

# THE CRITIQUE OF CLASSICAL POLITICAL ECONOMY IN FOUCAULT'S ANALYTICS OF POWER AND GOVERNMENT

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## ABSTRACT

*Foucault's interest in classical political economy cannot be understood as part of the typical studies of the history of economic ideas presenting economic thoughts chronologically around their scientific structures, arguments and methods. Instead, Foucault aims to show how classical political economy played a major and critical role in the formation of modern power and governmental rationality and apparatuses after the 1750s. Foucault's comprehensive and unconventional historical analysis of power and government promises to understand classical political economy as part of the problem of politics in the past and present. This paper reveals that Foucault's history and analytics of power and government has also strong potential to innovatively approach the long-debated and thorny issues in the history of economic thought such as The Adam Smith Problem and open up new ways to interpret the place of key figures and theories in liberal governmentality such as Ricardo's political economy.*

**Keywords:** Foucault, Classical Political Economy, Governmentality, Power

## (Foucault'nun İktidar ve Yönetim Analitiğinde Klasik Politik İktisat Eleştirisi)

### ÖZET

*Foucault'nun klasik politik iktisada ilgisi iktisadi düşünceleri teorilerin bilimsel yapıları, argümanları ve yöntemleri bağlamında kronolojik biçimde açıklayan tipik iktisadi düşünceler tarihi araştırmalarının bir parçası olarak anlaşılabilir. Bunu yerine, Foucault 1750'lerden sonra klasik politik iktisadın modern iktidar ve yönetsel rasyonelitesinin ve araçlarının oluşumunda nasıl esaslı ve kritik bir rol oynadığını göstermeyi amaçlamıştır. Foucault'nun iktidar ve yönetim üzerine kapsamlı ve sıra dışı tarihsel analizi klasik politik iktisadi şimdi ve geçmişte siyasetin bir parçası olarak anlaşılmasına olanak tanıyor. Bu yazı ayrıca Foucault'nun iktidar ve yönetim analitiğinin ve tarihinin Adam Smith Problemi gibi iktisadi düşünce tarihinde uzunca tartışma konusu olmuş zorlu konulara farklı bir şekilde yaklaşılması yolunda ve David Ricardo'nun politik iktisadı gibi liberal yönetsellik için önemli isimleri ve teorileri yorumlamada yeni yollar açma potansiyeli olduğunu gösteriyor.*

**Anahtar Kelimeler:** Foucault, Klasik Politik İktisat, Yönetsellik, İktidar

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## I

Foucault marks out classical political economy in his research of history of government and power as a path-breaking turn in the formation of governmental reason and reflections on power and power relations in the eighteenth century. In this new type of 'governmentality', which Foucault calls 'liberalism', 'security' specifies the mode of power. Different from the disciplinary mode of power, which regards individual bodies as targets, and the sovereign type of power, which identifies territory and legal subjects as objects of ruling and domination, the security mode of power relies on the different and more complex assembly of governmental technologies and mechanisms formalized in classical political economy. This paper shows that the critique of classical political economy paved the way for a new modality of the government of individuals and things in their free movements, circulations and natural milieus assuming a divergence from wide-ranging state interventions in the market mechanism. Although the ways and rationality of government intervention developed by classical political economy underwent substantial modifications by the subsequent liberal movements in economics, its critical and revolutionary modifications of 'police' and sovereignty have always been at the heart of the (neo)liberal art of government.

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In line with these sentiments, the present paper aims to discuss Foucault's unconventional history of classical political economy with an eye to displaying its critical view of and power over the construction of the economy as the apparatus of power and government. The paper also shows that Foucault's history of government provides insightful thoughts for expanding the critique of the liberal critique.

## II

Foucault's analysis of classical political economy or the history of economics is not a typical study of the history of economics ideas presenting economic thoughts chronologically in a discussion of scientific structures, arguments and methods of theories. His concern with the history of economic ideas partly resides in his wider study of the formation of knowledge through and in which the human being is represented. In *The Order of Things*<sup>1</sup>, he shows that the history of representation of the human being and the branches of knowledge underwent a colossal change in the

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<sup>1</sup> Michel Foucault, *The Order of Things*, London: Routledge, 2002.

eighteenth century. The previous forms of knowledge and representation had been carved out on the basis of three epistemes – ‘natural history’, ‘the studies of wealth’ and ‘general grammar’. The transition from ‘natural history’, ‘the studies of wealth’ and ‘general grammar’ to ‘biology’, ‘political economy’ and ‘historical philology’ respectively changed the representation of the human being towards the ‘living being’, ‘working individual’ and ‘speaking subject’. This marks out the formation of modern human sciences that “directed knowledge to the sciences of life, of labor and production, and of language”<sup>2</sup>. It is important in this radical change that “human sciences . . . should be understood on the basis of the emergence of population as the correlate of power and of the object of knowledge. [M]an . . . is nothing other than a figure of population”<sup>3</sup>. Therefore, when the representation of the human being in the past epistemes as the object of knowledge came to be unsatisfactory to explain and govern power relations in reality, a great change came about through the invention of society as ‘the population’. Political economy, taking the population as the object of knowledge, was the driving force of the formation of governmental reason and knowledge in the eighteenth century in accordance with the liberal art of government.

In his lectures of 1982-1983, later published under the title of *The Government of Self and Others*<sup>4</sup>, Foucault makes it explicit that his concern with the history of thoughts includes three inter-related elements or areas—“forms of a possible knowledge, normative frameworks of behavior, and potential modes of existence for possible subjects”. The first element or area concerns itself with “the formation of forms of knowledge”, not the scientific assumptions, methods and theoretical arguments. Foucault takes the body of knowledge, let’s say political economy, as a “discursive practice” that carves out the site of veridiction determining what is true and what is false.<sup>5</sup> The market, for instance, is the site of veridiction for state intervention in classical political economy. The second area is concerned with ‘governmentality’, which addresses norms, techniques, mechanisms and procedures that govern conducts of individuals on micro and macro scales. We may refer to security as the central governmental technique of liberal government establishing the norms of behaviors and power relations in society. In relation, the articulation of political economy with liberal

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<sup>2</sup> Michel Foucault, *Security, Territory, Population*, New York: Palgrave Macmillan, 2007, p. 78.

<sup>3</sup> Ibid, p. 79.

<sup>4</sup> Michel Foucault, *The Government of Self and Others*, New York: Palgrave Macmillan, 2010.

<sup>5</sup> Ibid, p. 2-5.

governmentality is seen by Foucault as its constitution to be “knowledge-power”<sup>6</sup> producing the site and elements of veridiction for security techniques across society in terms of time and space. The third area in Foucault’s scheme of history of thoughts is considered with the question how individuals’ subjectivations are formed by these discursive and governmental techniques. For instance, it tries to elucidate how over time the human being as *homo economicus* in discursive and governmental realms of economics has evolved from a passive mode of subjectivation, which once implied the premise of the self-limitation of the state, towards the active, competitive and enterprising self in neoliberal governmentality as Foucault discusses in *The Birth of Biopolitics*.

### III

*Security, Territory and Population* and *The Birth of Biopolitics* present the most sophisticated analyses of Foucault on political economy. The history of economic thoughts we find in those books should be read in the context of the interwoven relations of knowledge, power/governmentality and subjectivation instead of from an unduly narrow perspective of economic history that presents scientific ideas schematically and chronologically. After all, if one remains within a typical specific focus on the history of economic thoughts, Foucault’s style of presenting and dealing with economic ideas and texts in these lectures becomes rather difficult to follow, understand and contextualize.

It will be helpful to refer to Foucault’s problematization of security to grasp his works better. Foucault was directed to past and contemporary economic thoughts by this question: “Can we say then – and this is what is at stake in what I want to analyze –that the general economy of power in our societies is becoming a domain of security? So, in these lectures I would like to undertake a sort of history of technologies of security and try to identify whether we can really speak of a society of security”<sup>7</sup>. This question and intention leads Foucault to an inquiry into the history of technologies of security in the context of space (free circulation), uncertainty (probabilities, fluctuations, and calculative rationality), normalization (danger, crisis, risk) and population (naturalness of society). Parenthesized expressions are the central mechanisms of security that Foucault identifies mostly by recourse to physiocrats. The question Foucault wants to find an answer to is how

<sup>6</sup> Michel Foucault, *The Birth of Biopolitics*, New York: Palgrave Macmillan, 2008, p. 19.

<sup>7</sup> Foucault, *Security, Territory, Population*, p. 10-11.

society and individuals are governed in a society like ours where security is the predominant paradigm. These paradigms, contexts, conceptions, mechanisms, techniques or technologies do not have any counterparts in past societies where the old sovereign and disciplinary forms of power prevailed. The expressions in the parenthesis are employed by the (neo)liberal government of modern society, state, economy and individuals. Foucault's historical research shows that political economy is the foremost 'knowledge-power' that ties closely in with (neo)liberal political rationality relying upon these mechanisms.

In this sense, if physiocrats for Marx are "the true fathers of modern political economy . . . within the bourgeois horizon"<sup>8</sup>, it might be said from Foucault's point of view that they are the true fathers of governmentality within a liberal horizon. As Marx finds in physiocracy "the analysis of the various *objective components* in which capital exists and into which it resolves itself in the course of the labour process"<sup>9</sup>, Foucault finds a "new conception of the economy"<sup>10</sup> around the notion of population instead of classes. What Foucault is interested in the physiocratic conception of the economy is "the fundamental principle of economic government"<sup>11</sup>. This is Foucault's entry point to the history of economic thought as part of his historical research of 'governmentality'.

Throughout this long-historical research, Foucault shows that crisis and critique<sup>12</sup> were the two most important elements driving the history of governmentality. He identifies the historical roots of individualizing modern power and governmentality in the old Greek, Roman and Christian pastorate. In the sixteenth century the reason of the state doctrine based on new diplomatic-military techniques and police was born out of the internal crisis of the Christian pastoral power in the age of police, cameralism and mercantilism. In turn, political economy as the critical liberal governmentality emerged out of the crisis and political-economy critique of police. As such, Foucault characterizes political economy as "a critique of

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<sup>8</sup> Karl Marx, *Economic Works 1861-1863, MECW Vol. 30*, London: Lawrence & Wishart, 2010, p. 352.

<sup>9</sup> Ibid, p. 352-353.

<sup>10</sup> Foucault, *Security, Territory, Population*, p. 33.

<sup>11</sup> Ibid, p. 33.

<sup>12</sup> For an elaborated analysis of the nexus between critique and governmentality, see Andreas Folkers, "Daring the Truth: Foucault, Parrhesia and the Genealogy of Critique", *Theory, Culture & Society*, 33 (1), 2016; Thomas Lemke, *Foucault, Governmentality, and Critique*, Boulder, CO/London, Paradigm Publishers, 2012, p. 57-75.

governmental reason"<sup>13</sup>. Ignoring the post-political economy period between 1870 and 1930 when neoclassical economics developed, Foucault proceeds with neoliberal governmentality by analyzing the German ordoliberalism and the Chicago School neoliberalism in *The Birth of Biopolitics* where he summarizes and advances his analysis of classical political economists. He elucidates how neoliberal governmentality emerges from the crisis of welfare liberalism and the Keynesian economic order.

#### IV

It is now clear that the history of political economy as Foucault presents is borne along by a history of government and power. Considering *Security, Territory and Population* and *The Birth of Biopolitics* together, Foucault starts with identifying a great turn in the mid-eighteenth century in terms of the form and rule of power. He calls this new form and function of power security power. Different from disciplinary power, which takes individuals' bodies as targets, and the sovereign type of power, which takes territory and legal subjects as objects and rule/domination as an aim, security mode of power relies on the different and more complex assembly of governmental technologies and mechanisms. It takes population as the target and mechanism/means to carry out the government of individuals and things (e.g., commodities) in their free movement, circulation and within their natural milieu without making artificial economic interventions as in disciplinary power. It changed the ways and rationality of intervention and government. Foucault identifies the birth of the physiocratic conception of economy, the isolation of economy as a separate visibility and reality, and the notion of "economic government" as the turning point in the formation of the modern governmentality. Therefore, the liberal mode of government highly relies on the formation of classical political economy that enables a new rationally "practico-reflexive prism"<sup>14</sup> of governmental practices over society and individuals. The state, its institutions, material mechanisms, intervention policies, accompanying a more abstract notion of police, discursive practices and, socially and self-reflexive ethical relations, are the central governmental practices and processes taken into the rationally constituted reflexive prism of political economy.

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<sup>13</sup> Foucault, *The Birth of Biopolitics*, p. 283. Also see Andreas Folkers, "Daring the Truth", p. 10-15.

<sup>14</sup> Foucault, *Security, Territory, Population*, p. 276.

Therefore, the mode of governmentality advanced by political economy can best be understood as part of “the genesis of a political knowledge that put the notion of population and the mechanisms for ensuring its regulation at the center of its concerns”<sup>15</sup>. By political knowledge should be understood a broad spectrum of knowledge including scientific theories/concepts/arguments, material technologies like statistical and quantified knowledge of population and individuals, and those symbolic ones such as discourses, narratives, habits and styles of thought, systems of representations and cultural believes.<sup>16</sup> Foucault conceives political economy as part of this complex assemblage of political knowledge that targets governing the population and individuals rationally. What Foucault wants to show is the pivotal role of political economy as to the problem and practice of government in the eighteenth century and its role as ‘critical governmental reason’ in the formation of the market as “a regime of truth”<sup>17</sup> for “economic government”<sup>18</sup> or “frugal government”<sup>19</sup> practice.

And it is not economic theory but this place [the market] 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.<sup>20</sup>

Political economy turns the market once understood as “a site of justice or jurisdiction”<sup>21</sup> in the Middle Ages from a natural legalistic and sovereign point of view into a natural and spontaneous order that does not necessitate intervention. The market disregards “any connotations of justice” like just prices and comes to be “a site of truth” that defines, e.g., prices as natural, normal or good.<sup>22</sup> Thus, it is practically the market itself that becomes ‘the regime of truth’ and central point of norms upon which liberal governmentality is based. Political economy becomes essential part

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<sup>15</sup> Ibid, p. 363.

<sup>16</sup> Lemke, *Foucault, Governmentality, and Critique*, p. 28.

<sup>17</sup> Foucault, *The Birth of Biopolitics*, passim.

<sup>18</sup> Ibid, p. 14, 103, 145, 146.

<sup>19</sup> Ibid, p. 28.

<sup>20</sup> Ibid, p. 30.

<sup>21</sup> Ibid, p. 30.

<sup>22</sup> Ibid, p. 31.

or tool of the political rationality of liberal government through its scientific arguments, concepts, representations of subjectivations, statistical data, discourse and historical narratives concerning the market.

For Foucault, then, political economy is not a pure textual, scientific and discursive field without any *practical* connection to reality. Political economy is rather a performative realm in which the political rationality of liberal art of government takes root. For Foucault, classical political economy “as the major form of knowledge”<sup>23</sup> of liberal governmentality is essential to, if not the single source of, its political rationality for which the population is the target and security is the pivotal mechanism. Therefore, Foucault offers a new ground of reading political economy, namely in a way in which “instead of considering it in terms of an archeology of knowledge” we can “consider it from the perspective of a genealogy of technologies of power” that requires the reconstruction of “the function of the text, not according to the rules of formation of its concepts, but according to its objectives, the strategies that govern it, and the program of political action it proposes”<sup>24</sup>.

Overall Foucault understands classical political economy and its key notions such as the market, *homo economicus*, exchange, utility, interest and civil society as the governmental technologies of liberalism. In line with this, political economy in Foucault's analytics of government is not so much an analysis of production, consumption, circulation and distribution of wealth in the capitalist economy as a new governmental reason that reflects upon “the organization, distribution, and limitation of powers in a society”<sup>25</sup>. In other words, Foucault elaborates political economy and its previous forms in cameralism and mercantilism not as economic, philosophical or political theory/doctrine but “as a new way of posing the problems of government”<sup>26</sup>. In this way of characterizing political economy, it appears as ‘knowledge-power’ and “as the correlate of techniques of power”<sup>27</sup>. Political economy as an “analysis-program”<sup>28</sup> offers a “liberal solution”<sup>29</sup> for the

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<sup>23</sup> Ibid, p. 108.

<sup>24</sup> Foucault, *Security, Territory, Population*, p. 36.

<sup>25</sup> Foucault, *The Birth of Biopolitics*, p. 13.

<sup>26</sup> Foucault, *Security, Territory, Population*, p. 68.

<sup>27</sup> Ibid, p. 79.

<sup>28</sup> Ibid, p. 40.

<sup>29</sup> Ibid, p. 37.



practical problems of government of the state, economy, society and, no less, the individual.

In Foucault's understanding of the history of political economy, it emerges in the mid-eighteenth century as 'critical governmental reason' against the reason of state (*raison d'Etat*) and literature of the art of government which was developed under police sciences (*Polizeiwissenschaften*). Foucault's definition of the age of political economy alludes to Kant. In 1781, Kant wrote in the Preface of his *Critique of Pure Reason* that "[o]ur age is, in especial degree, the age of criticism, and to criticism everything must submit"<sup>30</sup>. In a similar vein, Foucault sees that epoch as "an age of critical governmental reason"<sup>31</sup>. Therefore, political economy shifts the problem of government from the question of "[a]m I governing with sufficient intensity, depth, and attention to detail so as to bring the state to the point fixed by what it should be, to bring it to its maximum strength?"<sup>32</sup> as posed by *raison d'Etat* to "[a]m I governing at the border between the too much and too little, between the maximum and minimum"<sup>33</sup>. The problematization of political economy paves the way for "[t]he emergence of [a new] regime of truth as the principle of the self-limitation of government"<sup>34</sup>. "The whole question of critical governmental reason will turn on how not to govern too much"<sup>35</sup>. Therefore, just as the emergence of *raison d'Etat* in the age of cameralism, police state and mercantilism as a result of its secular and anti-naturalist critique of the previous governmental reason of the Christian pastorate which is based on the question of "[a]m I governing in proper conformity to moral, natural, or divine laws?"<sup>36</sup>, political economy provides an "internal criticism of government"<sup>37</sup> that targets 'frugal government' or 'economic government' and "self-limitation of governmental practice"<sup>38</sup> and reason by means of the market and security mechanisms. The critique of excessive governmental reason and practice is commonplace after the mid-eighteenth century and political economy overlaps with this 'age of criticism' by replacing the

<sup>30</sup> Immanuel Kant, *Critique of Pure Reason*, Boston & New York: St. Martin's Press, 1965, p. 9n.

<sup>31</sup> Foucault, *The Birth of Biopolitics*, p. 12.

<sup>32</sup> Ibid, p. 19.

<sup>33</sup> Ibid, p. 19.

<sup>34</sup> Ibid, p. 19.

<sup>35</sup> Ibid, p. 13.

<sup>36</sup> Ibid, p. 18-19.

<sup>37</sup> Ibid, p. 12.

<sup>38</sup> Ibid, p. 17.

“external self-limitation”<sup>39</sup> of the state through law and jurisprudence with a new principle of internal self-limitation of the state through the market and security mechanisms, which together constitute ‘the regime of truth’ for liberal government to maintain the social order and increase national wealth.

The critique of *raison d’Etat* by political economy is the departure point for Foucault in his analysis of ‘critical governmental reason’. Police is the target of political economy because of its detailed and infinite regulations over society and individuals. Police regulations aim to strengthen the state’s force in army and *fisc.*, order society to the minutest detail of human life, command and check the market relations and transactions in order to prevent scarcity and enable abundance. Police power in mercantilism and cameralism requires strong sovereignty and binds each individual’s biological, physical and spiritual mode of existence to state sovereignty. For police, the essential aim is to prevent crises, danger and threats in urban life. Foucault points to the critique of police by physiocracy as the starting point of the new governmental reason led by political economy. The physiocratic critique of police under Colbertism turns the face of government to the countryside and agriculture instead of the urban space, to production and return (profit) instead of the regulated market exchange relations that secure selling cheap and abundance, from intervention to the natural course of things (*laissez-faire*) and free trade.<sup>40</sup>

For Foucault, this shift from the old naturalness of governmental reason in the old Christian pastorate anchored in the divine rule of the individual to the new naturalness of society, population and economy signifies the turning point in the formation of new governmental reason. What classical political economy brings to governmental reason and practice in the making is the principle of self-limitation of government according to a new ‘regime of truth’, and reflections upon physical, mental, psychological, ethical and biological interrelations of individuals which turns them from the collective subjects of the police state into a governable population on civil society level and within their different individualistic modes of existence. In effect, Foucault’s analysis of policing as formalized by classical political economy is rather limited because he only takes up the physiocratic critique of police under Colbertism. If we look at Adam Smith’s

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<sup>39</sup> Ibid, p. 6.

<sup>40</sup> Foucault, *Security, Territory, Population*, p. 342.

*Lectures on Jurisprudence*<sup>41</sup>, we see that Smith adopts the notion of police where he discusses political economy as one of the titles alongside justice, revenue and army in his lectures. Smith in his lectures on police maintains a distinction between 'bad police' and 'good police'.<sup>42</sup> This proves what Foucault says about the fact that political economy does not totally replace police but by criticizing and dismantling its unified structure<sup>43</sup> it re-locates police in the liberal type of governmental reason changing the responsibilities of the state. Political economy as the new 'critical reason of government' becomes scientific knowledge which produces knowledge which is "internal to government"<sup>44</sup> for "good government"<sup>45</sup>. Government and science meet in political economy so as to carve out 'knowledge-power' as part of "general economy of power"<sup>46</sup>.

Where political economy settles down in police and *raison d'Etat*, we find the idea of government. Foucault states that "the general problem of 'government' suddenly breaks out in the sixteenth century with respect to many different problems at the same time and in completely different aspects"<sup>47</sup>. A wide range of new problems were raised in relation to "the government of oneself", "the government of souls and of conduct", "the government of children" and "the government of the state by the prince".<sup>48</sup> Thus, the sixteenth century was the beginning era of government because the problem of government in practical problems outweighed the problem of the rights of sovereignty, reign of the crown or the rule of the powers that be. The newly burgeoning literature called 'the art of government' maintains a distinction between reigning and governing. The motto of the day was

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<sup>41</sup> Adam Smith, *Lectures on Jurisprudence*, Indianapolis: Liberty Fund, 1982. For further elaboration on Smith and police see Ceyhun Gürkan, "Adam Smith'in Police Kavramı" [Adam Smith's Concept of Police], *Felsefe ve Sosyal Bilimler Dergisi [Journal of Philosophy and Social Sciences]*, 16, 2013.

<sup>42</sup> In *The Wealth of Nations*, for Smith, the problem of government is still at the center of political economy. The following definition of political economy shows its close relation with police: "Political oeconomy, considered as a branch of the science of a statesman or legislator, proposes two distinct objects; first, to provide a plentiful revenue or subsistence for the people, or, more properly, to enable them to provide such a revenue or subsistence for themselves; and, secondly, to supply the state or commonwealth with a revenue sufficient for the public services. It proposes to enrich both the people and the sovereign". Adam Smith, *Inquiry into the Nature and Causes of the Wealth of Nations*, New York: The Modern Library, 1994, p. 455.

<sup>43</sup> Foucault, *Security, Territory, Population*, p. 353-354.

<sup>44</sup> Ibid, p. 351.

<sup>45</sup> Ibid, p. 350.

<sup>46</sup> Ibid, p. 30.

<sup>47</sup> Ibid, p. 88.

<sup>48</sup> Ibid, p. 88.

“[t]he king reigns, but he does not govern”<sup>49</sup>. Foucault sees this era as the beginning of governmentality. Governmentality is a complex process from the start of the sixteenth century establishing a general economy of exercising power in which the problem of government gradually becomes the core of politics by displacing the central position of sovereignty.<sup>50</sup> Therefore, the notion of government signifies a mode of power as opposed to sovereignty, in which context governmentality identifies a complex process in which “institutions, procedures, analyses and reflections, calculations, and tactics” develop to allow this new economy of power to function by taking the “population as its target”, “political economy as its major form of knowledge”, and “apparatuses of security as its essential technical instruments”.<sup>51</sup> In addition, governmentality is a historical process “by which the state of justice of the Middle Ages became the administrative state in the fifteenth and sixteenth centuries and was gradually ‘governmentalized’”<sup>52</sup>. We might say that it was in connection with political economy that governmentality with its three dimensions reached its apex in the middle of the eighteenth century: the population as the target of political government, political economy as the form of knowledge that constitutes ‘the regime of truth’ according to which political reason functions, and security as the ensemble of governmental instruments in exercising power according to the new model of ‘biopower’.

## VI

Classical political economy then proves to be a “reflection on the best possible way of governing” or “the reasoned way of governing best”<sup>53</sup> in the age of liberalism. It should be noted that political economy is not a pure scientific reflection on the practice of government external to the practice of government. Political economy as a major form of ‘knowledge-power’ setting ‘the regime of truth’ of political reason that targets to “govern in the best possible way”<sup>54</sup> becomes the correlate of the practice of liberal government and “the level of reflection *in* [not only *on*] the practice of government”<sup>55</sup>. Therefore, political economy as ‘knowledge-power’ in and

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<sup>49</sup> Ibid, p. 76.

<sup>50</sup> Ibid, p. 108.

<sup>51</sup> Ibid, p. 108.

<sup>52</sup> Ibid, p. 108-109.

<sup>53</sup> Foucault, *The Birth of Biopolitics*, p. 2.

<sup>54</sup> Ibid, p. 2.

<sup>55</sup> Ibid, p. 2 (emphasis & bracketed phrase added).

on the liberal art of government is seen by Foucault as “the study of the rationalization of governmental practice in the exercise of political sovereignty”<sup>56</sup>.

As noted, political economy settles down in the age of criticism and the problem of government. Even Kant proclaimed the heart of his criticism in the opening paragraph of “What is Enlightenment?” (1784) as the problem of the government of self. The word “direction” (*die Leitung*) below should be understood as guidance/conduct that is at the heart of Foucault’s notion of government.

Enlightenment is man’s release from his self-incurred tutelage. Tutelage is man’s inability to make use of his understanding without direction from another. Self-incurred is this tutelage when its cause lies not in lack of reason but in lack of resolution and courage to use it without direction from another. *Sapere aude!* “Have courage to use your own reason!”—that is the motto of enlightenment.<sup>57</sup>

The man Kant criticized was no less than a model of man in servitude assuming that the happiness of people was identical with that of the state, as police would have it. Police proceeds upon the idea that the modes of behavior in public and private life such as where to sit in the church, how to dress in different places and times and, no less, marriage life have to be subject to strict regulations and takes for granted that if left to himself, man paves the way for nothing but disorder. Police had strict ethical foundations in Neostoicism and was engaged into security problems for which it chose fabricating preventive measures as the main strategy. This later came to be the critical problematization of classical political economy. The most concrete and important problem of the developing ‘critical governmental reason’ in the age of liberalism proves to be security along side the government of self. Foucault starts his lecture on security in which political economy appears as the ‘critical governmental reason’ and ‘knowledge-power’ with the new problematizations of security in this age of criticism. The practical solutions, theoretical reflections and real governmental practices are all concerned with overcoming the new security problems gone through across different parts of society.

The town is the space where the problem of security (health, hygiene, epidemic, scarcity, poverty, unemployment, crisis, revolt etc.) intensifies. Foucault showing the relation of security with political economy

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<sup>56</sup> Ibid, p. 2.

<sup>57</sup> Immanuel Kant, “What is Enlightenment?”, *Kant Selections*, N.J: Prentice-Hall, 1998, p. 462.

puts the governmental content of political economy in concrete terms. His discussion of the government of security displays the essential features of the reflections of political economy on government. The solutions, proposals, programs and analyses offered by political economy in practical and theoretical manner are called security mechanisms or apparatuses. Foucault particularly sees the physiocratic conception of the economy and the problem of security around scarcity as overlapping with the development of the new governmental reason from the middle of the eighteenth century onwards. Considered as a whole, the governmental technologies that Foucault finds in physiocracy can be put in order as follows: naturalness of society as a biological, economic and political process; population as the new political subject; free circulation and movement of goods and individuals as against the disciplinary enclosure in an artificially structured space; exchange relations of individuals; normal distribution of things (commodities, profit etc.) and individuals as against the disciplinary division between normal and abnormal; the neutralization of events (like scarcity) in the fluctuations of events; *laissez-faire* ('letting things and people take their natural course') as against the detailed and infinite police regulations; spontaneous order; pointlessness of government intervention to market mechanisms; respectful supervision of government as an external force over the market mechanisms; liberal formulation of the state/economy or public/private divide; according privilege to probabilities and consequences of events over pre-determined priorities (*consequentialism*)<sup>58</sup> which requires calculative rationality (like *Tableau Economique*) as against the police state that takes preventive measures to impede bad/negative events in advance; the management of crises, risks and dangers; *homo economicus* as the rational actor and the subject of

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<sup>58</sup> According Giorgio Agamben this philosophy or security apparatus first formulated by Quesnay is the essence of the of (neo)liberal governmentality of our modern society: "Since governing the causes is difficult and expensive, it is more safe and useful to try to govern the effects. I would suggest that this theorem by Quesnay is the axiom of modern governmentality. The *ancien regime* aimed to rule the causes, modernity pretends to control the effects. And this axiom applies to every domain: from economy to ecology, from foreign and military politics to the internal measures of police. We must realize that European governments today gave up any attempt to rule the causes, they only want to govern the effects. And Quesnay's theorem makes also understandable a fact which seems otherwise inexplicable: I mean the paradoxical convergence today of an absolutely liberal paradigm in economy with an unprecedented and equally absolute paradigm of state and police control. If government aims to the effects and not to the causes, it will be obliged to extend and multiply controls. Causes demand to be known, while effects can only be checked and controlled". Giorgio Agamben, "For a Theory of Destituent Power", *Critical Legal Thinking*, 2013, §7.

interest that limits state intervention against the subject of the right characterized in jurisprudence; government of the population in its natural milieu, movements, conditions and material reality; government of individuals through their desires and interests; utilitarian philosophy; economic government (frugal government); and a shift from political economy as wealth analysis of the state finance to political economy as 'knowledge-power' of modern governmentality which requires a comprehensive and quantitative knowledge of the population.<sup>59</sup>

All these are governmental technologies which are formulated by political economy around the new problematizations of security. They are not seen only in physiocracy, but are also observed in different forms of arguments and contexts in other political economy texts. In line with this, Foucault analyses other political economy texts as the part and extension of these governmental technologies and 'analysis-programs'. Jeremy Bentham develops an idea of the Panopticon, which Foucault discusses in *Discipline and Punish: The Birth of the Prison*<sup>60</sup> in great detail, as "the formula for the whole government, saying that the Panopticon is the very formula of liberal government"<sup>61</sup>. Foucault also makes mention of Bentham's idea that distinguishes between the "agenda" and the "non-agenda" which identifies "what to do and what not to do" for government.<sup>62</sup> Foucault considers David Hume as the figure who is opposed to contract theory that reduces the subject of interest (*homo economicus*) to the subject of right/legal subject (*homo juridicus/legalis*) from a juridical perspective.<sup>63</sup> Condorcet is important for Foucault's recognition of the differing relations of *homo economicus* and *homo juridicus* with political power. Accordingly, *homo economicus* is the one who acts out of his own interest in a rather chaotic and unsecured order but unintentionally produces advantages for others and order.<sup>64</sup> This is the very point of Adam Smith when formulizing the 'invisible hand' through which he can show the "non-totalizable" nature of economy and "the unknowability of the totality of the process".<sup>65</sup> For Foucault, 'the invisible hand' is one of the greatest governmental technologies of liberalism. "Liberalism acquired its modern shape precisely

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<sup>59</sup> Foucault, *Security, Territory, Population*, p. 1-86.

<sup>60</sup> Michel Foucault, *Discipline and Punish: The Birth of the Prison*, New York: Vintage Books, 1995.

<sup>61</sup> Foucault, *The Birth of Biopolitics*, p. 67.

<sup>62</sup> Ibid, p. 12.

<sup>63</sup> Ibid, p. 273-274.

<sup>64</sup> Ibid, p. 276-278.

<sup>65</sup> Ibid, p. 282.

with the formulation of this essential incompatibility between the non-totalizable multiplicity of economic subjects of interest and the totalizing unity of the juridical sovereign"<sup>66</sup>. And finally, Adam Ferguson is of great importance in the history of liberal governmentality for his formulation of civil society as "the correlate of a technology of government"<sup>67</sup> through which the essential question of liberalism of "how the economic men inhabiting the field of sovereignty are governable"<sup>68</sup>.

Foucault identifies all these essential figures' well-known notions and arguments in classical political economy in the eighteenth century as the governmental technologies of the liberal art of government. In the late nineteenth century, all these technologies were employed and re-considered by neoclassical economics around the new problematizations of liberal government. However, it is, in Foucault's eye, David Ricardo, who made the radical 'epistemological break' in classical political economy so as to open up a new biopolitical horizon in liberal governmentality which critics, Marx in the first instance, have since taken great pains to surpass with an eye to developing a new biopolitical critique of capitalism; more of which is discussed below.

Among classical political economists, Thomas Malthus receives most attention from the scholars of governmentality.<sup>69</sup> This is due to Malthus' political economy being based on his new conception and theory of population which is central to the birth of modern governmentality. Although Malthus' importance for biopolitics is overt, Smith and Ricardo are still understudied figures in the governmentality and biopolitics scholarship. As this paper draws to a close, I would like to call attention to the critical role of Ricardo in the formation of modern biopolitics and suggest a new way of approaching the classical Adam Smith Problem through the perspective of governmentality.

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<sup>66</sup> Ibid, p. 282.

<sup>67</sup> Ibid, p. 296.

<sup>68</sup> Ibid, p. 294.

<sup>69</sup> See Ute Tellmann, "Catastrophic Populations and the Fear of the Future: Malthus and the Genealogy of Liberal Economy", *Theory, Society & Culture*, 30 (2), 2013; Mitchell Dean, "The Malthus Effect: Population and the Liberal Government of Life" *Economy and Society*, 44 (1), 2015.



The Adam Smith Problem is one of the long-debated subjects still garnering great scholarly attention in the history of economic thought. The problem has so far been largely recognized as the question whether there is an inconsistency between Smith's *The Theory of Moral Sentiments*<sup>70</sup> and *The Wealth of Nations* in regards to human nature. The major tendency in the field of the history of economics runs as an effort to produce an answer to this question which has resulted in two main positions: refusal or acceptance of the problem or equivalently the inconsistency on the basis of varying reasons. However, from the perspective of governmentality, The Adam Smith Problem is not seen as an inconsistency question nor as an issue of discussion of the hitherto proposed solutions. Instead, The Adam Smith Problem should be regarded as the recurrent problematization of Smith from the late nineteenth century onwards.

By extension, the problematization of Smith in economics is not seen limited to Smith's own thoughts from a governmentality-grounded perspective. Instead, it is fair to say that the problematization of Smith in the form of an inconsistency question have since then had powerful formative effects on the discipline of economics, one of the prominent results of which is the separation of social ethics from economic theorizing and the necessity of readapting social ethics of sympathy to self-interest oriented economics. Considering economics as 'knowledge-power' in liberalism, as Foucault suggests, it is also reasonable to argue that the problematization of Smith has conditioned the development of economics in the (neo)liberal art of government influencing human subjectivities and power relations in practice and thereby has certain power effects on the formation of economic thought and life since the late nineteenth century.

Then, the governmentality perspective to The Adam Smith Problem shifts the level of reflection from Smith's texts, without ignoring them, to the political and epistemic conditions of the formulation of the problematization of Smith and its discursive apparatuses. By doing so, it aims to discuss the historical conditions that gave birth to the formulation of the problematization of Smith by asking the following questions: How can this problematization be explained as the problem of liberal art of government? Why was this problematization made in the late nineteenth century and in this way? What were the general social, political and epistemic conditions that gave birth to this problematization? What are its consequences and power effects over economics and human life governed by (neo)liberalism

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<sup>70</sup> Adam Smith, *The Theory of Moral Sentiments*, Indianapolis: Liberty Fund, 1984.

in which economics is 'knowledge-power'? Against this backdrop, the new way of discussion of The Adam Smith Problem might provide a framework to establish links between knowledge-power-ethics in economics making way for a new problematization of the old problematization of Adam Smith which would also help develop an unconventional and contemporary criticism of (neo)liberal governmentality.

As for Ricardo, in the history of political economy and (neo)liberalism, Foucault marks him out as the figure who crafted an 'epistemological break' in economic thinking that laid the foundations of modern biopolitics and economics. Foucault reconsiders Lois Althusser's argument about the 'epistemological break' which he used to characterize a break between Marx's early texts (1840-1845) and later works. Foucault takes the notion of the 'epistemological break' in general to analyze the entire history of political economy by arguing that it was Ricardo, who took the first step to carry out a radical 'epistemological break' in political economy, so much so that even Marx himself, with his own supposed 'epistemological break', gets involved in that of Ricardo. In Foucault's own words, "[w]hatever the importance of Marx's modifications of Ricardo's analyses, I don't think his economic analyses escape from the epistemological space that Ricardo established"<sup>71</sup>. Ricardo's inspiration as to the formation of Marx's labor theory of value is a well-known issue in the history of political economy. At this juncture, Foucault takes the discussion of Ricardo's 'epistemological break' in a new direction in which he identifies Ricardo's break with the past arrangement of economic knowledge.

According to Foucault, Ricardo made the ground-breaking turn in classical political economy with his modification of *homo economicus* through his labor theory of value. Ricardo envisaged *homo economicus* different from Smith who dealt with the *representation* of value through labor. In contrast, Ricardo envisions *homo economicus* not only as one of the technologies of the internal limitation of state power nor should it be seen as a representative agent of labor. Instead, Ricardo conceives the worker as an economic man around his growing productive force who has a finite lifespan in an indefinite time horizon of capital accumulation. The problem of the government of population and the economic man still persists in his

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<sup>71</sup> Michel Foucault, "On the Ways of Writing History", in J. D. Faubion (ed.) *The Essential Works of Foucault. Volume II: Aesthetics, Method and Epistemology*, New York: The New Press, 1998, p. 281-282.

political economy in the context of the reality of life and death.<sup>72</sup> Ricardo's sophisticated theory of labor brings the 'life' and biological traits of worker into the question through which he crafted a new epistemological grid in which "economics finds its principle, but near that perilous region where life is in confrontation with death"<sup>73</sup>. Thus Ricardo's classical political economy is part of modern biopower and biopolitics which are engaged with the demanding task of governing life. Ricardo's political economy opened up a new horizon in liberal governmentality which should be rethought in the time of neoliberalism as we approach the 200th anniversary of Ricardo's *The Principles of Political Economy and Taxation*<sup>74</sup> (1817) in 2017. Alongside the commemorations and wide-ranging reconsiderations of Ricardo's political economy, the governmentality scholarship should steer the discussion in another direction in which the significance of Ricardo's place in liberal governmentality and biopolitics can be accounted for in the face of the ongoing crisis of neoliberal governmentality.

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<sup>72</sup> Michel Foucault, *The Archaeology of Knowledge and The Discourse on Language*, New York, Pantheon Books, 1972, p. 275-286.

<sup>73</sup> Foucault, *The Order of Things*, p. 279.

<sup>74</sup> David Ricardo, *On the Principles of Political Economy and Taxation*, in P. Sraffa (ed.) *The Works and Correspondence of David Ricardo, Volume I*, Indianapolis: Liberty Fund, 2004.

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