930 and 1933 and president of the SPD from 1932 until the prohibition of the party a year later. He spent ten years in a concentration camp under the Nazis. From 1945 he re-established the headquarters of the revived SPD, declaring: “Either we succeed in making Germany a socialist country in the economic domain and democratic in the political domain, or we will cease being a German people” (quoted by D.L. Bark and D.R. Gress, *Histoire de l'Allemagne*, p. 188).

45. See F. Bilger, *La Pensée économique libérale*, p. 275: “At the end of 1961, Professor Schiller was called by Willy Brandt to take up the office of ‘Wirtschaftssenator’ [economic senator, i.e., Minister of Economic Affairs] in West Berlin and it is generally thought that he will become Minister of Economic Affairs in an eventual socialist federal government. In his new functions, Schiller systematically applied a liberal policy and one of his last speeches in an ‘economics’ session of the SPD at Essen in October 1963 provoked a real sensation throughout Germany with the extremely clear affirmation of his adherence to the market economy and the categorical rejection of even flexible planning.”

46. Karl Herbert Frahm Brandt, known as Willy Brandt (1913–1992). SPD deputy in the Bundestag from 1950 to 1957, and then Mayor of West Berlin from 1957 to 1966, in 1966 he became Minister of Foreign Affairs in the coalition government of Kiesinger and was elected Chancellor in 1969.


48. John Locke (1632-1704), *Two Treatises of Government*, written around 1680-1683, they were published in 1690 (London: A. Churchill).

49. See L. von Mises, *Die Gemeinwirtschaft, Untersuchungen über den Sozialismus; Socialism: An Economic and Sociological Analysis.*


51. See above, lecture of 10 January 1979, note 18.

52. Erich Honecker (1912-1994), named First Secretary in 1971 after the retirement of Walter Ulbricht.

53. In continuity with these analyses, in 1983 Foucault conceived of a project of a report on socialist politics: “Do the socialists have a problematic of government, or do they only have a problematic of the state” (quoted by Daniel Defert, “Chronologie,” *Dits et Écrits*, 1, p. 62). Apart from some reading by Foucault at this time (Jaurès, Blum, Mitterand), it seems that this project did not get beyond a dossier of press cuttings.