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Great Transformations: Karl Polanyi and Nikolas Rose on the shifting fortunes of social strategies of government

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Matthew Adam Wynyard (B.A.)

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Abstract

This thesis seeks to make sense of the emergence of neoliberalism at the close of the twentieth century and the subsequent appearance of Third Way strategies of government in recent decades. In so doing it deals comparatively with the work of two very different, yet nevertheless both increasingly influential theorists of social change - Karl Polanyi and Nikolas Rose. In the middle decades of the twentieth century Karl Polanyi theorized what he held to be the inevitable shift from a market society to one in which the economy was embedded in a web of social relations. Some half century later in the 1990s, Nikolas Rose theorized the 'death of the social', the process by which the social logic that underpinned Western welfare states for much of the twentieth- century is giving way to a new formula for rule. Rose terms this new way of governing advanced liberalism. This thesis argues that an approach to neoliberalism and the third way that employs both Polanyi's analytical and critical tools as well as the insights gained from Nikolas Rose's governmentality studies can help to render neoliberalism both visible and contestable in new ways. Further such an approach might serve to illuminate potential paths forward.

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1. Introduction

The closing decades of the twentieth century bore witness to a profound transformation in the ways in which we, in the West at least, are governed. Gone were the old certainties of the welfare state, with its commitment to full (male) employment, the provision and extension of a welfare safety net, collective bargaining, demand management and state intervention in the economy. In its place, neoliberal strategies of government were taking shape. Within these neoliberal strategies of government the relation of the state and the people is redrawn. The role of the state is greatly diminished, its proper function is henceforth to create and maintain a legal and institutional framework such that it is possible for markets to exist and function; beyond this the state need not venture, for the market is viewed as a superior means with which to organize the economy. Individuals and institutions are to take on a much greater degree of autonomy and self-responsibility, for it is believed that it is through their enterprise and responsibility that individual and national well-being can best be advanced. This thesis is about such transformations, not only this shift - from welfare state to market governance - but also other, earlier shifts in the rationalities of government. For as James Richardson (2001) has noted, by focussing on the historical we might better "locate" neoliberalism by reference to analogous doctrines in earlier periods. Such an approach may also serve to illuminate transformations that may await us on the horizon.

Beginning as way of problematizing the welfare state, neoliberalism remained confined to the realm of ideas until the 1980s at which time it burst forth as a political project rapidly becoming the dominant mentality of contemporary government. As Leitner *et al* (2007) have argued, 'Neoliberalism has become a hegemonic signifier for "best-practice" governance, diffusing from a gleam in Friedrich Hayek's eye to become everyday discourse and practice' (Leitner, Sheppard, Sziarto & Maringanti 2007:1). From its seed in the writings of Friedrich Hayek and Milton Friedman, incubated in various think tanks in the 1970s, burgeoning in Thatcher's Britain and

Reagan's United States, neoliberal thinking has come to be hugely influential, perhaps approximating 'a commonsense of the times'. As Peck and Tickell (2002) have noted, Bourdieu and Wacquant's (2002:2) thus paint neoliberalism as 'a new planetary vulgate' (Peck & Tickell 2002:381), and Thomas Friedman claims that today 'the free market is the only ideological alternative left' (Friedman 2000:104) Similarly, Francis Fukuyama greeted the end of the Cold War and the fall of the Berlin Wall with his announcement of the end of history and the triumph of political and economic liberalism. Neoliberalism, as Peck and Tickell (2002) have noted, seems now to be everywhere.

This is not to suggest that neoliberalism be viewed as a monolithic political project. Rather, as Larner (2003) suggests, there are in fact multiple neoliberalisms; 'it (neoliberalism) arrives in different places in different ways, articulates with other political projects, takes multiple material forms and can give rise to unexpected outcomes' (Larner 2003:511). Peck and Tickell (2002), similarly note the variegated character of various local and national neoliberalisms as well as distinguishing between important historical mutations in the constitution of neoliberal projects, from 'roll back neoliberalism' with an emphasis on marketization and individualization, to 'roll-out neoliberalism', which continues the task of marketization but involves the metamorphosis of the neoliberal project into 'more socially interventionist' or ameliorative forms' (Peck and Tickell 2002:388-389)).[1] As Ong (2007) puts it, the second phase of neoliberalism stressed the individual internalization of neoliberal traits, individual responsibilization becoming the new norm. Alternatives to neoliberalism such as neo-conservatism and the third way emerged at this time. These strategies of government defined themselves by their opposition to neoliberalism, but

1 Wendy Larner (2003) notes three distinct phases of the neoliberal project in the New Zealand context. The first, during the 1980s in which the state withdrew from many areas of economic production whilst simultaneously seeking to preserve and even extend welfarist and social justice goals was followed by a second phase during the early 1990s, in which marketization programmes were extended, but were accompanied by neoconservative, authoritarian social policies. Larner identifies a third phase starting in the late 1990s, this third phase can be characterised by a partnering ethos in both economic and social policy (Larner 2003:510).

nevertheless retained certain crucial neoliberal elements, principal among which were markets and the emphasis on individual responsibilization. Within neo-conservative strategies of government coercive and paternalistic measures are employed to deal with those who are failing to display the capacities of responsible autonomy. Third way programmes by contrast, seek to enable and empower excluded persons to become responsible by providing them with training, by combating discrimination, and by providing child care. [2] These third way strategies of government might best be seen as an attempt to give voice to social justice concerns in an era defined by a narrowed scope for political action. In the paragraphs that follow I will position these strategies of government at the beginning of a path – forming on the horizon – to lead us away from neoliberalism.

The 1990s then, saw neoliberalism acquire a '*diffuse but consolidated* form, its central tenets having been absorbed into a truly hegemonic ideology in the sense that they now infuse mainstream political discourses across much of the developed and developing capitalist world' (Peck & Tickell 2003:175). David Harvey (2006), has noted the widespread acceptance of the benefits to be had from the individualism and freedoms supposedly conferred by a free market, and the acceptance of personal responsibility for one's own well being. For Harvey then, 'there is a sense in which we have all become neo-liberals' (Harvey 2006:*xxxi*). Correspondingly, Leitner, Sheppard, Sziarto and Maringanti (2007) have noted the emergence of a neoliberal subjectivity

> that normalizes the logics of individualism and entrepreneurialism,… making individuals responsible for their own well-being,… Margaret Thatcher's notorious "there is no alternative" seems to be a self-fulfilling prophecy (Leitner, Sheppard,

2 Critics of the third way have argued that it lacks any serious political or intellectual engagement with the challenges of economic regulation and strategy, and that such engagements are practically off limits in mainstream political discourse (Peck and Tickell 2003:177). In these discourses the third way is presented as an extension of neoliberalism. See for example Callinicos (2001) who argues that, "it is tempting to see all the invocations of community and affirmations of values as a kind of kitsch, a caring veneer pasted over the relentless commodification of the world that is the inner truth of the third way" (Callinicos 2001:65), Peck and Tickell (2007), who argue that in Britain at least, the third way is less an alternative to Thatcherism than an extension and elaboration of it, Hall (2005) who has called the third way 'the best ideological shell of neoliberalism' and Perry Anderson (2000) who argues that the third way carefully surrounds neoliberal fundamentals with subsidiary concessions and softer rhetoric.

Sziarto & Maringanti 2007:1-2).

Larner and Walters (2004) note that few terms have captured the social and political sciences quite like neoliberalism, or as Aihwa Ong (2007) puts it, 'in the human sciences, there is widespread agreement that neoliberalism has become the number one force of reckoning for different aspects of contemporary living' (Ong 2007:11), and as such, neoliberalism has attracted considerable intellectual interest.

Such thoroughgoing transformations in the form and content of political, economic and social relations have, not surprisingly, garnered a wide variety of theoretical and analytical responses. Two vastly different but both increasingly influential ways of making sense of these socio-cultural, economic and political transformations are on the one hand, those associated with Anglo Foucauldian governmentalities literature, and, on the other hand, an intense revival of interest in Karl Polanyi's theoretical insights, particularly as laid out in his magisterial work *The Great Transformation* first published in 1944. [3]

This thesis deals comparatively with the work of Karl Polanyi and with the governmentalities literature. Both Polanyi and those working within the governmentalities framework have important, yet oft times divergent things to say about social change that can help us make sense of our times. Whilst Both Polanyi and the governmentalities literature have attracted a great deal of interest in recent years, so far, to the best of my knowledge, no systematic attempt has been made to compare these two bodies of work or to employ their concepts side by side; an endeavour that will provide greater insights into our contemporary neoliberal condition as well as throwing light on changes that may await us in the future. Difficulties abound, whilst the governmentalities literature is contemporary and has explicitly engaged with neoliberalism, Polanyi died in 1964, at which time neoliberal ideas were very much on the margins of mainstream academic and political discourse.

3 References to Polanyi's The Great Transformation are to the third edition published in 2001.

Polanyi's analysis of nineteenth century attempts at establishing a self-regulating remain relevant however, insofar as neoliberalism shares with its classical liberal predecessor a fundamental commonality – 'the belief that if individuals and firms are given the maximum freedom to pursue their economic self-interest, the global market place will make everyone better off' (Block 2001:*xxxiii*).

Karl Polanyi (1886-1964), whose academic output spanned the middle decades of the twentieth century, encountered what he saw as the inevitable shift away from nineteenth century classical liberalism embodied in the notion of a self regulating market. Nineteenth century political economists such as Thomas Robert Malthus (1766-1834) and David Ricardo (1772-1823) had wanted to create a society in which the economy was freed from political and societal constraints. For Polanyi, such an undertaking was both unique to the nineteenth century and moreover, utopian in the sense of impossible. Polanyi, associated with the "substantivist" school in anthropology, and drawing heavily on the work of Richard Thurnwald (1869-1954) and Bronislav Malinowski (1884-1942), held that economic behaviour was, up until the mid-nineteenth century, always embedded in social relations.

> Normally, the economic order is merely a function of the social in which it is contained. Under neither tribal, nor feudal, nor mercantile conditions was there…a separate economic system. Nineteenth century society, in which economic activity was isolated and imputed to a distinctive economic motive, was, indeed, a singular departure (Polanyi 2001:74).

Furthermore Polanyi argued that such a departure was doomed to fail. Self regulating markets never work. As Stiglitz (2001), puts it, the deficiencies of self-regulating markets, 'not only in their internal workings but also in their consequences (e.g., for the poor), are so great that government intervention becomes necessary' (Stiglitz 2001 in Polanyi 2001:*vii*). Polanyi (2001:3-4), offers a concise summary of his argument in the first pages of *The Great Transformation.*

> Our thesis is that the idea of a self adjusting market implied a stark utopia. Such an institution could not exist at anytime without annihilating the human and natural substance of society; it would have physically destroyed man and transformed his surroundings into a wilderness. Inevitably, society took measures to protect itself.

Polanyi saw the economic collapse of the 1930s as bringing to an end the nineteenth- century fantasy that social life could be subordinated to the market mechanism. The turn toward social forms of government that took place in different places in different ways, was inescapable and more than that it marked the return to the way things had always been, As Polanyi put it, man's economy is, as a rule, submerged in his social relations (Polanyi 1957:65).

As has been mentioned above, recent decades have borne witness to the emergence of neoliberalism, the advent of which Polanyi did not live to see. Contemporary scholars have however identified significant similarities between the period of marketization in the nineteenth century that Polanyi criticised and the recent period of neoliberalization. Thus, Joseph Stiglitz, former chair of the Council of Economic Advisors to U.S. President Clinton, chief economist at the World Bank and recipient of the Nobel Memorial Prize in Economics, argues that 'the issues and perspectives Polanyi raises have not lost their salience' (Stiglitz 2001 in Polanyi 1944/2001:*vii*). In fact, Stiglitz adds, 'it often seems as if Polanyi is speaking directly to present day issues' (ibid). As Silver and Arrighi (2003) put it, the belief in 'the magic of the market' propagated in recent decades amounts to 'a low brow version of the nineteenth century utopian belief in man's salvation through the self-regulating market' (Silver & Arrighi 2003:344). For Silver and Arrighi, the revival of interest in Karl Polanyi's work is hardly surprising in the context of late twentieth and early twenty first century neoliberalism. 'It is full of brilliant quotable quotes about the wrong headedness of the

nineteenth century liberal creed that can be (and have been) turned to good rhetorical and analytical use against the contemporary purveyors of that creed - the promoters of the Washington consensus and neo-liberal globalization' (Silver & Arrighi 2003:325). Similarly, in the introduction to the third edition of *The Great Transformation,* Fred Block notes that despite being published some sixty years ago the relevance and importance of Polanyi's work has continued to grow. 'Indeed it is indispensable for understanding the dilemmas facing global society at the beginning of the twenty first century' (Block 2001:*xviii*). Block goes on to provide an explanation of the durability of *The Great Transformation* arguing that it provides 'the most powerful critique yet of market liberalism' a doctrine 'that has come to dominate global politics' (ibid xviii-xix). Kari Polanyi Levitt (2005), Karl Polanyi's daughter, notes that many scholars of various stripes have drawn attention to the importance of Polanyi's insistence that economic policy must be subordinated to broader social objectives, 'His warnings of the perils of subordinating social, cultural and environmental needs to the dictates of the market speak to us as though they were written today' (Polanyi-Levitt 2005:153). [4] Özveren (2007) notes that the 'remarkable growth of posthumous interest' in Polanyi's work looks set to continue, for 'as long as neoliberal philosophies and policies remain in vogue, it is likely that their opponents will turn to the work of Polanyi…and that Polanyi will finally win the larger audience he has long deserved' (Özveren 2007:549).

Özveren goes on to argue that the revival of interest in Polanyi's work emerged as a result of a dual dissatisfaction in the social sciences.

> The common failure of mainstream social sciences and mainstream Marxism tempted some social scientists to look for more promising alternatives that could capture the

4 Sally Randles (2003) has identified a number of respects in which Polanyian arguments have become newly relevant. Principal among which are the parallels that have been drawn between the 'laissez faire premised one hundred years peace and the renewed Thatcher - Reagan sponsored utopian belief in market allocation mechanisms'. Further, the tendency of the contemporary international system to tip whole regions into financial crisis as evidenced in East Asian and Latin America in the 1990's has lead critics of the system to employ Polanyi 'in order to theorize the inherent and dangerous levels of instability evident in the current de-regulated markets for international capital'.

> richer grain of reality. The return to Polanyi as an inspiration for a better interpretation of complex reality first took place in this intellectual environment (Özveren 2007:550).

Correspondingly, Barry Hindess (2007), notes that in the wake of 'the collapse of Western academic Marxism' in the late twentieth century many people turned to Polanyi's work as it seemed to offer 'a less problematic critical perspective on contemporary developments' (Hindess 2007:498). It has been this same frustration with what many saw as ‘the enduring positivism of the social sciences’ and a growing disenchantment with Marxist theory that has contributed to the increasing influence of Foucauldian governmentalities theory (Larner & Walters 2004:3, Rose, O’Malley and Valverde 2006:96).

In two series of lectures delivered at the Collège de France in 1978 and 1979 entitled ‘Security, Territory and Population’ and ‘The Birth of Biopolitics’ respectively, Michel Foucault (1926-1984) introduced the term governmentality. 'While they formed only a minor part of Foucault’s *oeuvre,* his reflections on governmentality have come to exercise a significant influence in the political and social sciences, at least in the English speaking world' (Larner and Walters 2004:3). In these lectures, Foucault ‘defined and explored a fresh domain of research into what he called governmental rationality, or in his own neologism, governmentality’ (Burchell *et al* 1991:1). As Nikolas Rose (1999:3) puts it, Foucault ‘sketched some pathways for analyzing power that were not transfixed by the state or the constitutive oppositions of conventional political philosophy and political sociology’. As O’Malley, Weir and Shearing (1997) note, this emergent governmentality literature, 'a creative and innovative line of writing drawing on Foucault’s lectures has come to form a varied but nonetheless fairly consistent and increasingly influential body of thinking about government as de-centered process' (O’Malley *et al* 1997:501).

At the time of Foucault's death in 1984 neoliberalism was a nebulous phenomena. Following Foucault's death, many scholars have extended his work on governmentality as a means with which

to theorize neoliberalism. This Foucault - inspired governmentalities literature employs Foucault's definition of government as, ‘the conduct of conduct’. Foucault defined government as 'any attempt to shape with some degree of deliberation aspects of our behavior according to norms and for a variety of ends, government here is an undertaking conducted in plural' (Dean 1999:10). Foucault here departs from an understanding of government in terms of a central locus of rule, in favor of an analysis of government that focuses on the multiplicity of governing agencies and authorities, of aspects of behaviour to be governed, of norms invoked, of purposes sought, and of effects, outcomes and consequences (ibid). As Nikolas Rose (1999) puts it, government as the conduct of conduct refers to all endeavours to shape, guide, direct the conduct of others in a variety of settings, ‘whether these be the crew of a ship, the members of a household, the employees of a boss, the children of a family or the inhabitants of a territory' (Rose 1999:3). Rose goes on to show that Foucault’s conception of government as the conduct of conduct also includes, ‘the ways in which one might be urged and educated to bridle one’s own passions, to control one’s own instincts, to govern oneself’ (ibid).

As O’Malley *et al* (1997), Dean (1999), and Larner and Walters (2003) have noted, the term governmentality has been employed in two distinct senses within the vast body of Foucault-inspired literature, In one sense as a means with which to move beyond state centered accounts of how we are governed and in a second more limited sense to demarcate a particular style of government emergent in eighteenth-century Europe, that has been in the process of perfecting itself ever since. In the first sense governmentality is concerned to move beyond the association of government with a monolithic state, and, 'the identification of programs and practices of rule in microsettings including those within the subject' (O’Malley *et al* 1997:501). The governmentality approach, distancing itself from ‘that monotonous genre’ the ‘theory of the state’, thus allows for an analysis of 'the complex and heterogenous ways in which contemporary authorities have sought to

shape and regulate economic, social and personal activities' (Kerr 1999:174). As Rose (1996) puts it, 'the dream or nightmare of a society programmed, colonized or dominated by “the cold monster” of the state is profoundly limiting as a way of rendering intelligible the way we are governed today' (Rose 1996:38). This line of investigation takes as its focus the variety of ‘technologies and practices, materials, agents and techniques that are deployed to put political rationalities, categorizations and programs into effect’ (O'Malley *et al* 1997:502). Following on from Foucault’s ideas on power/knowledge, governmentality in this sense is concerned with the relationship between authority and expertise, the ways in which authority draws upon particular representations and knowledges, particular theories, ideas and philosophies regarding that which is to be governed (Dean 1999:16; Larner and Walters 2003:2).

Whilst the above use of the term governmentality operates at a general level, indicating the relation between government and thought, the second meaning of the term governmentality is a historically specific version of the first meaning. Here, governmentality refers to a specific form of power, the emergence of which Foucault dates to the eighteenth century. The arrival of governmentality thus coincides with the advent of liberalism that Polanyi critically analyzed.

Seen in this way governmentality refers to all the various attempts at different times and in different places 'to apply economy, to set up an economy at the level of an entire state' (Foucault 1991:92). As Dean (1999:19) puts it, ‘this form of power is bound up with a new reality, the economy, and concerned with a new object, the population’. In this way governmentality refers to:

> This ensemble formed by the institutions, procedures, analyses and reflections, the calculations and tactics that allow the exercise of this very specific albeit complex form of power which has as its target the population, as its principle form of knowledge political economy and as its technical means apparatuses of security (Foulcault

1991:102).

Foucault goes on to show that this ‘governmentality’, over time, steadily became the dominant form of power, usurping sovereign and disciplinary forms of power through a process he termed ‘the governmentalization of the state’. As Rose and Miller (1992) put it, 'since the eighteenth century, this way of reflecting upon power and seeking to render it operable had achieved preeminence over other forms of political power' (Rose & Miller 1992:174), so that, ‘now we live in an era of governmentality’ (Foucault 1991:103).

The field of governmentality has seen profound transformations in its methods and its rationality since its emergence in the eighteenth century (Larner & Walters 2004:3). In their analysis of these changes governmentality writers concern themselves not with why things change, but rather with how they change; they do not begin with the 'obvious historical question: what happened and why?' (Rose 1999:20). Rather governmentality studies seek to identify 'historically variable domains within which questions of government have been posed: the ways in which certain aspects of the conduct of persons, individually or collectively, have come to be problematized at specific historical moments' (ibid:20-21). In seeking to categorize these strategies of government some of those working within the governmentalities framework have identified 'a series of distinct - if not sharply delineated or mutually exclusive - problematizations of rule: ways of asking what should be ruled, by whom and through what procedures' (Rose 1993:285). One such theorist, Nikolas Rose, a prominent exponent of the Anglo-Foucauldian governmentalities approach, proposes a tripartite division of liberalism, welfare and advanced liberalism to mark the differences among these new arts of government. This thesis will focus on Rose’s work in particular. In a series of books and articles (some of the latter co-authored with Peter Miller among others) spanning much of the 1990s and into the 2000s, Rose has examined the fortunes of liberalism, the birth and death of the social, the governmental impact of advanced liberalism and the invention of community. Rose’s work thus

shares with Polanyi's analysis a significant focal overlap and therefore conceivably the best opportunity for a meaningful engagement between governmentalities literature and Polanyi's theoretical insights outlined briefly above.

As has been mentioned above, Polanyi offers an account of the advent of nineteenth century liberalism in which the classical economists had attempted to undertake the creation of a self-regulating market. Polanyi argues that such an undertaking was, from the outset, doomed to fail. Thus for Polanyi the turn toward social forms of government in their various guises was inevitable. Nikolas Rose by contrast elaborates an account of the turn toward social strategies of government that takes place through a process he refers to as the birth of, or invention of the social. In Rose's version, over the late nineteenth and early twentieth centuries a new formula for rule is thought into being. Rose variously terms this new formula the welfare state, welfarism or government from the social point of view, within in which quondam non-political expertise becomes linked to the formal political apparatus in new ways. For Rose, whilst the social imperative of government remained largely uncontested for some fifty years, today it is mutating' (Rose 1999:135). Rose argues that the strategies of rule generated under the welfare state have changed fundamentally over the last 50 years, partly in response to a range criticisms of welfare articulated in different ways from across the political spectrum and partly as new devices for governing conduct have proliferated, and that a new formula of rule has taken shape that Rose terms advanced liberalism. [5] Rose views the emergence of advanced liberal strategies of government as symptomatic of 'the death of the social', for Rose the hold of 'the social' over our political imagination is on the wane, serving to "remind us that 'the social' is not an inevitable horizon for our thought or political judgment (Rose 1999:101).

5 Mitchell Dean, another influential exponent of the governmentalities approach, characterizes advanced liberalism as, "a number of different types of government that are assembled from similar elements and resources. These include the contrivance of markets in areas of formerly public provision, the employment of indirect means of regulation such as the calculative technologies of auditing and accounting, the dispersion and individualization of the management of risk, and the construction of multiple forms of agency through which rule is accomplished. Key forms of agency of advanced liberal rule include the consumer and the community" (Dean 1999:209).

Here Rose's contrasts sharply with Polanyi's thesis about the inevitability of the re- absorption of the economic system in society.

Rose's work and the governmentality literature in general 'represents a significant development in current social theory' (O'Malley *et al* 1997:501). [6] As Larner and Walters (2004) have noted, the theme of governmentalities has been taken up enthusiastically in many fields and there has been an impressive flourishing of research in recent years, so that governmentality has become a core concept in a variety of studies (Larner and Walters 2004:3). Larner and Walters go on to note that governmentalities work, 'favouring a view power which is dispersed, in which the state is not a necessary or logical centre but one amongst many historical configurations of government', has proved itself particularly useful in coming to terms with contemporary transformations, at least as they have been played out in 'Western' states (ibid). Correspondingly, Rose *et al* (2006) assert that the fertility of the governmentality approach seems to be demonstrated, particularly in its capacity to render neoliberalism visible in new ways.

Even critics of Rose's work, and the governmentality literature more broadly, have acknowledged the importance of the developments generated in the field. Bruce Curtis (1995), for example, argues that Rose and Miller (1992), 'present a challenging analysis to sociologists of state formation that usefully stresses the importance of the constitution of fields of political intervention and of the role of bodies of knowledge in political administration' (Curtis 1995:576). In an article titled '*Confronting Neoliberal Regimes: the post-Marxist embrace of populism and realpolitik*', Boris Frankel (1997) engages critically with governmentalities work, conceding nevertheless that, 'in their detailed documentation of the new rationalities and technologies implemented by neoliberal

6 Amongst the benefits of the governmentalities approach, O'Malley *et al* (1997) list the avoidance of entanglement in the "largely fruitless metatheoritical debates over such binary oppositions as state and civil society", and the rejection of "hermeneutic explanations that search for concealed mainsprings underlying and shaping forms of rule".

regimes, Rose and other "governmentalists" have many excellent and perceptive insights to offer us' (Frankel 1997:80). Similarly, Derek Kerr (1999), notes that the governmentalities literature 'is undoubtedly thought provoking and addresses important social issues' (Kerr 1999:174).

Whilst Rose's work and that of others working within a governmentalities framework, has enjoyed a largely positive reception, it has also attracted some criticism. Perhaps central amongst these critiques is a concern with the eschewal of criticism in much of the governmentality literature. In evaluating Foucault's lectures on governmentality, Colin Gordon (1991) noted that one of the conspicuous attributes is 'their serene and (in a Weberian sense) exemplary abstention from value judgments'. Academic discourse should not, Foucault argued, be used as a vehicle for practical injunction ('love this; hate that; do this; refuse that…') (Gordon 1991:6). Rather, as Rose writes in the conclusion to *The Death of the Social*, the role of such analysis should not be to praise or blame but to diagnose (Rose 1996a:353). Governmentalities literature is not therefore 'hardwired to any political perspective' (Rose *et al* 2006:101), it is neither 'for' nor 'against' the present (Barry, Osborne and Rose 1996:16). These arguments counterpose themselves to critique at a time when, 'other critical literatures, including Marxism, Feminism and Queer Theory, are under considerable pressure from the ascendance of neo-conservatism and neo-liberalism' (O'Malley *et al* 1997:507-508). [7] Thus, at the very moment that critical insights are needed, governmentalities studies - this increasingly influential means with which to make sense of our contemporary neoliberal condition is looking the other way - rejecting critique as part of the work of social theory. As Wendy Larner (2000) has argued, Foucauldian governmentalities literature could in fact be utilized as a powerful

7 The absence of critical engagement in this literature reflects Foucault's conception of power. Foucault sought to displace "a negative conception of power emanating from the state in favour of a notion of power that is positive, productive and which appears to be in the process of perfecting itself" (Kerr 1999:179). As O'Malley, Weir and Shearing (1997) have noted, governmentality studies have 'consistently characterized criticism as assuming a negative theory of power, power as prohibitory rather than inciting, the texts of criticism, it is argued, neglect the possibility of government operating through the formation of subjects, a positive form of power' (O'Malley, Weir and Shearing 1997:506).

theoretical tool with which to critically engage contemporary neoliberal practices. For Larner, the governmentalities approach, whilst seeking to ‘avoid generating a specific political programme’ aspires to ‘fragment the present’, stressing ‘the complexity, ambiguity and contingency of contemporary political formations’, and thus, ‘maximising possibilities for critical responses and interventions’ (Larner 2000:12). Similarly, O’Malley *et al* (1997) note that the governmentalities approach provides the necessary 'conceptual and analytical equipment for a close critical engagement between theory and political practice'. Furthermore the approach opens up 'everyday and institutional programmes for critical and tactical thinking' as well as providing a vast amount of 'empirical work in which interventions can be examined and thought out' (O’Malley *et al* 1997:503). Whilst acknowledging that some criticism is evident within this approach, O’Malley *et al* (1997) contend that ‘both its extent and its form are limited’ (ibid:507).

O’Malley *et al* (1997:507), go on to argue that the governmentality literature 'lacks Foucault's own passionate engagement with the social movements of his/our time'. Whilst Foucault insisted on separating his academic pursuits from his political life as a citizen, he nevertheless produced a corpus of directly political interviews and writings that served to condition the reader of his academic texts (ibid). 'No parallel political corpus exists in the governmentality literature'...moreover 'the rhetoric deployed in recent governmentality literature appears more neutral than that of Foucault' (ibid). Correspondingly, Boris Frankel (1997) argues that the work of the governmentality theorists is ‘unsatisfactory’ because ‘they have no political or economic theory to give substance to their analysis of the technologies of rule’ (Frankel 1997:91). Governmentality thus appears ambivalent to both criticism and politics at a time when the relentless marketization of everything that lies at the heart of ascendant neoliberalism is producing ‘an intensification of misery and impoverishment’ (Rose 1996:59). As Derek Kerr (1999) has argued,

> the zone of research labeled Foucauldian governmentality... is undoubtedly of political import, but it needs to be rethought from a political perspective that reasserts the socialist critique of the tyranny of the market (Kerr 1999:197).

In this context, an encounter that utilizes Polanyi's theoretical insights, replete with both criticism and an overt politics and Rose's value - free diagnosis of the fortunes of liberalism, welfarism and advanced liberalism might prove useful. It would lend the governmentalities literature a critical and political edge. Of central importance to any such encounter would be the role of the social, pronounced dead by Rose, yet always awaiting reincarnation in a Polanyian take with its characteristic insistence on the necessity of a social field.

Boris Frankel (1997) argues that Rose and the other governmentalists over emphasize the degree to which neoliberal regimes are based upon self regulating individuals and thus fail to analyze why advanced liberalism is an unsustainable mode of regulation. Frankel asks what level of environmental destruction and economic crisis might prompt the development of a new politics that would prove more durable than the welfare state or government through community, he goes on to lament the fact that the very important and difficult task of political transformation and the corresponding minimization or abolition of ecologically destructive production and consumption is probably doomed to fail, if confined to the detached, diagnostic descriptions of advanced liberal forms of rule that characterizes the work of governmentality theorists (Frankel 1997:91-92). Here, Polanyi's insights about the human and environmental costs of allowing markets to self-regulate, and his insistence 'that human beings should use the instruments of democratic government to control and direct the economy to meet our individual and collective needs (Block 2001:*xxxviii*), may have something to add to the rich vein of research generated by Rose and his contemporaries.

Rose *et al* (2006) note that the governmentalities literature is concerned not with 'why certain things happened, but [with] how they happened and the difference that that made in relation to what had gone before' (Rose *et al* 2006:101). Derek Kerr (1999) notes, the literature therefore 'cannot explain why the form and practices of government change when they do, nor can it account for the changing limits of government, apart from noting the mere fact that government often fails due to unplanned outcomes, misapplication of techniques, etc' (Kerr 1999:196). Polanyi's work, with its characteristic insistence on the impossibility of free market capitalism and the *necessity* of some form of socio-political embedding of the economic may help to provide solutions to the 'why?' absent in much of the governmentalities work.

A formulation that draws on the work of both Rose and Polanyi might help to overcome some of the difficulties in applying Polanyi's now more than 60 year old insights to contemporary shifts and changes. Polanyi's optimism about the end of market liberalism seems somewhat overblown when backlit by the neoliberalization of the past two decades. Furthermore, As Silver and Arrighi (2003:326) have noted, 'Polanyi saw "The Great Transformation" as a singular episode, he does not "tell the story" in a way that facilitates the kind of comparative world historical analysis that would be needed in order to map the alternative paths that are now potentially open (or closed) to navigation through human agency'. As has been mentioned above, Polanyi lived until 1964, at which time economic activity had been reabsorbed in the social mantle. 'Consistent with Polanyi's expectations - albeit short of his full hopes - some significant restrictions were put on the commodification of labor, land, and money in the decades immediately following the second world war' (Silver & Arrighi 2003:326). In the latter years of Polanyi's time, economic liberalism was, within conventional political and academic discourse at least, all but obsolete. As one commentator of the times put it, 'there are few free traders in the present day world, no one pays any attention to their views, and no person in authority anywhere advocates free trade' (Viner 1947 in Ruggie

1982:262). Rose, writing in the present has been privy to a further development in liberalism, one that has belied Polanyi's assertion that his age would have undoubtedly seen the end of the self-regulating market. Rose's work, detailing the rise of advanced liberal strategies of government and the subsequent 'rather unexpected' emergence of ideas surrounding associationalism, communitarianism, civil society, a revived civic republicanism, or the 'third way' may open up a space for Polanyi's conception of an inevitable re-embedding of the economic in some form of social relations to become newly applicable. Rose himself notes that just as the social appeared at the turn of the nineteenth and twentieth centuries as an antidote to the individualization and fragmentation left in the wake of industrialization and urbanization; so too community appears, phoenix like, as a response to the fragmentation left in the wake of two decades of marketization (Rose 2000:161). The ethico- spatial field of community valorized in third way strategies of government amounts to a measure of commitment to a set of shared values, norms and meanings; limited in comparison to those of the social but nevertheless providing some degree of situation to the atomic, isolated individual forced to seek personal advantage in a post social universe (Rose 1999a:484). The turn to community as an antidote to the atomizing and individualizing effects of two decades of neoliberalization embodied in the proliferation of various third way strategies of government in recent years might represent the nascency of a latter day Polanyian double movement, or perhaps the starting point of the resurrection of the social.

In this thesis I will show that an approach to neoliberalism that employs both Polanyi's analytical and critical tools as well as the insights gained from Nikolas Rose's governmentality studies will help to render neoliberalism both visible and contestable in new ways. Such an engagement will improve both theoretical approaches. It will help to provide governmentalities work with a critical voice that it has so far lacked, whilst simultaneously facilitating the transplantation of Polanyian concepts into contemporary situations. For whilst nineteenth century liberalism and neoliberalism

share much, there are also important differences, differences that governmentalities literature is uniquely placed to identify. In chapter two I will outline Rose's account of the birth and death of the social, the development of advanced liberalism and what Rose sees as the rather unexpected turn toward community, a space that exists somewhere between the market and the state (Rose 1999:167).

In chapter three I will compare Rose's account with that of Polanyi. I will contrast Rose's focus on the strangeness of the past and the contingency of the present with Polanyi's emphasis on inevitability. I will argue that whilst Rose may be correct insofar as the social, as it manifested in the so-called Keynesian consensus and the welfare state may not be 'an inevitable horizon for our thought and political judgement' some form of social embedding of economic processes is necessary. That is to say whilst 'the social' as we have experienced it in the past may not be inevitable, 'a social', some degree of unity of motives is inevitable. In this context I will show that the emergence of community, is not, as Rose puts it 'unexpected', but rather represents an inevitable response, certainly limited perhaps even feeble, to the atomization and individualization effected by two decades of neoliberalization. Here we may be witnessing the first tentative steps towards an inevitable re-embedding of the economic into some wider set of social relations.

Rose holds the social to be dead; the era in which the state was 'both orchestrator and guarantor of the well being of society and those who inhabited it' (Rose *et al* 2006:91), a thing of the past. Polanyi, on the other hand, insisted on the need for state planning and intervention. In chapter four of this thesis I will demonstrate that the tensions between Rose and Polanyi's positions, reflect wider tensions within the field of liberalism itself. I will show that liberalism has moved forward through a series of oscillations between contending positions. Forms of liberalism, on the one hand, which hold notions of individual liberty as a supreme value, animated by a fear of control by the

state, and reformulations of the liberal project on the other hand, which imagine a more positive role for the state as enabler, as guarantor, as a means with which to help individuals realize their potential in the context of industrial society (Richardson 2001:37). Central here is the lofty principle of freedom. Freedom is the supreme political value in liberalism and, in many ways the unifying principal within liberal ideology. However, as Heywood (2002:31) has put it, 'although liberals agree about the value of liberty they have not always agreed about what it means for an individual to be free'. There are thus competing conceptions of freedom, the presence of which we can see in the overlapping yet significantly different understandings of freedom offered by Rose and Polanyi.

Freedom is a concept of central importance to the work of both Rose and Polanyi, both theorists employing differing conceptions of the notion. Rose values the freedoms generated under advanced liberal strategies of government (See Kerr 1999:184), that is freedom as autonomy, 'no longer freedom from want, which might be provided by a cosseted life on benefits', but rather, 'the capacity for self realization which can be obtained only through individual activity' (Rose 1999:145). Rose's is a libertarian conception of freedom, opposed to all 'that which blocks or subverts the capacity of others asserting for themselves their own vitalism, their own will to live through the active shaping of their lives' (Rose 1999:283). Polanyi too places a high value on the freedoms generated under the market system, arguing that nineteenth century liberalism produced freedoms that we prize highly: the freedom of conscience, freedom of speech, the freedom of association. However, Polanyi continues, bad freedoms were also produced, the freedom to exploit one's fellows, the freedom to make inordinate gains without commensurable service to the community for example, and that governmental regulation aimed at socially embedding economic processes can limit the bad freedoms and extend the positive freedoms to all members of society 'regulation both extends and restricts freedoms; only the balance of the freedoms lost and won is significant' (Polanyi 2001:262). Polanyi argues for kind of freedoms that can only be achieved

through collective action undertaken by government, the freedom from want, the freedom for all members of society to have their right to live guaranteed by an intervening state. Thus where Rose holds to a conception of freedom from the state, Polanyi adheres to a notion of freedom by the state.

I aim to show that both Polanyi, and Rose's theoretical insights offer us perceptive ways with which to analyze social change. I will show that whilst Rose is correct insofar as the form and content of various strategies of government change, contingent on a whole array of local and temporal specificities, these changes have a historical symmetry that resonates with Polanyi's ideas about the inescapable reality of society. I will show that the social - prematurely pronounced dead by Rose - has a remarkable tenacity, and one that is likely to be demonstrated with the looming clouds of recession or possibly worse likely to bring about some fundamental transformations in the ways in which the economy is instituted in social relations.

2. The birth and death of the social: changes in the methods and rationalities of governing

For Nikolas Rose, 'the social as a plane of thought and action, has been central to political thought and political programmes since the mid-nineteenth century' (Rose 1996a:327). ‘The social’, in Rose’s work, refers not to ‘a given repertoire of social problems’ we are not, as Deleuze (1979) informs us 'talking here merely of the adjective ‘social’ that has come to be applied to all those phenomena with which sociology deals' (Deleuze 1979 in Rose 1999:101). Rather, for Rose, the social refers to, 'a way in which human intellectual, political and moral authorities, within a limited geographical territory thought about and acted upon their collective experience for about a century' (Rose 1999:101). In the following paragraphs I will discuss Rose's account of the development of social strategies of government in which the thoughts and actions of a vast array of non political actors and authorities, various experts capable of speaking and enacting truth about human beings in their individual and collective lives is gradually linked up to the apparatus of the state (Rose & Miller 1992:191; Rose 1996:48). Rose’s account of the development of the social is focused on the experiences of, first and foremost Britain and the U.S.A.

Rose argues that central to the emergence of a social domain in the nineteenth century was a transformation in the ways in which the collective existence of a national population was understood. Over the course of the nineteenth century nations came to be understood in terms of ‘populations of individuals with particular characteristics, integrated through a certain moral order’ (Rose 1999:101). From the mid-nineteenth century onward ‘events, decisions and actions in the economy, the family, the private firm and the conduct of the individual’ would be regulated, shaped in relation to this moral order, whilst simultaneously their self responsibility and autonomy would be upheld. As Rose *et al* (2006) have noted, nineteenth century liberal governmentalities of rule

stressed the limits of the political, and thus, 'a whole array of non-political actors and forms of authority-medics, religious organizations, philanthropists, and social reformers' would be utilized 'in governing the habits of the people' (Rose *et al* 2006:91). Initially at least, these various interventions into the economy, the family, the firm or the life of the individual did not answer a single logic; nor did they amount to a systematic programme of 'state intervention' (Foucault 1980 in Rose 1999:101). Rather, these various non-political actors, or 'independent reformers' came to identify a range of problems, 'frictions and disturbances-epidemics and disease, theft and criminality, dangerous and endangered children, pauperism and indigence, insanity and imbecility, the breakdown of marital relations, overcrowding in the towns and so forth' (Rose 1999:101-102). [8]

Gradually, through the efforts of these 'independent reformers' these problems and pathologies are recast as moral problems, with consequences for society as a whole. This was, Rose argues, joined up to new ways of thinking about the states role in governing the conduct of the individual citizen in the interests of national well being. Rose argues that, despite the oft stated liberal commitment to minimal government or 'government from a distance, it came to be seen that, 'even a liberal state must take some steps to actively govern the moral order of its citizens, to create citizens who would govern themselves' (Rose 1999:102).

For Rose, of central importance here was the separation of the economy from the moral domain in the early nineteenth century. Classical political economists argued that the economic order comprised it's own internal laws and causalities and thus political interventions upon it were to be limited, it would be (to use language that will become familiar in succeeding chapters) disembedded from political constraint and be left largely to self regulate in accordance with the principles of

8 For Nikolas Rose, one of the defining features of nineteenth century liberalism was a new relation between government and expertise. As both Rose and Hacking (1991) have noted, the middle decades of the nineteenth century bore witness to 'an avalanche of numbers' a vast proliferation of statistics and other information disseminated by a dispersed array authorities and experts. By utilizing the efforts of these various experts the state was able to retreat and govern from a distance in accordance with the oft stated liberal disdain for interventionist government.

laissez faire. The moral domain on the other hand came to be viewed as ‘a proper territory for action by politicians, the churches, philanthropists and others’ (Rose 1999:103). Rose goes to show how the middle decades of the nineteenth century saw the invention of a whole multiplicity of ‘moral technologies’ that took as their task the shaping of the character and conscience of those who were to be moral subjects and hence to mould their conduct (ibid). What Rose terms ‘the great machines of morality’ that proliferated at this time sought to manufacture subjectivity in accordance with certain norms of civilization. On one level mass public schooling would seek to shape the character of the labouring classes, instilling in them the ‘corporeal and moral habits of industriousness and obedience’ (Rose 1999:104) so that they would become, ‘good servants - good tradesmen - good fathers - good mothers and respectable citizens’ (ibid). Correspondingly,

> new regimes of the body - its purity, its hygiene, its sexual continence were to address problems posed in terms of sexuality, disease, and virtue. New regimes of the intellect-numeracy, literacy, calculation-were to instill foresight, prudence and a planful relation to the future (Rose 1999:104).

On another level, a diversity of moralizing institutions would be rolled out in order to ‘collect and confine’, and in some cases to correct and coerce those, who, for whatever reason, violated the norms of respectable citizenship; here belong the prisons, asylums and the various re-moralizing institutions for wayward children. Furthermore, Rose argues that, in very different ways, institutions as diverse as hospitals and bathhouses, public parks and municipal swimming pools, zoos, libraries and botanical gardens were created in order to modulate the moral character of the population (Rose 1999:103-105). In short, Rose argues that over a short period of time in the mid nineteenth century, 'the conduct of individual members of the population became the object of philanthropic, medical, architectural and hygienic programmes, and the moral domain became traversed by innumerable interventions, from industrial schools to sewers, from police forces to lady missionaries, from friendly societies to model housing schemes' (Rose 1999:106). During the late nineteenth century

many of these forays into the moral domain acquired legal form, Rose here refers to a raft of 'seemingly illiberal acts of legislation': restrictions on child labour; the establishment of various punitive or reform institutions; compulsory vaccination programmes; factory inspection and so on (Rose 1999:112).[9] It was through these various interventions that nineteenth century liberalism was rendered operable.

The emergence of a social imperative for government

By the beginning of the twentieth century - the date being, as Rose puts it, 'simply a convenient marker for a threshold achieved through a whole variety of shifts occurring in different places at different times over the second half of the nineteenth century' (Rose 1999:112) - various commentators came to argue that these interventions into the moral domain were inadequate for the task at hand. It was argued, from a variety of perspectives, that this dispersed, even haphazard array of philanthropic and disciplinary projects for avoiding demoralization and maintaining the moral order was failing to address the problems of social fragmentation and individualization; the evidence of which was being bought to light by the social sciences in terms of suicide, crime, anomie and alienation (Rose 1996:47-48).

> Further, economic affairs - in particular the uncertainties of employment and harsh conditions of factory work - had profound social consequences that had not been alleviated by the vestigial constraint of factory legislation and the like - they damaged health, produced danger through the irregularity of employment and encouraged the growth of militant labour (Rose 1996:48).

Through a process that Rose calls 'the invention of the social', forms of expert government 'from a distance' came to be linked up to the formal political apparatus. As Rose *et al* (2006) have noted,

9 In the New Zealand context, this might be the right place to locate the 'illiberal' policies of New Zealand's first Liberal government, who held office from 1891-1912, such as the Industrial Arbitration and Conciliation Act, Old Age Pensions Act, Public Health Act and Workers Dwellings Act.

strategies of social government began from the argument that relying on non-political actors and authorities to govern the habits of the people was proving insufficient in warding off the twin dangers of individualism and the anomie it caused, or, socialist revolution and the dangers it entailed (Rose *et al* 2006:91). 'Government, from this point onwards would have to be conducted from the social point of view, and these obligations had to be accepted by the political apparatus itself' (Ibid). For Rose, during the early decades of the twentieth century, the state came to be seen as responsible for providing protection to individuals and their families from the wildest swings of economic fortune, and 'the worst effects of unbridled economic activity' (Rose 1999:120). Furthermore, the state would, from this time onwards, 'act so as to enhance the opportunities for the social promotion of individuals through their own action' (ibid). The state would henceforth act to ameliorate the problems caused by the imperatives of profit whilst simultaneously upholding the principles of private property.

Nikolas Rose (1999) argues, that, a whole array of social problems - 'the health and safety of workers, the education of paupers, the regulation of hygiene' would from this time onward, 'be addressed and ameliorated discretely, administratively' (Rose 1999:123). Various experts of the social, social workers, police officers, clinical psychologists, general practitioners, school teachers, public servants henceforth integrated into the state machine, replete with new institutional supports, various state schools, juvenile courts, government departments, police stations, unemployment exchanges, baby health and family planning clinics would act to formulate social problems in a soluble way and develop responses to them (Dean 1999:52-53). Rose goes on to show how feminists would deploy the social in the name of the rights of women, how mass schooling becomes the key mechanism for the promotion of social citizenship - a way with which to promote social civility and peace. Furthermore Rose argues that concerns about inequality and poverty come to be seen as social problems, transferred out of the political sphere. 'Upon this imagined territory of the

social, upon the presupposition of its existence, its relations with the economy and the machinery of production, its necessity, its inescapability, welfare states, in their different forms and with their different specific histories, took shape' (Rose 1999:123).

By the middle decades of the twentieth century many western nations had converged upon a broad consensus, 'that the economy was not inviolable, but was a system whose inherent rationality was limited and partial; it must brought to its social optimum with the help of state intervention' (Rose 1999:127). Over the succeeding decades, Rose continues, new indexes of economic activity were invented that would render the economy answerable to social management, correspondingly, new forms of macro-economic regulation were established (ibid). 'In these strategies of government, the domains of the economic and the social were distinguished but governed according to a principle of joint optimization' (ibid). This new 'Keynesian' conception involved a thoroughgoing reformulation of the role of the national governments. National governments would, from this time on, have to 'play an active part in reshaping economic conditions for social ends, advised by disinterested social scientific and economic experts and effected through a rational administration' (ibid). Variations notwithstanding, [10] these strategies of government, that Rose and Miller (1992) have labeled 'welfarism' are, 'structured by the wish to encourage national growth and wellbeing and the mutuality of social risk' (Rose & Miller 1992:192).

For Rose (1996), this 'welfarist' formula of government relies on two key technologies, social

10 Gøsta Esping-Andersen's (1990) work, *The Three Worlds of Welfare Capitalism* remains perhaps the most influential of attempts to classify various strategies of social government subsumed under the heading 'welfare'. Esping Andersen laid out three main types of welfare state clustered in relatively specific geographical locations, conservative (continental Europe), social democratic (Scandanavia), and liberal (Anglophone countries, the U.K., the U.S.A., New Zealand, Canada and Australia). Subsequent work has sought to add potential fourth worlds variously in the Antipodes, East Asia, or Southern Europe.

insurance, inclusive and solidaristic, and social work, individualizing and responsibilizing. [11]

> Social insurance is an inclusive technology of government. It incarnates social solidarity in collectivizing the management of the individual and collective dangers posed by the economic riskiness of a capricious system of wage labour, and the corporeal riskiness of a body subject to sickness and injury, under the stewardship of a "social" state (Rose 1996: 48).

The 'welfare state' takes responsibility for a whole plethora of risks - risks to individuals, risks to employers and risks to the state itself, through various techniques of social insurance; unemployment benefits, accident insurance, health and safety legislation on the one hand, and a variety of forms of economic government; tax regimes, interest rates and other forms of 'demand management' on the other (Rose 1999:127-128). When married up to other regulatory devices, public housing schemes and laws on child care, for example, techniques of social insurance serve to weaken the autonomy of both familial and economic zones, 'new vectors of responsibility and obligation took shape between state and parent, child or employee' (Rose 1996:49).

Correspondingly, social work acts to attach the responsibilities of citizenship to individuals who, for whatever reason can not or will not participate in society in accordance with social norms. Social work acts, Rose writes, not on society as a whole, but rather, on specific problematic cases, judged pathological in relation to social norms. Various corrective institutions, the juvenile court, the school, and the child guidance clinic act to correct deviant behaviour, targeted - not at the atomized individual citizen - but rather at individuals associated within the model of the family. 'The family, then, was to be instrumentalized as a *social machine* - both made social and utilized to create sociality - implanting the techniques of responsible citizenship under the tutelage of experts and in

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11 Correspondingly, Donzelot (1991) argues that welfare relies on two key strategies. "(A) by enlarging opportunities, by the social promotion of the individual, it acts as a force for emancipation, and creates freedom. (B) by reducing risks, by the promotion of the social and corresponding limitation of the irrationalities of the economic, it acts as a force for socialization, and creates collective security" (Donzelot 1991:174).

relation to a variety of sanctions and rewards' (Rose 1996:49).

The goal of these normalizing interventions, was Rose argues, the construction of an altogether new type of human being, a social citizen whose character was shaped by social influences, and whose personnel problems and pathologies could largely be explained by environmental influences. To exemplify this, Rose (1999) points to shifts in the administration of criminal justice. The criminal justice system came to presuppose that penal measures must be based on an 'understanding' of the pressures that had led to offending, and should be aimed at reform through the use of a quasi-therapeutic penal system - especially in the case of juvenile transgressors (Rose 1999:133). Correspondingly, childhood problems came to be seen in terms of the influences of the family environment upon the child's constitution, child guidance clinics stepping in with advice where deemed necessary. Even poor performance in the workplace, such as absenteeism and inefficiency came to be understood in terms of the social relations of the workplace, and addressed by acting upon the social bonds that produced satisfaction or dissatisfaction (Rose 1999:133-134). Rose goes on to show that the individual citizen also became social in an ethical sense. 'The individual citizen had not only acquires civil, political and social rights, but also ethical obligations that accompanied them' (ibid). The social citizen was now duty bound to live their life in accordance with 'a constant normative social evaluation of duties and responsibilities' (ibid). 'The subject of welfare was a subject of needs, attitudes and relationships, a subject who was to be embraced within, and governed through, a nexus of collective solidarities and dependencies' (Rose 1996:40). By contrast to the haphazard and diverse array of moralistic, philanthropic and disciplinary projects that for Rose rendered nineteenth century liberalism operable, social government involves the wide extension of the political sphere as a whole plethora of experts come to be linked up to the state apparatus. 'But in becoming so integral to the exercise of political authority, experts gain the capacity to generate 'enclosures', relatively bounded locales or fields of judgment within which

their authority is concentrated, intensified and rendered difficult to countermand' (Rose 1996:50).

This 'welfare' or 'social' state, as it developed over the late nineteenth and twentieth centuries was, Rose argues, grounded on the premise that it was possible to improve the conditions for 'all forces and blocs within society'. Regulation of the economic could be used to 'ameliorate the hardship of the worst off', whilst at the same time, 'reinforce the security and individual freedom of the better off' (Rose 1999:135). This would, Rose continues, simultaneously provide the legitimacy for a whole range of interventions aimed at confining or correcting those who either would not or could not give assent to this social contract. 'It thus seemed possible to bind all strata and classes into an agreement for social progress for which the state was, to a greater or lesser extent (this would be the political territory fought over for some fifty years), the guarantor' (ibid). This was a formula for rule somewhere between the unfettered competition of classical liberalism on the one hand, and socialist revolution on the other. [12] This 'government from the social point of view' embodied in the ethical ideal of a welfare state remained relatively uncontested in the liberal democratic or 'western world for some fifty years. During the closing decades of the twentieth century however, the hold of the social over our political imagination weakened (Rose 1999:136), so that now, 'the social is no longer a key zone, target and objective of strategies of government' (Rose 1996a:327). In the paragraphs that follow we will see how Rose theorizes the shift from welfare state to market governance in terms of the death of the social. For Rose the era in which we were governed according to a social logic is past and a new strategy of government has emerged.

Towards advanced liberalism: the detotalization of the social imperative

In *The death of the social? Refiguring the territory of government* (1996), Nikolas Rose argues that

12 Donzelot (1991), argues that the principle of the welfare state relies on a strategy of dispelling hostilities between liberals and communists, traditionalists and revolutionaries (ibid).

'the social' in the sense in which it has been explored above, has, over recent decades, undergone a transformation. 'The conditions for this mutation, and the correlative emergence and proliferation of 'advanced liberal' programmes of government under a variety of different national political regimes is heterogenous and dispersed' (Rose 1996a:330). The broad consensus assembled behind the notion of a social state began to unravel as critics from all parts of the political spectrum problematized the logics of social government. One 'leftist' critique of the social concerned itself with a critique of what Donzelot (1991) has called 'the unitary language of the social order'. This line of criticism, with its origins in the 1960s is associated with the movements for social and cultural emancipation and the politics of difference. The social state is, in these discourses framed as, 'a paternalistic mechanism of social control'. [13] The various movements for freedom that emerged in the 1960's, the Berkeley Free Speech Movement for example, or the various student protests that erupted in 1968, '68er-Bewegung' in Germany, the May 1968 protests in Paris, were rooted in calls for greater personal liberties, freedom from parental, educational, corporate, bureaucratic, and state constraints. [14] The welfare state, with its one size fits all approach, came to be criticized for obscuring difference, restricting individual freedom, and the full recognition and expression of particular identities.

These criticisms of the welfare state were joined by criticisms of professions and expertise. Some feminists for example had called for new ways of addressing women's health issues in the face of a male dominated medical profession, 'which was shown to objectify and discipline women's bodies in a patriarchal manner, exclude women as healers, and achieve dominance over female occupations

13 Mitchell Dean (1999), shows how welfare was criticized for relying on "a uniform provision, that is bureaucratic, hierarchical, sometimes coercive and oppressive, and often unresponsive to the needs and differences of individuals and communities" (Dean 1999:153-154).

14 David Harvey (2005:41) argues that whilst these movements maintained a commitment to social justice, the emphasis on individual wants, needs and desires is not entirely compatible with the imperatives of social justice, which presupposes solidarity and the sacrifice of at least some measure of personal liberty for the greater good. Thus, libertarianism, identity politics and multiculturalism begin to split from the 'traditional left', the trade union movement for example.

such as nursing' (Dean 1999:154). What became important in these discourses was the reclamation of control over one's own body and 'the reassertion of autonomy and rights of self determination' (ibid). As Rose (1996) puts it, 'clients of expertise…came to re-conceptualize themselves in terms of their own will to be healthy, to enjoy maximized normality' (Rose 1996:52). These clients of expertise came to organize themselves into associations to protest the powers of expertise, protesting against relations that now appeared patronizing and demeaning (ibid).

These arguments for greater personal freedoms and a politics of voice and representation were joined by economic criticisms of social government embodied in the welfare state articulated in different ways by critics on the left and the right. Some of those on the Marxist left problematized the welfare state for failing to maximize equality and minimize poverty, insecurity and ill health. Rose notes that many on the Marxist left argued that, 'public expenditure on health, housing and security were largely paid for by the poor and largely benefited the middle classes, that measures intended to decrease poverty had actually increased it and attempts to advantage the deprived actually locked them further into disadvantage' (Rose 1999:141).

Neoliberal critics attacked the 'excessive government', that had developed in the post war period with large bureaucracies, welfare programmes and interventionist social engineering (Rose 1999:140). These neoliberal critics drew extensively on Friedrich Von Hayek's arguments, as put forth in his (1944) work, *The Road to Serfdom.* Hayek argued that the interventionist state was both inefficient and self serving, and that it invariably embarked nations on the path toward totalitarianism. Interventionist states were, in Hayek's view, 'subversive of the very freedoms, democracies, and liberties they sought to create', For Hayek, 'the only principles upon which true freedom can be based are those of classical liberalism' (Rose 1996:50, 1999:137). [15] Closeted in

15 Drawing on Foucault (1979), Gordon (1991) and Burchell (1996), Rose demonstrates that for Alexander Von Rüstow and the group of German jurists and economists known as the *Ordoliberalen,* a return to classical liberalism was not the answer. They argued that the market was not some quasi natural territory that once freed would constrain government to the practice of laissez faire, rather, it was the role of government to 'conduct a policy toward society

‘think tanks’, such as the London based Institute for Economic Affairs, or the Washington based Heritage Foundation or clustered around Milton Friedman and Gary Becker at the University of Chicago, these neoliberal critics problematized big government. They argued that the economic difficulties of the day were the natural outcome of oversized government and interference in markets. Excessive government produced large and expensive bureaucracies leading in turn to excessive rates of taxation all at the expense of the ‘productive private sector in which all national wealth was actually produced’ (Rose 1996:51). Rose (1999:141) notes corresponding 'attacks on the arrogance of governmental overreach and warnings of imminent government overload', as well as 'diatribes against the inefficiencies of planning in picking winners counterposed to the efficiency of markets'.

Despite the very real differences between these diversified critiques of social government and the welfare state, ‘all agreed that the belief in a social state guaranteeing steady and incremental progress for all citizens must be rejected’ (ibid). As Rose *et al* (2006) contend, whilst problematizations and critiques of social government may have come from across the political spectrum, only those on the neoliberal right managed to create another rationality for government congruent with the renewed emphasis on individual liberties, that utilized or invented a range of techniques that would enable the state to divest itself of many of its obligations (Rose *et al* 2006:91). This is not to suggest that the various early experiments with neoliberal strategies of government, under Thatcher or Reagan in the U.K. or the U.S.A, or indeed Lange’s fourth Labour government in New Zealand were underpinned by a coherent programmatic schemata, that we could call ‘neoliberalism’. Rather, as Rose (1996) has noted, these regimes sought to engage with a variety of different problems with welfare, how to reduce costs for example, gradually however,

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such that it is possible for a market to exist and function’ (Gordon 1991:41). Whilst they agreed with the Chicago school neo-liberals that social behaviors should be reconfigured along economic lines, they ‘envisaged an extensive juridical interventionism’ designed to foster a new set of ethical and cultural values. 'The whole ensemble of individual life is to be structured as the pursuit of a range of different enterprises, a person’s relation to all his or her activities, and indeed to his or her self, is to be given the ethos and structure of the enterprise form' (ibid).

'these diverse skirmishes were rationalized into a relatively coherent mentality of rule that came to be termed neoliberalism' (Rose 1996:52).

For Nikolas Rose, whilst the past decades have indeed been marked by the emergence of new state forms, political strategies and governmental programmes it would be fallacious to characterize these as all equivocally neoliberal, there are in fact multiple neoliberalisms. [16] Within much of the Foucault inspired governmentalities literature, the term advanced liberalism is used. Advanced liberalism, first introduced in the literature by Rose (1993), encompasses not only neoliberalism, perhaps the dominant mentality of contemporary government, but also alternatives that define themselves in opposition to neoliberalism but are nonetheless assembled from similar elements and resources (Dean 1999, notes on page 174). 'Advanced liberal strategies can be observed in national contexts from Finland to Australia, advocated by political regimes from left to right and in relation to problem domains from crime control to health' (Rose 1996:53). [17] An underlying concern of these various types of government subsumed under the heading advanced liberalism is a break with the idea of governing through the social, as Rose (1999) puts it,

> Social government must be restructured in the name of economic logic, and economic government must create and sustain the central elements of economic well being such as the enterprise form and competition. As this advanced liberal diagram develops, the relation of the social and the economic is rethought (Rose 1999:141).

The social fragments, citizens and institutions are to be come autonomous and self-responsible. There has been, as Colin Gordon (1991) has noted, a wide diffusion of the notion of the individual as enterprise, or in Rose's words, 'human beings, who are to be governed were now conceived of as

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16 See Larner 2003:510

17 Mitchell Dean (1999) defines advanced liberalism as a variety of types of government sharing common elements, among them, 'the contrivance of markets in areas of formerly public provision, the employment of indirect means of regulation such as the calculative technologies of auditing and accounting, the dispersion and individualization of the management of risk and the construction of multiple forms of agency through which rule is accomplished, key forms of agency of advanced liberal rule include the consumer and the community' (Dean 1999 Glossary:209).

individuals who were active in making choices in order to further their own interests and those of their family: they were thus potentially active in their own government' (Rose 1999:142). The model of a social state gives way to that of an enabling state. Individuals, organizations and localities are autonomized so that the state may divest itself of responsibility for, and direct control over, the actions and calculations of various businesses and welfare organizations (Rose & O'Malley 1999:199). Individuals, organizations, localities and so on must, from this moment on, take on themselves - as partners - a portion of the responsibility for answering societies needs for order, security, health and productivity. For Rose this involves a double movement of autonomization and responsibilization. 'Organizations, actors and others once enmeshed in the complex and bureaucratic lines of force of the social state are to be set free to find their own destiny, yet at the same time they are to be steered politically "at a distance" through the invention and deployment of a whole range of new fidelity techniques' (Rose 2000:158).

Central to advanced liberal regimes of government is a reconceptualizing of the economic. Whereas within a social state, politicians had sought to manage a national economy in order to foster both the economy and society, following a policy of joint optimization, in an advanced liberal strategy of government, social government is reconfigured along economic lines, economic life is to become, more like a market (Rose 1999:158). The notion of a national economy that underpinned government from the social point of view has undergone a transformation.
Economic relations are increasingly seen as being dispersed from the unified national economy toward supra national, globalized networks of finance, investment trade and employment on the one hand and infra-national local and regional economic relations on the other (Rose 1996a:338). Government of the social at the level of a national economy gives way to the government of particular locales, communities and towns in the interests of economic circuits that flow between them and across national territorial boundaries. 'In significant ways, the economic fates of citizens

within a national territory are uncoupled from one another and are now understood and governed as a function of their own particular levels of enterprise, skill, inventiveness and flexibility' (Rose 1996a:339). The social and the economic come to be seen as antagonistic, the social must be broken up in order to transform the moral and psychological obligations of the economic citizen towards an entrepreneurialism of the self, citizens will become active in their own self advancement. [18]

Economic government is de-socialized, in order to incite in individuals the will to self-actualize. The provision of welfare is scaled back in order to remove any 'incitements to passivity and dependency' (Rose 1999:144). A transformation in the ways in which we conceptualize work underlies this spread of the individual as enterprise. Whereas within 'social' regimes of government full time life long employment was the regulative ideal, within advanced liberal regimes of government this ideal is problematized. Structural unemployment, increasing numbers of people employed part time, casualized employment, fixed term or short term contracts and so on are given a positive value in economic strategies. 'Flexibilization is the name for this arrangement of labour when it becomes an explicit political strategy of economic government' (Rose 1999:156). In this increasingly precarious zone of work, characterized by perpetual insecurity, employment becomes something that one must ceaselessly earn. 'The employment of each individual is constantly assessed in the light of evaluations, appraisals, achievements of targets and so forth-under the constant threat of downsizing, efficiency gains and the like' (ibid). Correspondingly, the government of unemployment undergoes a transformation. Within social strategies of government, the government of unemployment was concerned with acting on demand or by creating and protecting jobs, in advanced liberal strategies of government on the other hand, the government of unemployment is concerned to act on the conduct of the unemployed individual, henceforth called a

18 Colin Gordon (1991) shows how the unexpected political acceptability of renewed mass unemployment in neoliberal regimes of power can be plausibly attributed to the spread of the notion of the individual as enterprise. 'The idea of one's life as the enterprise of one's self implies that there is a sense in which one remains continuously employed in (at least) that one enterprise, and that it is a part of the continuous business of living to make adequate provision for the preservation, reproduction and reconstruction of one's own human capital' (Gordon 1991:44).

'job seeker' (Rose 2000:161). The unemployed are now to become active in improving their own employability by training, acquiring new skills, actively and constantly seeking employment, 'job seekers' must now subject themselves to 'technologies of citizenship'. [19] These technologies of citizenship become the major means with which to reattach the excluded, unemployed individual to the inclusory world of work. Work becomes the only way in which the poor can gain the status of citizen and thus exercise their 'freedom' and 'choice' (Rose 2000:161).

Alongside this restructuring of subjectivity the organizational conditions of the economy are similarly restructured, publicly owned enterprises are privatized and labour markets are made flexible as politics actively intervenes to create the necessary conditions for an entrepreneurial ethos to step in to the space evacuated by the government of the social. The social is 'fragmented into a multitude of markets', all kinds of social services come to be restructured according to a particular image of the economic - the market (Rose 1999:146). Rose shows how the market replaces bureaucratic or social logics and comes to be seen as the best mechanism with which to deliver services. Formerly social services give way to a purchaser/provider split, social workers retain the responsibility for identifying the need for care, but the 'care' itself is to be purchased on a market within which multiple providers compete: state funded agencies, not for profit non-governmental organizations and private profit making enterprises (ibid). Other welfare provision is correspondingly restructured in the form of quasi autonomous agencies, prison service agencies, child support agencies and a pension agency for example. These service providers are henceforth to be governed according to the logics of the market, by results, they would be governed through the setting of targets, the monitoring of outputs, the regulation of budgets, and the use of audit. These

19 For Barbara Cruikshank (1996), 'technologies of citizenship' refer to the complex and heterogeneous assemblage of technologies aimed at improving self esteem, empowering and up-skilling. Dean (1999) contends that this assemblage, fortified with threats and coercion, the cutting off of welfare for example, has an advantage of earlier forms of empowerment. 'The contract acts as a kind of obligatory passage point through which individuals are required to agree to a range of normalizing, therapeutic and training measures designed to empower them, enhance their self esteem, optimize their skills and entrepreneurship and so on' (Dean 1999:168).

new technologies operated in novel ways, 'agencies were set targets, numbers of errant fathers to catch each week, number of fraudulent claims to reject and so forth - and their payment by government depended upon their meeting these targets' (Rose 2000:160). Whilst at one time individuals and organizations are to be freed up, autonomized from that 'coldest of all cold monsters' the state, at the same, audits, budgets, standards and performance evaluations actually strengthen the power of the gaze, 'reinstating the state in the collective body in a new way and limiting the forms and possibilities of resistance' (ibid). [20] Nikolas Rose shows that the powers once accorded to positive knowledges of human conduct are to be transferred to the calculative regimes of accounting and financial management (Rose 1996:54). As Rose and Miller (1992) have noted, monetarization has played a key role in breaching the aforementioned 'enclosures' of expertise within the machinery of welfare. What were once bureaucratic or professional activities, such as the therapeutic work of a hospital, the education of students in a school are translated into cash terms establishing new power relations. The activities of these various organizations, schools, universities, hospitals, not for profit organizations and the like are reorganized along economic lines, 'recoded in a new vocabulary of incomes, allocations, costs, savings and even profits' (Rose 1999:152). The terms of calculation are thus transferred from the medical or the educational to the financial. Rose (1996) shows how budgetary discipline transforms the activity of the budget holder providing new ways of ensuring the responsibility and fidelity of 'autonomous' agents. 'These technologies of performance are utilized from above as an indirect means of regulating agencies or transferring professionals into calculating individuals within calculable spaces subject to particular calculative regimes' (Dean 1999:169).

Of central importance to these new strategies for the government of bureaucratic and professional expertise has been what Michael Power (1994) has referred to as the audit explosion. 'The "audit

20 Mitchell Dean (1999) refers to these techniques of budget, audit and the like as *technologies of performance.* These technologies of performance refer to a multiplicity of technologies designed to open up the spaces of expertise that developed under the welfare state to new formal calculative regimes.

explosion" refers to the transformation of existing, and emergence of new, formal institutions of monitoring' (Power 2003:188). These new, or transformed institutions of monitoring include both supreme audit institutions, The National Audit Office in the U.K. or Audit New Zealand for example, as well as 'the many forms of inspectorate and evaluative bodies that take as their objects the performance of the "auditee", for example inspectorates for prisons, health and safety in the workplace, educational, medical and research quality' (ibid). Whilst various types of audit have been around for many years they remained 'a relatively marginal instrument in the battery of control' (Rose 1999:154). In the various strategies of government subsumed under the heading advanced liberal however, audit becomes the central mechanism for government at a distance (ibid). Rose's account of the audit explosion draws extensively on the work of Michael Power. Power identifies two distinct yet convergent bases for the audit explosion. 'The first basis represents an *accounting line of development,* and describes the expansion of accounting and related mandates driving financial audit, that is a set of developments with financial auditing at their centre' (Power 2003:188). Within advanced liberal regimes of government, particularly in their earliest de-regulatory neoliberal guise, great importance is accorded to fiscal discipline and constraint and the reform of financial management. From this point of view, writes Power, 'accountants could emerge as high status actors in a climate of fiscal constraint, shifting the locus of oversight power from bureaucratic elites to financially minded managers' (ibid). Power goes on to show that *a quality assurance line of development* constitutes the second basis for the audit explosion. This line of development includes the expansion and reform of oversight bodies and inspectorates operating within the orbit of government. The inspection process here, 'has varied domain specific histories (eg prisons, education, health) drawing on diverse forms of expertise to conduct monitoring and involving multiple non financial auditable indicators of service quality' (ibid:189). In these locations the 'audit explosion' can be seen in terms of the promulgation of quality assurance ideas, these ideas have a fundamental bearing on this 'audit explosion' creating a management control system,

opening organizations up to both self observation and external monitoring. Audit becomes a key technique for rendering visible the decisions and practices of experts who remain formally autonomous. Hence, Power argues, 'the audit explosion represents the rise of control of control' (ibid). As Rose (1999) has shown, these techniques of inspection are entirely congruent with one key vector of the strategic diagram of advanced liberal strategies of rule: autonomization plus responsibilization (Rose 1999:154).

The various strategies aimed at autonomizing and responsibilizing individual subjects lie at the heart of advanced liberal government. Advanced liberal government takes as it task the creation of a world of autonomous individuals, of free subjects. These free subjects are, according to Mitchell Dean, subjects whose freedom is a condition of subjection. 'In order to act freely, the subject must first be shaped, guided and molded into one capable of responsibly exercising that freedom' (Dean 1999:165). [21] There exists within advanced liberal regimes of government then, an obligation to be free and an obligation to exercise that freedom responsibly. As has been mentioned in the introduction above, 'freedom here is redefined: it is no longer freedom from want, which might be provided by a cosseted life on benefits: it is the capacity for self realization that can only be obtained through individual activity' (Rose 1999:145). For Nikolas Rose, freedom in advanced liberal strategies of government becomes a key technique in rendering government operable. 'Freedom was not opposed to government, on the contrary freedom, as choice, autonomy, self responsibility and the obligation to maximize one's life as a kind of enterprise was one of the principle strategies of what Rose termed advanced liberalism' (Rose *et al* 2006:91). Advanced liberalism then, is posited as an art of governing whose logic is the condition of individual active freedom. Within these regimes of government, populations are obligated to be free, self-managing and self-actualizing in different spheres of everyday life-health, education, the professions and so

21 As Thomas Lemke (2001) has noted, the strategy of rendering individual subjects responsible involves the shifting of responsibility for risks - unemployment, illness, poverty onto the shoulders of the free individual. Thus areas of social responsibility become a matter for personal provision (Lemke 2001:201).

on (Ong 2007:15).

As Rose (1999) has shown, personal practices of consumption play a key role in how individuals exercise their freedom. Consumption is a key form of agency in advanced liberalism. With respect to health and hygiene for example, within earlier social regimes of government, bureaucratic state intervention was seen as the best way to regulate the health and hygiene of the population. Advanced liberal modes of regulating health and hygiene on the other hand address the individual on the assumption that they want to be healthy, they are thus encouraged to freely seek out lifestyles likely to promote their own health (Rose 1999:86-87). 'Experts instruct us as to be healthy, advertisers picture the appropriate actions and fulfillments and entrepreneurs develop this market for health' (ibid:87). With this knowledge in mind and a market in place free individuals exercise their freedom by consuming the goods and services that they believe will most likely maximize their health and wellbeing. The citizen, now conceived of as being active in their own government is to become a consumer. Within these advanced liberal strategies of government, 'parents are consumers of education, patients are consumers of health care, residents of old peoples homes are in contractual relations with those who provide care' (Rose 1999:165). Choice here becomes an expression of individual personality. The choices an individual makes are deemed to be reflective of their personal attributes. What Rose (1999) terms ‘mechanisms of regulation through desire, consumption and the market’ or ‘civilization through identification’ spread through increasing sectors of the population. 'Competent personhood is thought to depend upon the continual exercise of freedom, and where one is encouraged to understand one’s life actually or potentially, not in terms of fate or social status, but in terms of one’s success or failure in acquiring the skills and making the choices to actualize oneself' (Rose 1999:87). There emerges at this point, a division between citizens capable of exercising their freedom with prudence and those who, for whatever reason - ‘ill will, incompetence or misfortune’ are excluded from these ‘webs of consuming civility’

(ibid). [22] 'A rift has emerged between active citizens… and disadvantaged groups who constitute the risk or are strongly risk prone. Following this way of thinking, victims have failed to manage their own risk as an individual or as a neighborhood' (Stovesand 2007:7). Community, the second key form of agency in advanced liberal strategies of rule, emerges as a space in which to address these risks.

The management of risk is, in advanced liberal rationalities of rule, dispersed in two directions, onto the shoulders of both consumers and communities, the two key forms of agency in advanced liberalism. Those able, and willing to, can, through practices of consumption, mitigate risk, whereas the needs of those who cannot or will not will henceforth be addressed not through society but through community. The free, autonomized, responsibilized, prudent, active, individual subject of an advanced liberal regime is not simply a reactivization of the *homo economicus* of the nineteenth century, the atomized individual whose activity must remain forever untouchable by government (Gordon 1991:43). Rather the free individual so famously imagined by Margaret Thatcher is a situated one. [23] Principle amongst the relations and networks that situate the free individual in advanced liberal regimes is the notion of 'community'. In *The Death of the Social* (1996a), Nikolas Rose argues that whereas 'the social' posited a single matrix of solidarity, within contemporary advanced liberal regimes of government 'a diversity of communities is thought to actually or potentially command our allegiance' (Rose 1996:333). These communities can include moral communities, lifestyle communities, communities of commitment and so forth. 'Such communities are constructed as localized, heterogenous, overlapping and multiple' (ibid). As has been

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22 As Robert Castell (1991) has noted, this division can lead to a 'dual' or 'two speed' society: 'the coexistence of hyper competitive sectors obedient to the harshest requirements of economic rationality and marginal activities that provide a refuge (or a dump) for those unable to take part in the circuits of intensive exchange' (Castell 1991:294).

23 Dean (1999) notes that free subject of an advanced liberal regime of government is found first within a *living structure* of individuals, families, neighbours and voluntary associations. It is found within its relationships to family, community and culture. It is situated in organic networks of affect, identification and care. It is also situated within 'artificial' but no less real networks of identification based on lifestyle choice, habitation, profession and career path, patterns of consumption and voluntary association (Dean 1999:165).

aforementioned, government through the social had attracted criticism for its ‘one size fits all’ approach that obscured difference, restricted individual freedom and the full recognition and expression of particular identities. The individualized, autonomous actor who occupies contemporary advanced liberal regimes is seen to have unique, localized, specific ties to his or her community or communities. These communities, writes Rose (1999), implicate a psychology of identification, 'one’s communities are nothing more or less than those networks of allegiance that one identifies with existentially, traditionally, emotionally or spontaneously' (Rose 1999:177). That these communities are a matter of personal allegiance, of an individual’s right to choose with which community or communities to identify indicates the congruence of community with the ideal of individual freedom that underpins advanced liberalism.

Community is mobilized in two paradoxical directions, on one hand there is this top down or ‘from above’ mobilization of community ‘targeted populations’, those deemed to be at risk are to be empowered to recognize the seemingly natural bonds of affinity and identity that link them to other members of the community and actively seek to engage in their own self management (ibid). In this respect the collective logics of community are brought in line with the individualized and responsibilized ethos of neoliberal politics: 'choice, personal responsibility, control over ones own fate, self promotion and self government' (Rose 1996a:335). On the other hand, ‘community’ emerges as a response to the fragmentation and atomization left in the wake of neoliberalization (Rose 2000:166). These efforts amount to a ‘bottom up’ or ‘from below’ mobilization of community as resistance and opposition to the decisions of authorities, the claiming of rights, contestation over the claims of expert knowledge and the demand for consultation (Dean 1999:192). In this second image, community becomes the space in which a 'whole variety of groups and forces make their demands, wage their campaigns, stand up for their rights and enact their resistances (Rose 2000:169). Community in this respect has been associated with opposition to neoliberal

strategies of rule, and in particular with the various third way responses to neoliberalization that have started taking shape. It is to the emergence of community as a political space that we will now turn.

Beyond advanced liberalism? A third way of governing or nostalgia for things now past

Rose (1999:167) argues that 'community emerged as a rather unexpected theme in debates about the governability of liberal, democratic and market based societies in the closing decades of the twentieth century'. The collapse of state socialism in the Eastern Bloc had not lead to the uncritical acceptance of neoliberalism as some – such as Francis Fukuyama – had predicted. Rather, Rose shows, there has been a flowering of arguments attempting to identify a third way of governing. For proponents of these various third way strategies of governing community is posited as 'the ideal territory for the administration of individual and collective existence, the plane or surface upon which micro- moral relations among persons are conceptualized and administered' (Rose 2000:169). Rose shows how the emergence of community has coincided with a shift in economic writings. Neo- classical models of free competition between rational economic actors are being supplanted by models that emphasise 'the significance of interpersonal trust, local and community-based trading networks, collaboration among enterprises sharing a commitment to their particular geographical region' (Rose 1999:168). Correspondingly, Rose notes that intellectuals on the left offered up the notion of 'civil society' as 'the antidote *both* to the state and its bureaucratic apparatus of political administration and control, *and* to the free market celebrated by liberal individualists and neo-conservatives' (ibid:169). Relatedly Rose notes a revival of civic republicanism that became prominent in political philosophy, notably in the work of Alisdair MacIntyre. MacIntyre pleads for

community as a means with which to arrest liberal individualism. 'What matters at this stage is the construction of local forms of community within which civility and the intellectual and moral life can be sustained through the new dark ages that are already upon us' (MacIntyre 1981 in Rose 1999:170).

Community steps into the space previously occupied by 'the social'. Just as the social had been deployed as an antidote to the fragmentation caused by industrialization, so to 'community' emerges 'like a phoenix out of the fragmentation of social and political space generated in the course of commodification, marketization and the like' (Rose 2000:166). What then, Rose asks, is meant by a 'third way'? First, the third way is posited as a middle road between free market individualism on the one hand and state-centered collectivism on the other. As a 'path between' or a 'middle way', the third way is not, Rose notes, a novel incantation, having been used variously by fascists in the 1920s, by Harold Macmillan in the 1930s when advocating capitalism with a human face; 'many others – the socialist international seeking a path between capitalism and communism in the 1950s, German Greens in the 1970s, Swedish Social Democrats in the 1980s – have also used such language' [24] (Lukes 1998 in Rose 1999a:469). Nor, Rose continues, is the notion of a third way necessarily philosophically incoherent, 'ever since the debates about individualism and collectivism...at the end of the nineteenth century, one can find political arguments claiming to have discovered the political principles that would underpin a path between these two poles (Rose 1999a:469). For Rose, the New Liberalism of Hobhouse and Hobson provides 'perhaps the clearest attempt to provide such a politics with a coherent ethical, philosophical and ideological foundation' (ibid).

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24 Noberto Bobbio has similarly noted that the formula 'neither left nor right' was used by the French Fascist movement. Alex Callinicos (2001) shows how in 1912 Ramsay MacDonald presented Labourism as 'the third way', and that American Trotskyist Max Shactman posited 'the third camp' as the forces for progress located between 'two rival imperialist power – complexes - first the Western liberal democracies and Nazi Germany, later the two super power blocs of the cold war' (Callinicos 2001:4).

This third way of governing, Rose argues, operates within a field of *ethico politics* (Rose 1999:188). Individuals are encouraged to see themselves as members of a community and as such are ethically obliged to adhere to the values of their particular communities. Pathology is henceforth defined in relation to community norms, values and cultures. Governmental interventions seeking to address such pathologies do so by acting on the dynamics of community, 'by enhancing the bonds that link individuals to their community, rebuilding shattered communities and so on' (ibid).

This new politics of community moves beyond the neoliberal preoccupation with shrinking the state. In this politics the state is to play an active role, taking on the responsibility for the provision of training, for help with childcare, and for a raft of other means with which to 'enable' individuals to exercise autonomous, responsible liberal subjectivity. This is a subject with rights as well as responsibilities. 'The subject is addressed as a moral individual with bonds of obligation to and responsibilities for conduct that are assembled in a new way-the individual in his or her community is both self responsible and subject to certain emotional bonds of affinity to a circumscribed network of other individuals' (Rose 1999:176). The task for politics shifts away from governing the morality of a uniform social citizenry toward the reinvention and deployment of the forms of community that will establish the ethical basis for a self-governing polity (Rose 2000:167). Rose goes on to note, however, that appeals to community are far from novel, liberal political discourse having long tempered the ideal of individual liberties and rights with claims made in the interests of community (Tully 1995 in Rose 1999a:475). Furthermore, 'the theme of the loss of community, and the need to remake community or substitute something for its benefits, emerges with remarkable regularity in critical reflections on the state of the nation, from the nineteenth century onward' (Rose 1999a:475-476).

Society gives way to community, the notion of a welfare state or social state gives way to that of an

enabling state, or a facilitating state (Rose 1999a:476). The state is no longer to be the sole guarantor of security, order, health and productivity, rather, 'individuals, firms, organizations, localities, schools, parents, hospitals, housing estates must take on themselves - as partners – a portion of the responsibility for resolving these issues' (ibid). Notions of inclusion and empowerment are central to these third way strategies of government. [25] Just as the social liberalism of the early twentieth century had sought to identify and classify the residuum, unemployable persons and problem social groups, so to within third way strategies of government, 'a sector of problematic persons come into view' (Rose 1999a:488). This sector is henceforth understood as excluded, reform comes to be seen in terms of re-attachment. 'The development of bonds tying the formerly excluded into the workplace, through the labour contract, into the family, through the parenting contract, into the community, through novel policies that amount community contracts' (ibid). The state will provide each excluded person with an opportunity to achieve full membership in a moral community through work and adhere to the core values of honesty, self-reliance and concern for others. Excluded persons will be empowered, up-skilled, educated, and trained.

> 'Those who refuse to become responsible, to govern themselves ethically, have also refused the offer to become members of our moral community. Hence for them harsh measures are entirely appropriate. Three strikes and you are out' (ibid).

Rose notes a whole variety of measures, 'mean and penny-pinching' designed to reduce financial support for those who fall outside the family form or the wage relationship. Within third way strategies of government then, work and family are central means for re-attaching the excluded person to the 'virtuous community'. 'One sees…a concerted attempt to reinstate the controls on personal conduct supposedly embodied within the assemblages of paid work and family life' (Rose 1999:266). The various welfare to work strategies employ a range of re-moralizing techniques such as, 'psychological and behavioural therapies, pedagogies of citizenship competences, to public

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25 Rose notes that for Anthony Giddens (1998), erstwhile director of The London School of Economics and architect of the third way, this new politics defines equality as *inclusion* and inequality as *exclusion* (Rose 1999a:488)

shaming, and threats of withdrawal of support' in order to goad welfare recipients on to work, however menial, 'in order to achieve the disciplining and moralizing benefits thought to flow from wage labour' (Rose 1999a:489). Shifts from welfare to work fare are, for Rose, linked to a set of ideas drawn from nineteenth century Puritanism, 'what is at stake here is not so much work, but the *work ethic'* (Rose 1999a:488).

Relatedly, the family is seen as 'crucial for the reproduction of the moral order' (Rose 1999a:487). Despite 'several decades of feminist research highlighting the abnormality of the normal family, and the physical and sexual violence at the heart of much normal domesticity' (Rose 1999a:487), 'the family is to be valorized once more as a mechanism for stabilizing the passions of adults, responsibilizing the parent as a wage earner and instilling the rules of moral order and ethical comportment into children' (Rose 1999:266). The state will support families in the face of familial fragmentation under the pressures of the commercialization of pleasure, transformation of parenthood into a lifestyle choice, rise of divorce, re-marriage, and other non-familial forms (ibid).

Perhaps in response to Foucault's 'emphatic plea for a renewal of inventiveness in political culture' (Gordon 1991:7), Rose argues that third way strategies of government amount to nothing more than a 'nostalgic wish for a solution to the perplexities of the autonomous self, forced to search for meaning in a fragmented world resistant to stable sense-making procedures' (Rose 1999:173).Rose argues that these third way strategies do not represent anything like a genuine invention in politics but are rather, 'an entirely familiar assortment from the grab bag of liberal democracy, yet sadly stripped of any residual utopianism' (Rose 1999a:474). These strategies, Rose contends, 'are assembled from elements selected from the various social liberal discourses that developed over the twentieth century but are henceforth married up to a kind of 'therapeutic individualism' (ibid). Rose's criticisms are targeted most specifically at third way political strategies in the U.K., focusing

in particular on the words of Tony Blair and Jack Straw as well as the work of Blair's 'guru' Anthony Giddens and former editor of the Labour leaning Observer newspaper, Will Hutton. Rose argues that this third way that strives to be 'nothing less than a founding set of principles to underpin a new politics' (Rose 1999a:470) actually amounts to little more than 'a figure of speech which hopes to convince us that we can have all of the advantages of modern life with none of the struggles' (ibid). Rose goes on to show how recurrent phrases in so called third way political discourse such as civil society, civic activism, strong communities, shared values, rights and duties, the responsibilities of citizens as well as their rights demonstrate that this third way seeks to ground itself in values. We can then see the emergence of 'a moral vocabulary of politics' or an 'ethico-politics' in which the subject is to be governed in accordance with (supposedly shared) ethics and in the name of ethics (Rose 1999a:474). The ethico-politics of the third way, Rose argues, 'seems to represent a fundamentally backward looking response to the challenges facing contemporary politics', and one that, 'appeals to an imaginary universal moral consensus, in order to justify a banal and stultifying vision of the future, much like the present only without its downsides' (Rose 1999a:490).).

At the heart of the third way, Rose finds a nostalgia for technologies of government that belong to the past, with reference to the family for example,

> For at least two hundred years all manner of hopes have been invested in 'the family' by a whole variety of political and philanthropic forces. And for at least two hundred years, 'the family' has been judged to be failing in its public duties. Yet once more, the reinvention of the family is presented as the political solution to the problems ascribed to the failure of the actual family to live up to these politico-moral ideals (Rose 1999a:487).

The family as a moralizing institution marks, for Rose, a flimsy defense against 'the hyper-

erotization of the commercialized world of sexual fantasies that surrounds us' (Rose 1999a:490). Further, 'the feeble psychologism of inclusion and empowerment' that act to enhance the opportunities for the promotion of individuals through their own action, hardly index anything novel, rather they are entirely congruent with the moral technologies emergent in the nineteenth century that similarly sought to instill in the subject the 'corporeal and moral habits of industriousness' (ibid).

If, as Anthony Giddens (1998) states, the third way is 'a framework for thinking and policy making that seeks to adapt social democracy to a world that has changed fundamentally over the past two or three decades' (Giddens 1998:26 in Rose 1999a:471), it is, for Rose, an impossibly nostalgic one. Rose argues that the governmental techniques proposed in third way political discourse amount to little more than minor modifications of technologies that belong to now deceased strategies of government, henceforth 'infused with a touching faith in the power of markets…and a surprisingly naïve enthusiasm for the mantras of managerial gurus' (Rose 1999a:474). For Rose, the techniques aimed at managing the moral order employed in third way strategies date back to 1950s social government, emphasizing the ways in which the institutions of the family, the school and the workplace serve to sustain the stability and order of a society, now imagined as a single consensual community (Rose 1999a:490) We have, however, witnessed the death of the social, contemporary problems can no longer be automatically solved by an effort to resuscitate it (Rose 1996a:353). As Mitchell Dean (1999:207) ominously warns, if we

> allow ourselves to be distracted by nostalgia for forms of government that have now passed, we might find that alternative forms of social government and, even less benignly, alternatives to social government re-emerge and proliferate. If this occurs, it might not be simply the death of the social that we shall be lamenting.

Rose then, argues that third way programs are nothing novel but rather represent little more than the

latest development in debates about individualism and collectivism that surfaced first in the nineteenth century.

These third way strategies may indeed be, as Rose suggests, ‘an entirely familiar assortment from the grab bag of liberal democracy’, the timing of earlier manifestations of these ideas is crucial. First, in the late nineteenth century, embodied in the work of Green and then Hobhouse as a response to the massive suffering left in the wake of laissez faire. Next, we see modified versions of Hobhouse’s New Liberalism wheeled out in response to the massive poverty of the early 1930s associated with names such as Roosevelt, Keynes and Beveridge. The third way emerges as a response to neoliberalism and marks nothing more nor less than the latest in a long line of attempts to reconcile capitalism with social justice. These attempts to claw back at least some measure of security from the rampant excesses of free market utopianism are indeed ‘familiar’ and more than that, as Karl Polanyi so forcefully demonstrated in *The Great Transformation*, they are in fact inevitable.

3. Contingency or inevitability? Karl Polanyi and Nikolas Rose on social government

As has been shown in the previous chapter, Nikolas Rose elaborates an account of the shifting fortunes of liberalism over the last two centuries in which classical liberalism was initially rendered operable through the actions of a range of reformers and experts, of which only a minority were linked into the formal political apparatus. Rose argues that over time it became increasingly apparent that this unsystematic and haphazard array of interventions was insufficient in its allotted task of stemming the forces of fragmentation and individualization left in the wake of social change. Gradually, through a process he refers to as the 'invention of the social', Rose argues that a new formula of social government emerged in which formerly independent reformers and experts, as well as a whole array of new authorities argued for the implementation of strategies and programmes in the name of their social benefits. Western societies became 'gridded by institutions and practices that sought to act upon individual and collective conduct in the name of the social' (Rose 1999:99). Rose goes on to argue that this formula for rule remained largely uncontested for much of the twentieth century. In recent decades, however, it has undergone a mutation; we have witnessed the 'detotalization' of society, or perhaps the death of the social. Social government has been restructured and the state is no longer to be required to answer all society's needs for order, security, health and productivity. Within the advanced liberal strategies of government that have emerged in recent years individuals themselves must act to pursue the enhancement of their own economic well being. This new citizen, Rose continues is not to be the isolated and selfish atom of the free market or a return of the *homo economicus* that haunted the nineteenth century. Rather the active citizen of advanced liberal society is located in a new nexus of ties and affinities, now longer the social, now those of community.

In this chapter, Rose's account of the birth and death of social government will be considered alongside Karl Polanyi's analysis of the development of economic liberalism in the nineteenth century. Polanyi argues that the advent of economic liberalism activated a double movement, in which continual market expansion was met by a protective countermovement aimed at arresting that expansion in definite directions. What Rose conceives of as the birth of the social, Polanyi argues was in fact an inevitable and spontaneous reaction to what he held to be the doomed efforts of free market advocates to disembed the economy from society. In the first section of this chapter we will encounter Polanyi's analysis of the emergence of laissez faire ideas, and we will see how Polanyi's account of the role of the state in the attempted establishment of a self-regulating market differs from that proffered by Nikolas Rose. The second section of this chapter deals with the protective countermovement that Polanyi argues arose to arrest market expansion in the nineteenth century, and considers why Polanyi held the countermovement to be both inevitable and spontaneous. In the final section of this chapter Polanyi's thesis about the impossibility of disembedding the economy from society will be considered with regard to Nikolas Rose's account of the death of the social and the subsequent emergence of advanced liberal strategies of government characterized by the dissociation of society into a variety of ethical and cultural communities (Rose 1999:136).

Karl Polanyi and Nikolas Rose on the coming of laissez faire

In his explanation of the advent of economic liberalism, Rose's contends that programmes, strategies and technologies of government arise out of complex fields of contestation. In many respects Polanyi seems to echo Rose's account. According to Polanyi a disparate meeting of minds over the issue of relief for the poor provided the initial impetus for the emergence of economic liberalism. The Elizabethan Poor Law of 1601 had established a nationwide system of relief for the poor in the United Kingdom. Under this system, the poor were to be grouped into one of three

categories: the impotent poor, the able bodied poor and the idle poor. Those deemed the impotent poor, that is those incapable of work, the lame, impotent, old or blind were to receive relief in the form of money, food (the parish loaf), or clothes. This assistance was known as 'outdoor relief' as it was provided for people outside of the workhouse. The able bodied poor or unemployed were to be given the materials necessary to put them on to work. The idle poor, those who for whatever reason were able to work but would not, were deemed unworthy of relief and were to be collected in houses of correction and later workhouses. The Speenhamland Law of 1795 extended poor relief, providing subsidies in aid of wages in accordance with a scale dependent upon the price of bread, 'so that a minimum income should be assured to the poor *irrespective of their earnings* (Polanyi 2001:81-82; emphasis in original). As Polanyi noted, the law introduced 'no less a social and economic innovation than the right to live' (ibid:82). For Polanyi, it would be a congruence of opinion on the need to repeal this 'right to live' that served to make economic liberalism an irresistible force (ibid:132).

Polanyi argues that Joseph Townsend's *Dissertation on the Poor Laws* (1786) provided an early motivation for repeal. Townsend's dissertation had focused on the goats and dogs of Robinson Crusoe's island off the coast of Chile. 'On this island, Juan Fernandez landed a few goats to provide meat for future visits. The goats multiplied at a biblical rate and provided a convenient store of food for visiting privateers, mostly British, who were molesting Spanish trade' (Polanyi 2001:118). In order to kill off the goats the Spanish subsequently landed a dog and a bitch, which also multiplied by reducing the number of goats on which they fed. 'Then a new kind of balance was restored,… the weakest of both species were among the first to pay the debt of nature; the most active and vigorous preserved their lives' (Townsend 1786/1817, in Polanyi 2001:118).

Polanyi argues that despite a lack of historical authenticity, [26] both Darwin and Malthus owed their inspiration to this source. 'Malthus learned it from Condorcet, Darwin from Malthus' (Polanyi 2001:118). However, Polanyi continues, neither Darwin's 'natural selection' or Malthus's 'population laws' might have had any influence on modern society had Townsend not sought to apply the lesson he learnt from goats and dogs to the Poor Laws. 'Hunger will tame the fiercest animals, it will teach decency and civility, obedience and subjection to even the most perverse. In general it is only hunger that can spur and goad them [the poor] on to labour; yet our laws have said they shall never hunger' (Townsend 1786/1817; in Polanyi 2001:118-119). For Polanyi, this was a dramatic departure in political science. Townsend had addressed human community from the animal side and in so doing had introduced the laws of nature into human affairs. Polanyi points out that while scholarship aimed at extending scientific laws into the social realm had a long history, with Hobbes, Hume, Hartley, Quesnay and Helvetius all 'burning to discover a law as universal in society as gravitation was in nature' (ibid), prior to Townsend all had conceived of this as being a human law fear for Hobbes, association in Hartley's psychology, self interest for Quesnay or the quest for utility for Helvetius (ibid). Balance on Robinson Crusoe's island had been restored without government; pangs of hunger and a scarcity of food were all that had been required. Whereas Hobbes had argued the need for a despot because men acted like beasts, Townsend on the other hand insisted that men actually were beasts and that, precisely for that reason, only a scintilla of government was required.

> From this novel point of view, a free society could be regarded as consisting of two races: property owners and labourers. The number of the latter was limited by the amount of food; and as long as property was safe, hunger would drive them to work (Polanyi 2001:119-120).

Despite the novelty of Townsend's maxims, the belief that those with the ability and willingness to

26 That the goats were landed on the island is not contested, however William Funnell describes the legendary dogs as 'beautiful cats'. Furthermore, all reports agree that the beaches of the island were 'teeming with fat seals which would have been a much more engaging prey' for the dogs (Polanyi 2001:118).

work would prosper while the incompetent and lazy would and should not became prevalent in the nineteenth century. For Polanyi, while Townsend's naturalism was not the only possible basis for the new science of political economy, classical economics adopted naturalism as a foundation because the near indigence and misery of the masses was otherwise inexplicable.

> The facts as they appeared to contemporaries were roughly these: the laboring people had habitually lived on the brink of indigence; since the coming of the machine they had certainly never risen above subsistence level, it was an indubitable fact that decade after decade the material level of existence of the laboring poor was not improving a jot, if, indeed, it was not becoming worse (Polanyi 1944/2001:129).

Thus the poverty of the masses was conceived of as being natural, something that could not or indeed should not be righted with poor relief.

Polanyi goes on to demonstrate the broad level of support that Townsend's calls for the repeal of the Poor Laws were able to muster. Thomas Malthus (1798/1803) was also 'violently opposed to Speenhamland and advocated the complete repeal of the poor law' (Polanyi 2001:128). The Malthusian law of population held that there was a natural limit beyond which human beings could not multiply, and that limit was set by the amount of food that could be grown. Malthus, like Townsend before him, concluded that superfluous persons would be destroyed by hunger, and that this was nature at work. 'Essentially, economic society was founded on the grim realities of nature; if man disobeyed the laws which ruled that society, the fell executioner would strangle the offspring of the improvident' (Polanyi 2001:131).

David Ricardo (1817) counterbalanced the rigid naturalism of Townsend and Malthus with his principle of labour. Yet, Ricardo too advocated the repeal of the Poor Law arguing that poor relief would act as a fatal disincentive. 'The principle of gravitation is not more certain than the tendency

of such laws to change wealth and vigor into misery and weakness…until at last all classes should be infected with the plague of universal poverty' (Ricardo 1817; in Polanyi 2001:132).

Edmund Burke likewise called for the complete repeal of the Poor Law arguing that there should be no assessment of wages, no relief for the able bodied unemployed, no minimum wage, and no safeguarding of the right to live. As both 'an out and out defender of patriarchal traditions' and an advocate of economic liberalism, Burke believed that the poor should become indentured in the factories that were springing up across England. Burke asked why the poor should become a public charge if the capitalist entrepreneurs were more than happy to fill their factories with them, and even pay to use them, 'Labor should be dealt with as that which it was, a commodity which must find its price on the market. The laws of commerce were the laws of nature and consequently the laws of God' (Polanyi 2001:122). From a vastly different political position Jeremy Bentham the rationalist agreed with Burke the traditionalist (ibid). Bentham rejected the notion of rights, the 'right to live' that underpinned the Speenhamland Law was rejected. Natural rights, Bentham claimed were nothing but 'nonsense on stilts'.

For Polanyi, it was precisely this meeting of disparate minds over the issue of the abolition of poor relief that led to a faith in laissez faire. As much as they disagreed in method and outlook, Townsend, Malthus and Ricardo, Bentham and Burke all agreed that poor relief should be abolished. 'What made economic liberalism an irresistible force was this congruence of opinion between diametrically opposed outlooks; for what the ultra-reformer Bentham and the ultratraditionalist Burke equally approved of automatically took on the character of self evidence' (Polanyi 2001:132-133). 27 Whilst the poor law reform movement was able to garner a great deal

27 Voices calling for the repeal of the Poor Law and an end to government intervention were not limited to the political sphere, with mainstream media similarly trumpeting the view that no matter what catastrophes were affecting society government intervention could and should not seek to alleviate them. The dire situation of the lower classes was, according to *The Times*, 'the result of natures simplest laws, while the *Economist,* that long standing bastion of

of support from many different commentators, there was disagreement about how, and in what time frame, relief should be abolished. In the preface to an 1817 reprint of Townsend's *Dissertation*, the editors warned of being 'rash', urging a gradual move towards abolishing the allowance system. In the same year Ricardo's *On the Principles of Political Economy and Taxation* was published. Ricardo advocated the repeal of the Poor Law but argued that this must be achieved very gradually in order to mitigate the worst suffering. British Prime Minister William Pitt The Younger had initially rejected calls for repeal of the for similarly altruistic reasons. After reading Malthus, however, he capitulated. As late as 1829, Sir Robert Peel was still doubting whether the Poor Law could be repealed safely otherwise than gradually (Polanyi 2001:143).

As has been shown above, Polanyi dates the emergence of laissez faire proper in the early 1830s by which time 'a sharp change of mood was manifest' (Polanyi 2001:143). In 1832 the Reform Bill had given the British middle classes a significant political victory and in 1834 poor relief was scrapped. The Poor Law Ammendment Bill abolished the provision of alms to the poor outside the workhouse and moved to make conditions in the workhouse sufficiently bad so as to be worse than the conditions of the poorest worker. For Polanyi, these repeals served to catalyze laissez faire into a drive of uncompromising ferocity (Polanyi 2001:143).

Laissez faire, meaning 'let [them] act' is the belief that the state should have no intervening role in the economy. As Richardson puts it 'in laissez faire economics...the principle that the state not intervene in the economy – and indeed refrain from any social initiative - is elevated into a categorical imperative' (Richardson 2001:35-36). In Nikolas Rose's account of nineteenth century liberalism an economic domain, thought to be governed by its own 'natural' laws and processes

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market liberalism, had it that, 'the only possible route of betterment [was] the full acceptance of individual responsibility'. Furthermore laissez faire ideas were popularized by writers such as Jane Marcet and Harriet Martineau, whom Polanyi called 'the perfervid apostle of poor law reform' (Polanyi 1944/2001:102; see also Richardson 2001:32-34).

came to be separated from the moral domain. As the economic domain was conceived of as having its own laws and causalities political interventions were to be proscribed. The moral domain, on the other hand, would become the target for action by various non-political actors, churches, philanthropists and the like. Rose, drawing on the work of Bruno Latour, argues that nineteenth century liberal strategies of government relied on this array of non-political actors, so that the state could divest itself of direct responsibility and, govern from a distance in accordance with the principles of laissez faire. As Bruce Curtis (1995) puts it,

> Liberalism operates by identifying a private domain outside or beyond 'politics' and by managing relations in that domain while preserving its autonomy. Liberalism does this by constructing alliances with and by drawing upon the activities of such autonomous groups as philanthropists, doctors, social workers and so on. Agencies of the state do not directly regulate life in the domain so constituted (Curtis 1995:580).

Rose and Miller (1992:181) go on to argue that 'the state was not the inspirer of these programmes of government, nor was it the necessary beneficiary'.

Polnayi agrees with much of this account. Notably, he likewise emphasises the contingent operation of diverse social forces. However, Polanyi does not accept that laissez faire was produced by a diminishment and distancing of the concentrated political power of the state. Instead, he argues that without such concentrated power laissez faire could never have been established. Polanyi argues that 'laissez faire was enforced by the state', noting an ‘enormous increase in the administrative functions of the state’(Polanyi 2001:145). What Rose ascribes to independent reformers, Polanyi credits to a central bureaucracy. For Polanyi, whilst the 1830s and 1840s indeed saw the burgeoning of legislation repealing restrictions and regulation, ‘this didn’t mean that government could do nothing, especially indirectly’ (ibid). Polanyi argues that, for example, 'it was the task of the executive to collect statistics and information, to foster science and experiment, as well as to supply

the innumerable instruments of final realization in the field of government' (Polanyi 2001:145-146). Parliamentary action was replaced by action through administrative organs, but, and this is where Polanyi differs from Rose, these administrative functions were, from the start, an adjunct of the state. Furthermore, where Rose notes that the economic order was to be freed and left to govern itself in accordance with its own 'quasi natural' laws, Polanyi on the other hand argues that 'there was nothing natural about laissez faire; free markets could never have come into being by merely allowing things to take their course' (Polanyi 2001:145). Polanyi contends that the path to the free market had to be opened and kept open by 'an enormous increase in continuous, centrally organized and controlled interventionism' (ibid:146). He points to a plethora of interventions surrounding the enclosure laws, the New Poor Laws and municipal reform. Far from doing away with the need for regulation, intervention and control, the introduction of free markets enormously increased their scope.

> Administrators had to be constantly on the watch to ensure the free working of the system. Thus even those who wished most ardently to free the state from all unnecessary duties, and whose whole philosophy demanded the restriction of state activities, could not but entrust the self same state with the new powers, organs, and instruments required for the establishment of laissez faire (Polanyi 2001:147).

A self regulating market cannot function without massive state interference. The state *must* adjust the supply of money and credit to ward off the dangers of inflation and deflation, the state *must* help to manage the shifting demands for labour, through welfare transfers during periods of unemployment, the provision of training and the management of migration flows, and the state - *must* act so as to ensure a constant supply of food, by protecting farmers from the vicissitudes of harvests and volatile prices (Block 2001:*xxvi*). Furthermore, whilst Polanyi argues that while all human aggregations are dependent on some form of productive apparatus, the delineation of the economic into a separate and distinct sphere 'had the effect of making the "rest" of society

dependent upon that sphere' the market mechanism becoming 'determinative for the life of the body social' (Polanyi 1947 in Dalton (ed.) 1968:63). ‘Economic motives reigned supreme in a world of their own, and the individual was made to act on them under pain of being trodden underfoot by the juggernaut market’ (ibid). Such a system places great demands on ordinary people, workers and farmers for example. As Block (2001) puts it, such demands mean that

> it often takes *greater* state efforts to assure that these groups will bear these increased costs without engaging in disruptive political actions. This is part of what Polanyi meant by his claim that laissez faire was planned; it requires statecraft and repression to impose the logic of the market and its attendant risks on ordinary people (Block 2001:*xxvii*).

Put simply, for Polanyi, the state had to be involved because a self-regulating market is something that cannot exist.[28] The social, or rather ‘a social’, is inescapable. Some form of socio-political grounding for the market is necessary. As Block argues, 'Polanyi suggests that there are different possibilities available at any historic moment since markets can be embedded in many different ways' (Block 2001:*xxix*), but, and this is crucial, some form of the social will always be required.

The invention of the social or an inevitable recoil in the face of a 'terrible mistake'?

Rose, as has been shown in chapter two above, argues that classical political economy separated of a domain of economic events, with its own laws and processes from the moral dimension of collective existence (Rose 1999:102-103). The economy ran itself, only the sphere of moral life was available for human intervention. According to Rose however, over time interventions into the moral domain were judged to be failing. The various philanthropic and disciplinary projects were

28 Bruce Curtis (1995) argues that Rose and Miller 1992 distort what they learnt from Foucault here, Whereas Foucault argued that 'the state plays various roles – intervening directly, regulating creating bodies with some autonomy, pursuing projects that fail, and not intervening – Rose and Miller present him as arguing that 'The State' had no interest in the matter' (Curtis 1995:581).

proving powerless in the face of social fragmentation and individualization. Economic affairs - the uncertainties of unemployment and the severe conditions in the factories - were not being alleviated by rudimentary factory legislation and so forth (Rose 1996:47-48). Rose argues that these negative consequences of industrial life played a role in reframing the moral domain in social terms. For Rose the shift toward social forms of government was basically fortuitous. This shift was not 'the bearer or culmination of some grand historical process'; it possessed 'no inevitability, no spirit, essence or underlying cause' (Barry, Osborne & Rose 1996:5). Rather, for Rose, the conditions that gave rise to social government, were 'multiple, heterogeneous and contingent' (Rose 1999:275).

Like Rose, Polanyi argues that the countermovement to arrest laissez faire was initiated from a variety of political, moral and philosophical perspectives. However, what Rose sees as a contingent alteration of nineteenth century liberalism, Polanyi insists was an inevitable and spontaneous move due to no other cause than the manifestation of the weaknesses and perils inherent in a self-regulating market (Polanyi 2001:141-157). It is to Polanyi's account of this countermovement that we will now turn.

Polanyi believed that a self-regulating market could not exist for any length of time without destroying the human and natural substance of society; to leave the fate of the soil and the people to the market would be tantamount to annihilating them. Indeed, the repeal of the Poor Law coupled with the social dislocation caused by urbanization had a cataclysmic impact on British Society. 'Neither Charles Kingsley nor Frederich Engels, neither Blake nor Carlyle, was mistaken in believing that very image of man had been defiled by some terrible catastrophe' (Polanyi 2001:102). Blake's 'dark satanic mills' dominated the towns of mid-nineteenth century England, places referred to by Polanyi as 'cultural wastelands', deep sloughs of misery (ibid). Social unity gave way as Disraeli's 'two nations' emerged; 'to the bewilderment of thinking minds unheard of wealth turned

out to be inseparable from unheard of poverty' (ibid). Polanyi argued that the enormous social consequences of a self- regulating market would provoke spontaneous reactions ‘by many diverse elements within society to protect themselves, their livelihood, their communal ties, their culture, from the ravages of unregulated market forces’ (Richardson 2001:176). Thus, Polanyi argues, market societies are comprised of two opposing movements, the laissez faire movement that seeks to expand the scope of the market and the protective countermovement that emerges to resist this ‘disembedding’ of the economy from society. This reaction or ‘double movement’ lies at the heart of Polanyi’s analysis. Any effort to disembed the market from society will create a level of degradation so extreme as to necessitate moves to reign the market in. The turn toward the social, then was not simply fortuitous, as Rose claims; rather it was inevitable and more than that, it was spontaneous.

Polanyi's argument that the progress of market expansion was met by a spontaneous countermovement is antithetical to the claims of economic liberals economic liberals whose 'whole social philosophy hinges on the idea that laissez faire was a natural development, while subsequent anti-laissez faire legislation was the result of purposeful action on the part of the opponents of liberal principles' (Polanyi 2001:148). Later nineteenth century economic liberals, such as Herbert Spencer and William Graham Sumner had argued that an anti-laissez faire or ‘collectivist’ conspiracy had ‘wrecked a great initiative’; 'in their view all protectionism was a mistake due to impatience, greed and shortsightedness, but for which the market would have resolved its difficulties' (Polanyi 2001:151 & 148). Polanyi dismisses this anti-liberal conspiracy as a myth, ‘a pure invention’. 29 There had been no deliberate intention to ‘extend the functions of the state’ or limit individual freedoms ‘on the part of those who were directly responsible’ for the waves of

29 Polanyi argues that it was the ‘eminent liberal’ A.V. Dicey who discovered that the idea of collectivist countermovement was spontaneous. Dicey began to inquire as to the origins of the ‘collectivist trend’ in English public opinion and 'was surprised to find that no evidence of such a trend could be traced *save the acts of legislation themselves*. More exactly, no evidence of a “collectivist trend” in public opinion *prior* to the laws which appeared to represent such a trend could be found' (Polanyi 1944/2001:147). That is to say, that the turn toward collectivist legislation came about spontaneously, there was no change in mood or opinion preceding it.

restrictive legislation. 'The legislative spearhead of the countermovement against a self-regulating market as it developed…turned out to be spontaneous, undirected by opinion, and actuated by a purely pragmatic spirit' (Polanyi 2001:147). This is the second half of what Polanyi had in mind when he said that ‘laissez faire was planned; planning was not’. By this Polanyi meant that while the move to implement a laissez faire economy was the product of deliberate state action the subsequent restrictions put on laissez faire started in a spontaneous way (Polanyi 2001:147).

Polanyi's emphasis on the spontaneity of the countermovement points to differences from Rose's account of the invention of the social. For Rose, investigations by an emergent army of independent experts brought to light an array of undesirable consequences of industrial life. 'Poverty and pauperism, illness, crime, suicide and so forth were the subjects of a whole labour of documentation: written down in evidence, counted, tabulated, graphed, drawn' (Rose 1999:113). Rulers were urged to accept the obligation to tame and govern these undesirable consequences (Rose 1996:39). For Rose then, the invention of the social has a programmatic quality: problem identified, solution sought, action taken. For Polanyi on the other hand the protective countermovement sprang up automatically.

Polanyi points to four significant features of this protective countermovement that demonstrate its spontaneity. First, Polanyi notes the wide variety of legislative measures that were taken, the ‘amazing diversity’ of which, he argues, should alone be enough to exclude the possibility of a collectivist conspiracy. There was, for example, a Gas Works Inspection Act, an extension of the Mines Act that made it illegal to employ boys under the age of twelve who were not in school and couldn’t read or write. There were other Acts for compulsory vaccination, Acts to fix wages in some industries, Acts for the inspection of food, Acts to protect child chimney sweepers, a contagious diseases Act, a public libraries Act, all of which were aimed in some way at protecting the public

interest from the dangers inherent in a self-regulating market. 'To an unbiased mind they proved the purely practical and pragmatic nature of the “collectivist” countermove' (Polanyi 1944/2001:152-153). Furthermore Polanyi shows that many of the politicians responsible for these legislative measures were 'convinced supporters of laissez faire', 'uncompromising opponents of socialism or any other form of collectivism' (ibid).

Secondly, Polanyi shows that the shift from liberal to collectivist solutions happened sometimes overnight, 'and without any consciousness on the part of those engaged in the process of legislative rumination' (Polanyi 1944/2001:153). Polanyi points to the Workmen’s Compensation Act, a piece of legislation that dealt with the right of working people for compensation for personal injury, to exemplify his point. Prior to the passage of the law in 1897, the employer bore no legal responsibility to his employees. Suddenly, and with no major change of opinion the employer became the 'insurer of his workmen against any damage incurred in the course of their employment'… 'no better proof could be adduced that no change either in the type of interests involved, or in the tendency of the opinions brought to bear on the matter, caused the supplanting of a liberal principal by an anti liberal one' (ibid).

Here too Polanyi's account of the protective countermovement differs from Rose's notion of the invention of the social. For Rose the invention of the social was driven by the development of statistics, commissions of inquiry, reports, censuses and surveys into issues such as illness, disease and mortality, poverty, crime and suicide that, as Dean (1999) puts it, gave the social a kind of 'positivity', that is, 'a reality with its own regularities, laws and characteristics' (Dean 1999:127). Rose notes the emergence of new 'social' language, the arrival of the 'social' novel, the 'social evil', even the National Association for the Promotion of Social Science. Further Rose points to the birth of a range of experts of the social – 'the doctors, the charity workers, the investigators of the “dark

continent of the poor" - who spoke in the name of the social' (Rose 1999:114). Gradually as these experts came to be joined up to the formal political apparatus, the social begins to gain the sense it would have for the next hundred years (ibid). Thus for Rose, the social, this imagined territory, is thought into being by experts. Subsequently, politicians are 'forced to accept that government of at least some aspects of this social domain should be added to the responsibilities of the political apparatus' (Rose 1996a:329). By contrast, for Polanyi, the social is an ongoing reality that economic liberalism and laissez faire sought vainly to deny. Hence for Polanyi the countermovement that reasserts the social happens spontaneously; 'at innumerable disconnected points it set in without any traceable links between the interests directly affected or any ideological conformity between them' (Polanyi 2001:156).

Thirdly, Polanyi points to the development of similar legislative measures in different countries with 'widely dissimilar political and ideological configurations'.

> Victorian England and the Prussia of Bismarck were poles apart, and both were very much unlike the France of the Third Republic or the Empire of the Hapsburgs. Yet each of them passed through a period of free trade and laissez faire, followed by a period of anti-liberal legislation in regard to public health, factory conditions, municipal trading, social insurance, shipping subsidies, public utilities, trade associations and so on (ibid).

Polanyi shows, for example, that factory inspection and workmen's compensation were achieved at different times and in different places by political figures from across the spectrum, by conservative and liberal cabinets in the U.K., by Roman Catholics and Social Democrats in Germany, by the Church as well as violent reactionaries in Austria, and by enemies of the Church and ardent anti-clericals in France. 'Thus under the most varied slogans, with very different motivations a multitude of parties and social strata put into effect almost exactly the same measures in a series of countries in respect to a large number of complicated subjects' (Polanyi 2001:154). For Polanyi this was

because the challenge of a self regulating market as a challenge to society as a whole, and as such an unregulated market would eventually be restrained from above even if those below lacked sufficient bargaining power to protect themselves. As Silver and Arrighi (2003) put it, 'thus, for example, Polanyi argues that it was enlightened reactionaries among the British landlord class who played the vital function of fighting for the emergent (still voiceless) British working class in the nineteenth century' (Silver and Arrighi 2003:327). The initial British reaction to laissez faire was led by conservatives, notably Shaftsbury and Disraeli who drew on a benign reading of the British conservative tradition as one committed to social balance and the good of the community as a whole (Richardson 2001:36). Correspondingly, Block notes that when periodic economic downturns destroy the banking system, business groups insisted that central banking be strengthened to insulate the domestic supply of credit from the pressures of the global market. 'In a word, even capitalists periodically resist the uncertainty and fluctuations that market self-regulation produces and participate in efforts to increase stability and predictability through forms of protection' (Block 2001:xxvii).

Polanyi notes that at various times the economic liberals themselves advocated restrictions on the freedom of contract and laissez faire. Polanyi points to issues surrounding the formation of labour unions and business corporations. Laissez faire or the freedom of contract contained the theoretical implication that workers were free to combine and withhold their labour for the purposes of raising wages, and correspondingly capitalists were free to combine and form cartels or corporations in order to raise prices. Polanyi notes that in practice these freedoms clashed with the principles of a self-regulating market, and that in such situations the self regulating market would consistently be given precedence. 'In other words, if the self regulating market proved incompatible with the demands of laissez faire, the economic liberal turned against laissez faire and preferred - as any anti liberal would have done – the so called collectivist methods of regulation and restriction' (Polanyi

2001:155). For Polanyi, no more conclusive proof of the inevitability of a protective countermovement could be presented than the fact that the economic liberals regularly turned to collectivist methods themselves (ibid).

Polanyi concludes that the countermove against economic liberalism and laissez faire bore the unmistakable hall marks of an inevitable, spontaneous reaction, a conclusion antithetical to that of Nikolas Rose, for whom 'the social is not an inevitable horizon for our thought or our political judgment' (Rose 1999:101). As Fred Block has noted in the introduction to the third edition of *The Great Transformation* Polanyi's belief that a protective turn to arrest laissez faire was necessary and spontaneous is the source of his 'powerful argument about the double movement' (Block 2001:*xxviii*). Polanyi argued that for a one hundred year period the dynamics of modern society were governed by this double movement - 'the market expanded continuously but this movement was met by a countermovement checking the expansion in definite directions' Polanyi 2001:136). As Kari Polanyi Levitt (2005) has noted, the protective turn was not a self-correcting mechanism to moderate the excesses of capitalism, but rather, 'an existential contradiction between the requirements of a capitalist market economy for unlimited expansion and the requirements of people to live in mutually supportive relations in society' (Polanyi Levitt 2005:162). As Block (2001) says, for Polanyi 'the protective countermovement *had* to happen to prevent the disaster of a disembedded economy' (Block 2001:*xxxvii*). The movement toward a self-regulating economy required a countermovement to protect against the dangers inherent in laissez faire. Polanyi sees these dangers as encompassing nothing less than 'the exploitation of the physical strength of the worker, the destruction of family life, the devastation of neighbourhoods, the denudation of forests, the deterioration of craft standards, the disruption of folkways and the general degradation of existence' (Polanyi 2001:139). To summarize, what Rose holds to be the contingent alteration of nineteenth century liberalism, Polanyi emphatically shows to be an inevitable accompaniment to the

perils inherent in the utopian principle of a self regulating market.

Polanyi argued that the countermovement was inevitable because the kind of economic system that the classical political economists were trying to establish in the nineteenth century, that is, an economy directed by market prices alone, ‘a system capable of organizing the whole of economic life without outside help or interference’ (Polanyi 2001:45), was utopian, in the sense of impossible. Not surprisingly, then, it has no historical precedent. Polanyi insists that prior to the nineteenth century the human economy was always embedded in social relations. That is to say, before the nineteenth century the economic order was never more than a function of the social order. Despite what the advocates of laissez faire claimed, it could not have been otherwise.

Adam Smith had identified a propensity in primitive man 'to barter, truck and exchange one thing for another', The classical political economists that followed in Smith's wake adopted and extended his axiom 'about primitive man's alleged predilection for gainful occupations' and attempted to establish an industrial system which 'practically and theoretically implied that the human race was swayed in all its economic activities, if not also in its political, intellectual and spiritual pursuits by that one particular propensity' (Polanyi 2001:46). Polanyi was concerned to show that the historical and ethnographic record belied the view of primitive humans as bent on material gain. 'In spite of a chorus of academic incantations so persistent in the nineteenth century, gain and profit made on exchange never before played an important part in human economy' (Polanyi 2001:45).

Drawing on his ‘vast reading of history, anthropology and social theory’ (Block 2001:*xxii*), Polanyi argued that while historical and ethnographic inquiry had brought to light various types of economy, many of which included markets, never before the nineteenth century had an economy existed that was even approximately controlled and regulated by markets.

> The outstanding discovery of recent historical and anthropological research is that man's economy, as a rule, is submerged in his social relationships. He does not act so as to safeguard his individual interest in the possession of material goods; he acts so as to safeguard his social standing, his social claims, his social assets. Neither the process of production nor that of distribution is linked to the possession of goods; but every single step in that process is geared to a number of social interests which eventually ensure that the required step be taken (Polanyi 2001:48).

Polanyi goes on to argue that while the exact interests differ greatly in different societies, in all cases, the 'economic system will be run on non-economic motives' (ibid). For Polanyi, all economic systems that existed up until the end of feudalism in Western Europe were organized on the principle of either redistribution, reciprocity, householding or a combination of the three. In an essay titled *Our Obsolete Market Mentality* first published in 1947, Polanyi draws this point out further. Indebted to the work of anthropologists Branislav Malinowski and Richard Thurnwald, Polanyi shows how ideas of 'primitive' peoples as individualistic, motivated by a crude egotism or a tendency to cater to one's self 'had been exploded long ago'. Thurnwald concluded that 'the characteristic feature of primitive economics is the absence of any desire to make profits from production and exchange' while Malinowski held that 'gain...never acts as an impulse to work under the original native conditions' (Thurnwald 1932 and Malinowski 1922 cf Polanyi 1947 in Dalton 1968:66). Polanyi argues that such is the case not only for so called 'primitive peoples' but in 'civilized society' also. 'Whether we turn to ancient city-state, despotic empire, feudalism, thirteenth-century urban life, sixteenth-century mercantile regime, or eighteenth century regulationism- invariably the economic system is found to be merged in the social' (ibid). For Polanyi, the study of early societies had brought to light a clear conclusion, 'the changelessness of man as a social being' (Polanyi 2001:48).

Adam Smith's view of 'primitive peoples' as predisposed to barter and truck was to have a significant influence on the classical economists. Smith himself recognized a social aspect of human life, tempering his view of self-interest with his recognition that human beings have a natural tendency to take an interest in the fortunes of others as laid out in *The Theory of Moral Sentiments* (1759). However, in the work of the classical economists, as well as later writers such as Herbert Spencer, and later still Ludwig von Mises and Walter Lippman, Smith's recognition of sympathy as a moral sentiment disappears and the crude egoism of the 'bartering savage' is elevated into a categorical imperative. Thus it was precisely an unfounded notion of human beings as egoistical and predisposed toward material acquisition that animated the nineteenth century classical economists in their doomed quest to create a self-regulating market economy.

Whilst the classical economists had indeed wanted to create a self-regulating market, Polanyi insists that they *did not* and *could not* achieve this goal. As Block (2001:*xxiv*) puts it. 'Polanyi repeatedly says that the goal of a disembedded, fully autonomous economy is a utopian project; it is something that cannot exist' (ibid). For Polanyi, the kind of market society of which the classical liberals dreamed, demanded that all the various elements of industrial life be treated as commodities. Polanyi relies on an empirical definition of a commodity as something that is produced for sale on the market, and markets are defined as actual contacts between buyers and sellers. 'Accordingly, every element of industry is regarded as having been produced for sale, as then and only then will it be subject to the supply and demand mechanism interacting with the price' (Polanyi 2001:75). Of central importance to Polanyi's argument about the impossibility of laissez faire is this: whilst labour, land and money are indeed essential elements of industry that must be organized into markets, labour, land and money are emphatically not commodities, they have not been produced for sale on the market.

Labour is only another name for a human activity which goes with life itself, which in

> its turn is not produced for sale but for entirely different reasons, nor can that activity be detached from the rest of life, be stored of mobilized; land is only another name for nature, which is not produced by man; actual money, finally, is merely a token of purchasing power which, as a rule, is not produced at all, but comes into being through the mechanism of banking or state finance. None of them is produced for sale. The commodity description of labor, land and money is entirely fictitious (ibid).

Despite this fiction, the actual markets for labour, land and money in laissez faire liberalism are organized as if they were in fact commodities, they are bought and sold on markets, they are subjected to the laws of supply and demand, and any policies to inhibit the formation of such markets would endanger the self-regulation of the system.

Polanyi elaborates on the effects of this commodity fiction at some length. 'To allow the market mechanism to be the sole director of the fate of human beings and their natural environment, indeed, even of the amount and use of their purchasing power would result in the demolition of society' (Polanyi 2001:76). Polanyi argues that labor power cannot be separated from the human beings that comprise it, that land is nothing but our natural environment and that money is but the amount of purchasing power that people have, any attempt to place them under the administration of the market would necessarily prove disastrous. For Polanyi, to remove human beings from the protective fabric of their society and subject them and their natural environment to the vicissitudes of the market would annihilate the human and natural substance of society, physically destroying people and reducing their surroundings into a wilderness (Polanyi 2001:3). Thus the kind of system that the classical economists were trying to establish in the nineteenth century was one that could not be established, the self-regulating system of markets was an impossibility.

> Robbed of the protective covering of cultural institutions, human beings would perish from the effects of social exposure; they would die as the victims of acute social

> dislocation through vice, perversion, crime and starvation. Nature would be reduced to its elements, neighborhoods and landscapes defiled, rivers polluted...the power to produce food and raw materials destroyed. Finally the market administration of purchasing power would periodically liquidate business enterprise, for shortages and surfeits of money would prove as disastrous for business as floods or droughts...no society could stand the effects of such a system of crude fictions even for the shortest time unless its human and natural substance as well as its business organization was protected against the ravages of this satanic mill (Polanyi 2001:76-77).

To disembed the economic from the social, as the classical economists had wanted is something that cannot be done. Nineteenth century liberalism, in which the economy was to be based on self interest was thus 'entirely unnatural in the strictly empirical sense of *exceptional'* (Polanyi 2001:257). As Polanyi later put it, 'Aristotle was right', humans are not economic but social animals, not bent on material acquisition, but rather on 'ensuring social good will, social status, social assets' (Polanyi 1947 in Dalton 1968:65).

For Polanyi, society is an inescapable reality of human life. By contrast, Nikolas Rose rejects notions of 'an anthropology or essentialism of the human, there being no 'external code, truth... or goal', Rose positions himself against 'ideas of a human essence' (Rose 1999:283). His conception of what constitutes the social thus differs markedly from that of Polanyi. From Rose's perspective the social does not refer to an inescapable fact about human beings - that they are social creatures – nor does it refer to ‘an eternal existential sphere of human sociality’. Rather, the social is a way in which, 'within a limited geographical and temporal field…human intellectual, political and moral authorities…thought about and acted upon their collective experience' (Rose 1996a:329). Thus Rose is able to navigate over the death of the social, an event that for Polanyi would be impossible.

Writing in the early 1940s Polanyi believed that his age would undoubtedly be credited with having

seen the end the utopia of a self- regulating market. The economic disasters of the 1930s and the corollary rise of fascism would, for Polanyi, he believed, spell the end of such fallacies. 'Polanyi believed that the disasters of the first half of the twentieth century had taught humanity a lesson that would not be forgotten and that the utopian experiment of the nineteenth century would never be repeated' (Silver & Arrighi 2003:326). Polanyi was confident that, in the post Second World War order, economics would be subordinated to social objectives. For that to happen, Polanyi argued, the key step was the rejection of the 'obsolete market mentality' and the acceptance of the reality of society. 'I plead for that unity of motives which should inform man in his everyday activity as a producer, for the re-absorption of the economic system in society' (Polanyi 1947 in Dalton 1969:72-73). In the immediate post-war years Polanyi witnessed the rejection of market liberalism. He held that the passing of the market economy would bring humankind face to face with the reality of society and usher in a brave new era of true democracy in which the problem of industry would be resolved through the planned intervention of producers and consumers themselves, an era of unprecedented freedom (Polanyi 1947 in Dalton 1969:75-76). And indeed, as Block (2001) notes, 'the achievements of European social democratic governments, particularly in Scandinavia, from the 1940s to the 1980s provides concrete evidence that Polanyi's vision was both powerful and realistic' (Block 2001:*xxxvii*). However, as more recent history has shown, Polanyi was wrong. The 1940s had not borne witness to the end of market liberalism. Whilst in the immediate post-war decades, consistent with Polanyi's expectations, the belief in self-regulating markets lay in utter disrepute, 'in the 1980s and 1990s however, economic liberalism came back with a vengeance' (Silver & Arrighi 2003:326). It is to this resurgence of the liberal creed that we will now turn.

The death of the social or the birth of a new double movement

Polanyi died in 1964, having observed the rejection of classical liberalism in different countries in different ways. In the latter years of Polanyi's life, economic liberalism was, within conventional political and academic discourse at least, all but obsolete. However as Peck and Tickell (2003)

argue, 'decidedly outside the intellectual and political mainstream a loose network of proto-neoliberals had been earnestly engaged in a reconstruction of an alternative world view rooted in the centrality of the market' (Peck and Tickell 2003:170). 30 Whilst these neoliberal ideas remained firmly in the margins of policy and academic influence in the postwar decades, they were catapulted centre-stage during the troubled years of the 1970s (Harvey 2005:22). At this time they were met by a variety of intersecting critiques of social government, many of which were motivated by a desire for a greater degree of personal liberty. Articulated in different ways from a heterogeneity of points in the political compass, these intersecting forces began to strip the self-evidence away from social government (Rose 1996:50).31 Nikolas Rose, writing in the present has witnessed the shift away from social strategies of government. Rose, for whom, 'the social is not an inevitable horizon for our thought or political imagination', has thus been able to theorize what he conceives of in terms of 'the death of the social', and emergence of a new formula for rule 'advanced liberalism'. As Mitchell Dean (1999) puts it, advanced liberal strategies of government have found away to bypass society. Polanyi did not witness, nor could he have foreseen, the shift away from social forms of government. However, his extreme skepticism about disembedding the economy and his insistence on the reality of society would no doubt lead a present day Polanyi to conclude that advanced liberalism, in which 'all aspects of social behavior are reconceptualized along economic lines' (Rose 1999:141) and in which all aspects of social government must be restructured in the name of an economic logic is 'utopian, unsustainable on its terms... bound wreck the fabric of society and call forth agencies that will protect society from the ravages of the satanic mill' (Silver & Arrighi

30 Peck and Tickell (2003) show that the catalyst for this revivalist movement was Frederick Hayek's (1944) excoriating analysis of collectivism in *The road to serfdom*. Hayek formed the Mont Pélérin society in 1947, a classical liberal society whose members have included Milton Friedman, Ludvig Von Mises, Gary Becker, Henry Haslitt and Michael Polanyi (Karl Polanyi's brother). The society was dedicated to 'opposing the "collectivist ideologies" of nationalism, socialism and fascism' and was deeply opposed to state interventionist theories, such as those of Keynes and Beveridge that had all but become axiomatic in the post- war 'golden age'.(Peck & Tickell 2003:170 see also Harvey 2005:19-31).

31 Peter Mcmylor concludes that conservative free market advocates may have been, 'correct and prescient in the 1970s to make a pitch for the apparently left wing romantic individualists of the 1960s generation. There were deeper affinities between them than their self-assigned political labels would allow for' (Mcmylor 2003:405). David Harvey (2005) argues that many of the oppositional movements of the 1960s held personal freedoms to be sacrosanct, and were thus vulnerable to incorporation to the neo-liberal fold (Harvey 2005:41).

2003:326).

In the wake of the Second World War and the Great Depression, Polanyi believed the self-regulating market to be a thing of the past. However as Polanyi-inspired critics have argued the 1980s and 1990s showed that ;this was simply not the case: here again, another double movement round of liberalization saw markets tearing away at social, regulatory and territorial constraints, disembedding themselves in revolutionary projects recognized as neoliberalism and globalization' (Craig & Porter 2005:3). The resurgence of market liberalism since the 1980s under various labels, (Thatcherism, Reaganism, neo-liberalism, the 'Washington Consensus') has been well documented. 32 There are important differences between nineteenth century laissez faire and late twentieth century market capitalism. National currencies and exchange rates no longer pegged to the gold standard, and there are powerful supranational financial institutions like the IMF and the World Bank that manage the global system (Block 2001:*xxxiii*). However as Block (ibid) argues 'behind these important differences there lies a fundamental commonality - the belief that if individuals and firms are given maximum freedom to pursue their economic self interest, the global marketplace will make everyone better off'.

The resurgence of market liberalism in the 1980s and 1990s has seen a 'predatory form of Anglo-American shareholder capitalism' displace the 'socially embedded' mixed economies of the post-war period. 'The social, cultural and natural environment has increasingly been invaded, degraded and subordinated to criteria of private profitability' (Polanyi Levitt 2005:173). For Polanyi, it is inevitable that people will mobilize to protect themselves against these degrading effects. It is inescapable that society will take measures to re-embed the economy in some form of socio-political control. Would the various third way strategies of government, in which the economy is to

32 See for example Harvey 2005:5-63, Jessop 2002, Peck & Tickell 2003:8-16

be immersed in an array of community relations that direct it and infuse it with values, not represent the first tentative steps back towards 'the social'? As Craig and Porter (2006) put it, 'this shift might in fact be seen as a part of a wider Polanyian political economy shift, the early rumblings perhaps of a re-embedding phase following on from the (ongoing) disembedding of markets via neoliberal reforms' (Craig and Porter 2006:12).

As was argued in the previous chapter, Rose views 'third way' strategies of government as a fundamentally backward looking response to the challenges facing contemporary politics. Furthermore, Rose takes exception to the sense of inexorability that he finds in Anthony Giddens' *The Third Way: The Renewal of Social Democracy,* a core 'third way' text. Giddens, Rose argues, presents his third way as an adapted social democracy for a world that has changed fundamentally over recent decades. 'Reality has changed, it appears, and politics must respond' (Rose 1999a:469). For Rose, Giddens' account is presented in a realist form, a form that allows the politics of the third way to be 'presented as if it arose, inescapably from the conditions of our present' (ibid:470). A present day Polanyi would no doubt argue that such is indeed the case, here we see a pragmatic, self-protecting recoil against the prior excesses of market liberalization (Peck & Tickell 2007:44). Whilst Rose argues that third way strategies represent a nostalgia for social forms of government that belong to the past he does nevertheless acknowledge that 'a novel sense of community is emerging as both a means of problematization and as a means of solution' (Rose 1999:173). This turn toward community, which comes to occupy some of the space evacuated by the social might, in Polanyian terms, represent an albeit cautious and limited protective countermovement to the hazards of life subjected once again to the vicissitudes of market rationality.

Rose, as has been discussed in chapter 2 above, describes the emergence of community in contemporary debates as 'rather unexpected' (Rose 1999:167). For Rose, just as the social appeared

at the turn of the nineteenth and twentieth centuries as an antidote to the fragmentation and individualization left in the wake of nineteenth century liberalism, so to community appears 'phoenix like' to arrest the fragmentation left in the wake of two decades of neoliberalization. Community here refers not to a geographic space, a social space or a space of services, rather, ‘it is a moral, affective and ethical field binding persons into durable relations’ (Rose 1999:172). Rose shows how this new politics of community has been elaborated in different ways by thinkers from a variety of points in the political spectrum. From recent economic writings stressing trust, and partnerships to MacIntyre's revived civic republicanism [33] Similarly, Rose notes that communitarian thinkers such as Robert Bellah, Robert Putnam and Amitai Etzioni have argued that the individualist shift of recent decades has lead to a decline in civic engagement, and contributed to crime, drugs, family breakdown, anomie, violence, a lack of respect for authority and the decline of commitment to work (Rose 1999a:479). Such thinkers offer the reinvention of community as the solution to this moral degeneration.

Invocations of community are, of course, nothing new. As Rose argues ‘the theme of loss of community, and the need to re-make or substitute something for its benefits emerges with remarkable regularity in critical reflections on the state of the nation, from the nineteenth century onwards’ (Rose 1999:172). Rose points to the sense of a loss of tradition and rise of individualism in the shift from *Gemeinschaft* to *Gesselschaft* in the nineteenth century as one example of this, and the analyses of the damaging effects of urban life in the 1920s and 1930s as another, noting that in each case the community appealed to differs. Reading Polanyi, who encountered two successive swings of double movement, first in the 1870s and 1880s in response to nineteenth century laissez faire and again in the 1930s in response to the excesses of the 1920s when ‘the prestige of economic

33 As Peter Mcmylor has pointed out, MacIntyre learnt from Polanyi. 'For Polanyi the wide diversity of pre-market forms all require embedding within some wider set of social relations to avoid economics being a narrow means- end relationship of self interest; so with MacIntyre’s account, for in order for virtue to be exercised, or even understood, there must be criteria embodied in some shared account of our own context' McMylor 2003:405).

liberalism was at its height' (Polanyi 2001:148), the timing of these earlier invocations of community is hardly surprising. Efforts to bring about greater market autonomy always necessitate a protective countermovement. Rose goes on to ask a question: 'if community, in so many guises and forms, is proposed as a solution, what is it in our welfare democracies that it is seen as a solution *to*? (Rose 1999:173). If Polanyi were alive to answer this question he would no doubt argue that the contemporary turn to community represents a contemporary example of the re-embedding of the economic in an social relations.

As argued in chapter 2, Rose offers an account of the birth and the death of the social. For him, the social, was a singular event. Rather than point to 'an eternal existential sphere of human sociality'. Rose emphasises the way in which 'within a limited geographical and temporal field…human intellectual, political and moral authorities…thought about and acted upon their collective experience' (Rose 1996a:329). As the boldness of Rose's claim for the death of the social suggests, his genealogical approach asserts the primacy of contingency and the depth of rupture with the past. As O'Malley, Weir and Shearing (1997) have noted, this emphasis on contingency and rupture has lead to a now lengthy history of tension between genealogical work and Marxist ideas about the train of history. Rose's focus on the strangeness of the past and the contingency of the present similarly point to fundamental differences with Polanyi. Polanyi's emphasis on the inevitability of the protective countermovement suggests historical recursivity, as any attempt to disembed the economy from societal restraint will inevitably encounter resistance. As Block (2001) notes, 'Polanyi suggests that there are different possibilities available at any historical moment, since markets can be embedded in many different ways…some of these forms will be more efficient in their ability to expand output…and some will be more socialist in subordinating the market to democratic direction' (Block 2001:*xxix*). The turn to the social does not drive history towards a single, determinate outcome. But this turn is nevertheless a necessary moment that impels historical

development.

On these Polanyian terms, the contemporary turn toward third way strategies of governing through community, is more than mere contingency. It is an inevitable shift of direction, reflecting what Polanyi saw as a fundamental fact about humans, that their economy must be enmeshed in some form of social relations. To disembed the economic, as attempted by nineteenth century liberals and their twentieth century scions would necessarily lead to 'social contradictions and engender social and political measures and movements to defend society against the disintegrating forces of the market' (Polanyi Levitt 2005:162). On this crucial point, the accounts of Polanyi and Rose are starkly opposed.

4. Tensions within the field of liberalism

In the previous chapters we have encountered the work of two theorists, Nikolas Rose and Karl Polanyi, who despite the half century or so separating their intellectual output and the at times antithetical conclusions they arrive at, are nonetheless both concerned with navigating over different aspects of overlapping terrain. In short both Rose and Polanyi engage with liberalism and both Rose and Polanyi elaborate divergent theoretical positions that reflect tensions within the field of liberalism itself. 34 In this chapter I will argue that liberalism has developed in a series of oscillations between contending clusters of ideas, one set in which notions of individual liberty are elevated into a categorical imperative, and the other in which such notions are balanced with appeals to democratization, and the more equitable distribution of the fruits of liberalism. I will show that the driving force behind these oscillations is changes to the way freedom - a supreme value of liberalism – is conceptualized. I will argue that Rose and Polanyi utilize differing understandings of freedom and that as such they occupy divergent points within the field of liberalism. Questions arise, what is liberalism? Where did it come from? And how is it able to accommodate such wildly dissimilar perspectives.

As Andrew Heywood (2003) has put it, liberalism is, in a sense, the ideology of the industrialized West. ‘So deeply have liberal ideas permeated political, economic and cultural life that their

34 It is important to note that neither Rose nor Polanyi identify themselves as liberals, Polanyi, as has been shown above, self identified as a socialist, but adopted such a broad definition of socialism so as to have ample scope to include various forms of ‘social’ liberalism. Rose, who identifies as an ex-Marxist, adopts a neither for nor against attitude toward liberalism that nevertheless evinces a certain esteem for advanced liberal strategies of government at least inasmuch as they ‘break with the dependency culture that has undermined disadvantaged peoples self-esteem’...forcing ‘these people into a whole array of programs for their ethical reconstruction as active citizens’ (Kerr 1999:194-195).

influence can become hard to discern, liberalism appearing to be indistinguishable from "western civilization" in general' (Heywood 2003:28). Heywood goes on to argue that more than being simply an ideology, liberalism is in effect a 'meta-ideology'; 'that is, a body of rules that lays down the grounds upon which political and ideological debate can take place' (ibid).

Whilst the term 'liberal', deriving from the Latin *liber* denoting a class of free men, has been in use since the fourteenth century, it was not used to signify a specific political allegiance until much later, being first employed in that sense in Spain in 1812. By the 1840's however, the term was widely recognized throughout Europe in relation to a distinct set of political ideas (Heywood 2003:25). In the sense that it was understood in the early to mid-nineteenth century, liberalism can broadly be defined as a political ideology and form of governance that emphasizes strict limits to the size and function of the state, the state as 'nightwatchman' to use Locke's metaphor, or the state as a 'necessary evil' in the words of Thomas Paine. Further, liberalism thus understood stressed a positive role for markets, the rule of universal law, the need for private property rights and individual human rights especially in relation to the freedom of speech, conscience and religion. Rather than representing a fixed political doctrine however, liberalism has proven itself to be open to adaptation and hybridization over space and time. Liberalism, writes Richardson (2001), resists sharp definition: 'it is hardly less a habit of mind than a body of doctrine', or 'often a matter of broad cultural allegiance and not of politics at all' (Laski 1936 and Dunn 1993 in Richardson 2001:17). Whilst there are several defining values common to many characterizations of liberalism, 35 which one of these values takes primacy, and indeed the very definition of these values is open

35 John Dunn lists political rationalism, hostility to autocracy, tolerance and individualism among the 'cluster of values that have characterized liberalism since its inception'. John Gray has them as being 'individualism, egalitarianism, universalism, and meliorism'. Whereas, Anthony Arblaster sees them as being 'freedom; tolerance; privacy; constitutionalism and the rule of law; reason, science, and progress and – implicitly – property' maintaining that 'individualism is the metaphysical and ontological core' (Dunn 1993, Gray 1996 and Arblaster 1984 in Richardson 2001:17-18). For Andrew Heywood (2003), the distinct values of liberalism are the individual, freedom, reason, justice, toleration and diversity (Heywood 2003:28).

to contestation. 36 Liberalism is, as Wendy Brown puts it, ‘a non systematic and porous doctrine subject to historical change and local variation’ (Brown 1995:141).

For Nikolas Rose, liberalism entails a continual questioning of the activity of rule’. Rose points out that liberalism confronts itself with a succession of questions on rule. Why rule? If, as nineteenth century liberals believed, the objects of rule had their own laws and causalities, under what conditions can they legitimately be subjected to political laws? Next, Liberalism asks itself who can rule? Who can legitimately exercise authority over others? ‘This question of the authority of authority must be answered not transcendentally or in relation to the *persona* of the leader, but through various technical means of which democracy and expertise prove to be two rather durable solutions’ (Rose 1996:47 & 1993:292). Graham Burchell (1996) similarly emphasizes the critical and problematizing character of liberalism. As Colin Gordon (1991) has put it, liberalism can be accurately characterized in Kantian terms as a *critique of state reason,* that is, ‘a doctrine of limitation and wise restraint, designed to educate state reason by displaying to it the intricate bounds of its power to know’ (Gordon 1991:15).

According to Foucault, liberalism should be seen not so much as a formula for rule, but as a constant deep suspicion of rule, an ongoing inquiry into whether or not the desired results are being produced, 'A recurrent diagnosis of failure coupled with a recurrent demand to govern better' (Rose 1996:47). Foucault sees liberalism as ‘a polymorphous and permanent instrument of critique which can be turned against the previous forms of government it tries to distinguish itself from the actual forms it seeks to reform …and the potential forms it opposes’ (Foucault 1989 cf Dean 1999:49). For Mitchell Dean (1999) then, the targets of liberal critique can change according to the circumstances

36 For many, such as Alan Ryan (1993), ‘freedom’ may be the highest political value in liberalism, but, and this will become crucial in ensuing paragraphs, freedom is an ‘essentially contested concept’ (Richardson 2001:18). Furthermore, at different times in different places concepts as diverse as improvement, equal rights, eudaimonia, and property have been accorded the role of defining value (ibid).

in which it is located:

> at the end of the eighteenth century it was notions of "reason of state" and police; at the end of the nineteenth century, it was earlier forms of liberalism; after the Second World War in Europe, it was forms of national and state socialist totalitarianism; at the end of the twentieth century it includes not only the ideal of a welfare state but also the very concept of the nation-state (Dean 1999:49).

In the paragraphs that follow I will examine these and other moments of liberal critique, both antecedent and subsequent to those Dean notes above. In so doing, I will argue that liberalism has, since its incipiency, moved through a series of oscillations between two competing poles; one rigorously prioritizing individual liberty, the other balancing individualism with notions of social justice, egalitarianism and democracy. While the various reformulations of liberalism that have resulted from these oscillations have taken different forms at different times, contingent on a whole array of temporal specificities, there has been an underlying recursivity that resonates with Polanyi's notion of a double movement.

An idea unfolding: competing voices in the development of the liberal narrative

For Rose and many of his contemporaries, liberalism emerged as a critique of the police state in the late eighteenth century, 37 Polanyi dates the emergence of classical liberalism proper some two generations later in the 1820's at which time laissez faire came to stand for a labour market, the gold standard, and free trade (Polanyi 2001:141). In an analysis of the normative tensions within liberalism, James Richardson (2001) argues that certain liberal narratives began to appear earlier, in

37 For the governmentalities theorists, liberalism emerges first as a critique of the police state associated with *raison d'état.* The police state, Foucault argued, represented the "direct governmentality of sovereign as sovereign", or, "the permanent coup d' état" (Valverde 2007:170). The political rationality of the police state was to govern through detailed regulations and multifarious interventions, "*in toto*, down to a minutiae of existence" (Osborne, Barry and Rose 1996:9). Nineteenth century classical liberalism appears as a critique of this totalized regulation. For Nikolas Rose, whereas the police state had sought to specify and scrutinize the behaviour of subjects in minute detail, emergent liberalism abandons "the megalomaniacal fantasy of a totally administered society" (Rose 1996:43).

the works of, among others, Spinoza, Milton and Locke. 'Political movements propounding liberal values first appeared in the mid-seventeenth century when characteristic liberal themes and debates were articulated in the English Revolution' (Richardson 2001:20).

For Richardson, 'liberalism consists in a sequence of debates, literal or figurative – the spelling out of contending positions with some reference to what went before'. Richardson argues that there exists within liberalism a central tension between two competing strands, one elitist, the other radical. 'The former may also be termed, in differing contexts, the liberalism of privilege or liberalism from above; the later egalitarian, social or inclusive liberalism, or liberalism from below' (ibid). Furthermore, for Richardson, one of these tendencies may predominate for long periods of time smothering, but never wholly extinguishing its potential rival (ibid). An examination of how these tensions have played out over the centuries, of how liberalism has progressed through the series of oscillations mentioned above, provides occasion to locate both Rose's position and that proffered by Polanyi at different points within the field of liberalism.

Richardson (2001) argues that the history of contending elitist and radical liberalisms falls into three partially overlapping phases: 'the first over equal political rights (elitism versus democracy); the second over the economic and social implications of liberal values ("classical" versus "social" liberalism); and most recently, over the extension of liberal principles to those who are especially disadvantaged…("inclusive" liberalism) (Richardson 2001:17). Furthermore, Richardson argues, that whilst in each phase cleavages between competing liberalisms are articulated in different ways, the central issue remains essentially the same: whether or not liberal rights and freedoms are to be genuinely extended to all? (Richardson 2001:32).

Nineteenth century classical liberalism represented the first articulation of liberalism as a systematic

political creed, yet certain liberal themes had been fermenting for quite some time beforehand. The breakdown of political order during the English Civil War and the Commonwealth 1640-1660 occasioned the first open political debate in Europe. Whilst liberalism as we now understand it was simply unimaginable at the time, there was, as Richardson (2001) has shown, 'an eloquent assertion of certain liberal values and more important, the clearest possible expression of the tension between the two poles of liberalism' (Richardson 2001:21). Emergent at the time were conceptions of legitimate rule stemming from the authority of 'the people' who were to be ruled over. Arguments between the Levellers and the 'Grandees', the leaders of Cromwell's New Model Army, at Putney in 1647 saw the articulation of a debate that would be central to the birth of the liberal creed, if it was to be the people rather than a divinely appointed monarch that would rule, who exactly were the people? The Levellers spokesman, Rainsborough arguing that 'the poorest he that is in England, hath a right to live as the greatest he, [he] is not at all bound…to that government that he hath not had a voice to put himself under" (Rainsborough 1647 in Richardson 2001:22). In response, the army leaders defended the traditional principle that the vote was only for the owners of property. The army leaders prevailed, and there would not be a significant increase in the franchise until the Reform Bill of 1832. The Putney Debates mark perhaps the first clear articulation of the tensions between elitist and radical strands of liberalism and bring to the fore an issue that lies at the heart of liberalism: 'the question of the relations between freedom and property' (Arblaster 1984 in Richardson 2001:21).

Debates within the field of liberalism from this point onward would consistently return to themes explored during the middle decades of the seventeenth-century. Central here is the principle of democracy – itself an essentially contested concept. As Heywood (2004:222) has put it, democracy is not a single, unambiguous phenomena; more an arena of debate than an agreed ideal. In the simplest sense democracy refers to rule by the people; the all important question as to who exactly

constitutes ‘the people’ has proven itself subject to shifting interpretations. Heywood puts it thus, ‘As no one would extend political participation to *all* the people, the question is: on what basis should it be limited – in relation to age, education, gender, social background and so on? (ibid). For much of the two hundred and fifty year period that followed the Putney debates, the answer to this dilemma would continue to be framed around the issue of property. In the paragraphs that follow we will see that property surfaces with marked regularity disturbing the relationship between liberalism and democracy. Liberalism's relationship to democracy is mercurial, shifting at times between embrace, uncertainty and hostility. For Heywood (2003), liberalism's basic ambivalence towards democracy 'is rooted in the competing implications of individualism, which both embodies a fear of collective power and leads to a belief in political equality' (Heywood 2003:43). In effect, it is this enduring tension in liberalism's relationship to democracy that impels the history of the liberal project forward along a trajectory bounded on one side by a fear that democracy can become the enemy of the individual liberty of some, and on the other side by a belief that broadening popular participation can advance freedom for all.

Despite the familiar liberal values of property and representative government being at the fore in debates during the English Civil War and the Commonwealth it was not until after the restoration of the British Monarchy that the first great liberal works would appear, John Locke’s *letter Concerning Toleration* (1689) and *Two Treatises on Civil Government* (1690). Locke’s work was an influence on liberals on both sides of the cleavage, ‘his colorful prose was invoked by Whigs, radicals and Americans in support of their various viewpoints’ (Richardson 2001:23). Locke’s influence on liberalism as it later developed can be demonstrated by exploring some of the themes central to his work: individualism, consent and the notion of a social contract, rule of law, property and tolerance. Locke began with individuals in a state of nature, whilst he recognized a sense of communality arising out of a common understanding of each others aims, needs and desires, the individual

remains Locke's point of reference. Locke's notion of consent via a social contract has been hugely influential. As Richardson (2001) put it, 'the idea that the right to rule depends on consent – that authority derives from below, not from above – has been one of the most powerful political ideas since that time' (Richardson 2001:23). With respect to rule of law, Locke held arbitrary power to be illegitimate, defending the right to resistance and even revolution in the face of a persistently repressive government. For Locke, government was obliged to act in the interests of the people, and to respect the laws enacted by the legislature (ibid). The nettlesome issue of who 'the people' were informed Locke's views on property.

Property was an essential element in Locke's thought. For Locke, the people would consent to being governed provided the government acted so as to protect their property. 'The great and chief end, therefore, of Mens uniting into Commonwealths, and putting themselves under Government, is the Preservation of their Property' (Locke 1690 in Richardson 2001:23). Questions arise regarding those without property, those who sell their labour, those who have no possession other than their body. As C.B. MacPherson argued, 'Locke knew that the majority of people in England in his time were propertyless in the ordinary sense of the word, and he wished to exclude them from the political equation' (MacPherson 1962 in Sparks and Isaacs 2004:104). The tension between property and freedom that characterized the Putney debates 40 years earlier is still evident in Locke.

Richardson, as has been previously mentioned, argues that for long periods of time one strand of liberalism may predominate, this was very much the case in an eighteenth-century England dominated by the Whig party. 'Eighteenth-century England presented itself and was admired by some of the philosophes, as a model of constitutionalism, liberty and toleration – quintessential liberal values' (Richardson 2001:24). Whilst eighteenth century Whiggism also contributed to 'one nation conservatism', through Burke's *Reflections on the Revolution in France* (1790); it can be

seen as an essentially liberal political project, albeit an extreme example of the liberalism of privilege. The Whigs supported government by the people but adopted such a narrow conception of who exactly constituted the people, so as to endorse the view that had survived the challenge of Rainsborough and the Levellers, that the franchise should be limited to holders of property. As Dickinson (1981) put it, 'no eighteenth century Whig challenged the comforting conclusion that a property based hierarchy was the natural order of society' (Dickinson 1981 in Richardson 2001:24). This hierarchy was not steadfast however, and as the century progressed dissenting voices called for a widening of the franchise to include elements of the emergent middle class. Bourgeois radicalism emerged as a challenge to Whiggism, foreshadowing the economic liberalism of the nineteenth century. Radicals and Dissenters such as Joseph Priestly sang the praises of industriousness, in the face of what they saw as the idleness of both the aristocracy and the poor (Richardson 2001:25-26). Tensions in the field of liberalism were beginning to bear some strikingly familiar hallmarks. Eighteenth-century 'bourgeois radicalism' provided an early articulation of some of the themes central to both nineteenth-century classical liberalism and its late twentieth-century scion. At about the same time, Thomas Paine began to advocate a number of previously unheard – of social measures, Paine proposed: 'the payment of pensions to the aged poor; payments for the education of children in poor families; and payments to relieve particular hardships in relation to childbirth, marriage, funeral expenses and unemployment in large cities' (Paine 1791 in Richardson 2001:26). Paine's was a radical liberalism that fused notions of individual rights and popular sovereignty. He 'subscribed to an egalitarianism that laid down an early model for the welfare state and the redistribution of wealth' (Heywood 2004:206).

Many Eighteenth-century French Enlightenment thinkers shared the view of the British elite, that voting rights and citizenship be reserved for the holders of property. 'Diderot was representative in thinking that citizenship rights should be tied to property' (Richardson 2001:29). The break down of rule during the French Revolution however, provided occasion for the elaboration of arguments in

favour of genuine democracy and egalitarianism. The Declaration of the Rights of Man and of the Citizen, adopted by The French National Constituent Assembly in August of 1789 established liberal freedoms and equal rights: 'Men are born and remain free and equal in rights'. The succeeding years of Jacobin terror however, confirmed many liberal's worst fears of democracy, that is, mob rule (Richardson 2001:30). 'For several generations most European liberals would reject democracy, and the egalitarian values that had surfaced briefly in 1789 were firmly subordinated to values of freedom and constitutionalism' (ibid).

During the latter years of the French Revolution, Benjamin Constant gave voice to a distinction between two types of freedom that will become important in the paragraphs that follow. Constant distinguished between the liberty of the ancients and the liberty of the moderns. The liberty of the ancients 'consisted in active participation in political life while subjecting the individual to the power of the community' (Richardson 2001:30). The liberty of the moderns, on the other hand, was freedom from arbitrary acts of government, non-interference, freedom from control by the state. What Isaiah Berlin later termed 'negative freedom' (ibid and Heywood 2004:206). Constant then, identifies competing notions of freedom, one of which is congruent with Polanyi's understanding of freedom, the other bearing a passing resemblance to that valued by Nikolas Rose.

The British utilitarian thinkers, Jeremy Bentham, James Mill and a generation later, Mill's son, John Stuart Mill elaborated a position that provided both a major foundation for classical liberalism and for social democracy. As Richardson (2001) has noted, with regard to the English utilitarians, 'the contest between elitism and universal claims has been fought within a single school of thought and even in the minds of individual thinkers – a Jeremy Bentham or a John Stuart Mill' (Richardson 2001:20). Bentham's principle of general utility, the oft quoted *'greatest happiness for the greatest number'* had a profound impact on twentieth century liberal societies. 'Utilitarianism is usually seen

as the dominant ethical theory in twentieth century liberal societies, providing the normative rationale for public policies, and in particular, for welfare economics' (Richardson 2001:31). As Andrew Heywood (2003) has put it, the utilitarian concern with 'the greatest number' explains why, in the late nineteenth and early twentieth centuries, various social liberal and socialist thinkers were attracted to utilitarianism. At the same time, the utilitarian thinkers routinely rejected the notion of rights as nonsense, as noted in chapter three above, Bentham dismissed natural rights as 'nonsense on stilts'. In the place of rights, Bentham proposed that individuals are motivated by self interest, not the purely economic self interest of the classical economists, but rather a desire for pleasure or happiness, and the desire to avoid pain. The utilitarian conception of humans as rational, self interested, individuals had a profound impact on later liberal thinkers. Moreover, the belief that individuals alone can perceive of their own best interests, and that a paternal authority such as the state can not do it on their behalf can be seen as a justification for classical liberalism and laissez faire (Heywood 2003:50-51).

With respect to notions of democracy, the utilitarian commitment to '*the greatest happiness for the greatest number'* led utilitarian thinkers to the, then radical, conclusion that all voices needed to be heard. 'Bentham went so far to endorse universal suffrage, and James Mill a franchise sufficiently wide to ensure all interests were represented…only then could there be any assurance that governments would take the interests – "the happiness" – of the greatest number into account' (Richardson 2001:31). Rather surprisingly, Richardson continues, John Stuart Mill writing a generation later expressed greater concerns over democracy (ibid). In *Considerations on Representative Government* 1861, Mill discussed electoral schemes for weighted voting that he believed would balance broader participation against the need for an intellectual and moral elite, Mill sought to enhance the position of the educated (Heywood 2004:256 and Richardson 2001:31). Richardson (2001:31) argues that by Mill's time, 'the elemental fear of the threat to property had

given way to the liberal individualist's fear of the tyranny of the majority'. Thus for Mill, it was not property that upset the relationship between liberalism and freedom but education. Mill did however sympathize with Women's suffrage, in *The Subjection of Women (*1869), written in collaboration with his wife Harriet Taylor, Mill proposed that women, albeit only educated women, should be given the same rights and liberties as men, including the right to vote (ibid).

British utilitarianism, with its intellectual and chronological proximity to nineteenth century political debates, leads us to a time in which the oscillations between two poles of liberalism begin to be articulated in ways that more explicitly resonate with arguments put forward by Rose and Polanyi. From this point on, political and ideological debate within the field of liberalism would vacillate between an anti-statist individualist liberalism, in which the principle that the state not intervene in the economy is elevated into a categorical imperative on the one hand, and a state sympathetic social liberal position that recognizes the need for state intervention to enlarge liberty by safeguarding individuals from various social evils on the other. Each of these positions depends on a characteristic understanding of freedom that will be explored in some depth below. Debates would be articulated in different ways at different times, but the field of liberalism would exist in the space between these two points. Rose, who finds market rationality and the valorization of choice characteristic of advanced liberalism compelling, stands at a different point in the field of liberalism than does Polanyi, who seeks to discard 'market utopia' in favour of state planning and control. In the paragraphs that follow, I will outline the various debates that have taken place between advocates of an individualist liberalism and those who endorse a social liberal position. This is not to suggest that the liberal project stalls in the nineteenth century and that all subsequent history merely repeats, swinging back and forth between two fixed polarities. Rather, liberalism is driven forward, developing, changing; addressing itself to the ever shifting circumstances in which it is located. But its progress forward remains within the troubled space that exists between

contending social and individualist strands of liberal thought; each of which relies on a differing conception of freedom.

Classical liberalism and the turn to the social

Nineteenth century classical liberalism and laissez faire represents the first systematic articulation of an anti-statist individualist liberalism. Previous strands of liberal or proto liberal thought had sought to balance economic freedom with some concern for moral equality, 'whether in the form of natural/universal rights; Kant's imperative that every person be treated as an end not a means; Adam Smith's assumption that economic development should benefit all levels of society, or the utilitarian norm of 'the greatest happiness for the greatest number' (Richardson 2001:35). In laissez faire economics however notions of moral equality are conspicuous only in their absence, there is but one defining principle: that the government should not intervene in the economy, nor indeed should it enact any kind of social policy (ibid).

Nineteenth-century classical liberalism emerged and found its fullest expression in the U.K. where the King's divine right to rule had been challenged and a parliamentary monarchy had been established. Further, the capitalist and industrial revolutions were most advanced at the time in the U.K. providing good conditions for the ferment of the ideas central to classical liberalism. Amongst these ideas was the very kind of egoistical individualism that Polanyi found so troubling. The classical liberals saw human beings as rationally self- interested creatures, with a pronounced capacity for self- reliance. Motivated as they were by hostility to absolutism and a concern with individualism, the classical liberals put a high value on freedom. Theirs was a conception of freedom in which individuals were considered to be free if left alone; not interfered with or coerced by others. As Heywood (2003) puts it, the 'early or classical liberals believed that freedom consists in each person being left alone, free from interference and able to act in what ever way they may

choose' (Heywood 2003:31). Isaiah Berlin, writing in the mid part of the twentieth century labelled this conception of freedom 'negative freedom', arguing that freedom thus understood meant not being interfered with by others, the wider the area of non interference the wider the area of freedom. Berlin goes on to show that this was exactly the sense of the word that the classical English political philosophers had in mind, Hobbes for example holding that 'a free man is he that…is not hindered to do what he has a will to do' and Bentham affirming much the same (Berlin 1958/1969:notes on page 3). This conception of freedom is 'negative' inasmuch as it is based upon the absence of external coercion, '*liberty* in this sense means liberty *from*, absence of interference beyond the shifting, but always recognizable frontier' (Berlin 1958/1969:5). This is the liberty of the moderns identified by Benjamin Constant above, the freedom from arbitrary acts of government and control by the state, the same conception of freedom that would later inform Hayek the neoliberal.

For the classical liberals with their characteristic insistence on individual freedom, it followed that the role of the state should necessarily be limited, as aforementioned Thomas Paine viewed the state as 'a necessary evil'. Necessary insofar as it lays down the foundations for orderly existence, and evil inasmuch as it imposes a collective will upon society, thus curtailing the freedom and responsibilities of the individual (Heywood 2003:48). In the view of the classical liberals the state's proper role is limited to 'the maintenance of domestic order, the enforcement of contracts and the defense of society from external attack' (ibid). Anything more than these vital functions and the state is thought to be encroaching upon the freedom of the individual.

Egoistic individualism, negative freedom and a minimal state are then the leitmotifs of classical liberalism. An individualistic political creed that defines itself in opposition to governmental interference in the economic sphere is, as Richardson (2001) has shown, one that treats currently existing distribution of property rights and the ensuing unequal chances as sacrosanct (Richardson

2001:36). Here again we see property disturbing the relationship between liberalism and democracy. Classical liberalism adopts a distinctive attitude to poverty and social equality. Social circumstances are explained in terms of the talents and hard work of each individual person. The belief that those with the ability and willingness to work would prosper while the incompetent and lazy would and should not became prevalent in the nineteenth century (Heywood 2003:53). Samuel Smiles' 'Self Help' of 1859 for example opens by quoting that, 'heaven helps those who help themselves' before elaborating on the various paths to success open to industrious persons. Nineteenth century political discourse rang with a chorus of voices advocating ideas that would later come to be known as 'social Darwinism'. Richard Cobden advocated improved living conditions for the labouring classes, but argued that any and all improvements would come about through self reliance. Other advocates of laissez faire took these ideas further. Herbert Spencer's Principles of Biology (1864) introduced the concept of 'the survival of the fittest'. As Heywood (2003) puts it, Spencer argued that, 'those who are best suited by nature to survive rise to the top while the less fit fall to the bottom, inequalities of wealth, social position and political power are therefore natural and no attempt should be made by government to interfere with them' (Heywood 2003:54). Spencer was followed in this tradition by William Graham Sumner, once head of the American Sociological Association, and vociferous advocate of free market capitalism who wrote in 1884 that 'the drunkard in the gutter is just where he ought to be' (cited from Heywood 2003:55).

As stated above, from the nineteenth century onwards political and ideological debate within the field of liberalism would vacillate between an anti-statist individualist liberalism on the one hand, and a state sympathetic social liberal position on the other. Nineteenth-century classical liberalism represents the first clear articulation of the former. In the paragraphs that follow I will detail the emergence of the latter embodied in the movement towards what has variously been termed 'new', 'modern' or 'twentieth century' liberalism. Here again we see liberalism taking another of its

characteristic turns, veering closer to the side of its trajectory bounded by the belief that further democratization advances freedom.

Reactions against classical liberalism and laissez faire by conservatives and socialists lead to a major reformulation of liberalism. Central to this reformulation of liberalism would be the reworking of classical liberalism's central tenets: negative freedom, the minimal state and individualism. Industrialization had been accompanied by the spread of slums, poverty, ignorance and disease, furthermore social inequality became increasingly visible.

> Consequently many came to revise the early liberal expectation that the unrestrained pursuit of self interest produced a socially just society. As the idea of economic individualism came increasingly under attack, liberals rethought their attitude toward the state. The minimal state of classical theory was quite incapable of rectifying the injustices and inequalities of civil society. Modern liberals were therefore prepared to advocate the development of an interventionist or enabling state (Heywood 2003:57).

As both Heywood (2003), (2004) and Richardson (2001) have noted, John Stuart Mill's thought provided an early contribution to modern or social liberal thought. Heywood notes that Mill's work is central to liberalism insofar as it encapsulates both sides of the classical/social liberal divide. Mill subscribed to an essentially negative conception of freedom holding that, 'over himself, over his own body and mind, the individual is sovereign' (Mill 1859 in Heywood 2003:58). Freedom as the absence of restriction upon on an individuals self regarding actions, this was for Mill 'a necessary condition for liberty, but not in itself a sufficient one' (Heywood 2003:58). Mill saw liberty as a positive and constructive force furnishing individuals with the ability to control their own destiny, to gain autonomy and achieve self realization. 'He believed passionately in individuality…the uniqueness in each individual…the value of liberty is that it enables individuals to develop, to gain talents, skills and knowledge and to refine their sensibilities' (ibid). Mill thus departed from the

crude egoism of early liberals.

> He was clearly not concerned with simple pleasure seeking, but with personal self-development…as such, he laid the foundations for a developmental model of individualism that placed emphasis on human flourishing rather than the crude satisfaction of interests (ibid).

Whilst Mill may have initiated the debate that would lead to a reformulation in liberalism, it was in the work of T.H. Green that the most decisive break with classical liberalism would be expressed. Like Mill before him, Green dispensed with the early liberal conception of human beings as self seeking egoistic individuals, offering in its place a much more optimistic view of human nature. Green held to an understanding of human beings as sympathetic to one another and capable of altruism. Individuals possess social responsibilities and are connected to each other by ties of caring and empathy (Heywood 2003:59). 'Such a conception of human nature was clearly influenced by socialist ideas that emphasized the sociable and cooperative nature of human kind' (ibid). Green's ideas about human nature share a lot with Polanyi's Aristotelian observation that humans are social not economic animals.

Green not only broke with the egoistic individualism of the classical liberals, he also departed from the whole tradition of equating liberalism with negative freedom (Richardson 2001:37), here too, as will be shown in the paragraphs that follow, Green's arguments acquiesce with Polanyi's. Negative freedom removes external constraints upon the actions of individuals. As Heywood (2003) puts it with respect to profit maximizing businesses, 'negative freedom justifies their ability to hire the cheapest labour possible; for example, to employ children rather than adults, or women rather than men' (Heywood 2003:59). Economic freedom can thus lead to exploitation. For Green, contracts of work are not made by free or equal individuals, workers may be forced into accepting employment to ward of the dangers of poverty and hunger, whereas employers are free to choose from a number

of potential employees (ibid). 'Freedom of choice in the market place is therefore an inadequate conception of individual freedom' (ibid).

In the place of the negative freedom of the classical liberals, Green offered a conception of positive freedom, the freedom of all members of society to make the most of themselves. Freedom as, 'a positive power or capacity of doing or enjoying, [not] at the cost of a loss of freedom to others [but] something we do or enjoy in common with others…the maximum power of all members of society to make the best of themselves' (Green in Richardson 2001:37). This was to be a freedom that empowers the individual and safeguards the people from social ills. Green thus imagined a positive role for the state. Green's conception of freedom drew on ideas put forward by the German philosopher Hegel (1770-1831). Hegel held to a view of the state as an ethical ideal embodying the collective aspirations of all members of society (Heywood 2003:60 and Richardson 2001:37). Similarly for Green, the state is invested with a social responsibility for its citizens. The state must provide the preconditions for the realization of positive freedom for those members of society who are disadvantaged. 'It [the state] is seen not merely as a threat to individual liberty, but in a sense, as its guarantor' (Heywood 2003:60). Green and the generation of 'new liberals' he inspired thus view the state positively, as an enabling state, as a means with which to guarantee the positive realization of each individuals potential (Richardson 2001:37). This is exactly the type of freedom imagined by Polanyi, for whom, state regulation and control could be used to extend freedom to all members of society (Polanyi 2001:265). An understanding of freedom akin to that which would later yield Roosevelt's New Deal in the 1930s, the Beveridge Report in 1942 and later yet Kennedy's 'New Frontier' and Johnson's 'Great Society'.

Green was followed in this tradition by L.T. Hobhouse and J. Hobson. 'Hobhouse offers the most systematic statement of the "new liberalism"' (Richardson 2001:37). Like Green, Hobhouse

imagined a positive role for the state, as guarantor of individual liberty. Hobhouse placed an emphasis on equality of opportunity, and as Richardson (2001) has noted 'whether consciously or not he echoes a Kantian theme in contending that 'liberty…rests not on the claim of A to be let alone by B, but in the duty of B to treat A as a rational being' (Richardson 2001:38). J. Hobson similarly argued that the state had a moral function to re-assert the quality of human life in the face of industrialization, 'Freedom required the reaffirming of the rights, and the development of the capabilities of the individual, but this could only occur through the action of the state and the development of communal responsibility and citizenship' (Rose 1999:121). Emergent social liberalism found political voice in the Asquith Liberal government in the UK, under which the foundations of the British welfare state were established. The social reform policies enacted by the Liberal administration included: 'workmen's compensation, benefits for industrial disease, old age pensions, labour exchanges, minimum wage boards and unemployment and health insurance for those in certain industries' (ibid).

As was the case with its classical liberal forerunner, social liberalism found fullest expression in the U.K., reformulations of liberalism outside the U.K. were, initially at least, by contrast muted. In Germany, economists Lujo Brentano and Gerhart von Schulze Gaevernitz advocated a form of trade unionism to mitigate the deleterious consequences of unrestrained capitalism. '…Trade unionism would improve the conditions of the workers along with the advance of industry, and social progress, in turn, would promote economic progress' (Richardson 2001:37). In France there was no major social liberal thinker, the French remaining pre-occupied with concerns over the power of the state, so that classical liberties remained at the forefront of the French political imagination (Richardson 2001:38). 'French social-liberal thought was most fully developed by a leading radical-socialist parliamentarian, Léon Bourgeois' (ibid).

In an America animated by notions of boundless individual opportunity, invocations of social liberalism remained particularly muted. Some thinkers sought to respond to the conditions left in the wake of industrialization, but there voices struggled to be heard amidst the clamour of individualism. In the 1870s and 1880s economists Richard Ely, John Bates Clark, and Henry Carter Adams adopted a position that shared something at least with European social liberalism. 'Deeply influenced by evangelical Protestantism, they found merit in the socialist critique, sympathized with the labour movement, and were attracted by some aspects of socialist thought' (ibid). Their ideas found little traction, and they eventually moderated their critique in the interests of professional acceptance. As Richardson (2001) has noted, the fullest expression of social liberal theory in America was that put forward by philosopher and educator John Dewey. Dewey, who wrote between the 1890s and 1930s acknowledged the influence of Green and an affinity with Hobhouse (Richardson 2001:39). Despite remaining firmly within Lockean individualist parameters throughout the late nineteenth and early twentieth centuries, America would be forced into adopting a form of social liberalism in response the Great Depression of the early 1930s.

If, as has been argued above, eighteenth century Whiggism represents the long domination of an elitist liberalism over a more radical liberal formulation, then the 'social', 'modern', 'twentieth century' or 'embedded' liberalism that dominated political though for substantial periods in the twentieth century, particularly in the decades after 1945 comes closest to the long domination of a radical liberalism over an elitist one (Richardson 2001:20). During the twentieth century, liberal parties and liberal governments usually championed the cause of social welfare' (Heywood 2003:61), twentieth-century liberalism thus stands in marked contrast to classical liberalism with its characteristic insistence on the virtues of self help and individual responsibility. Whereas the unprecedented shock of the Great Depression lead Central and Eastern European states to abandon liberalism altogether in favor of totalitarian or authoritarian regimes, the depression provoked

liberal responses in the Anglo-American liberal heartlands. As Richardson (2001) has noted, two significant liberal responses to the Great Depression stand out: 'that of John Maynard Keynes in Britain and the New Deal in the United States' (Richardson 2001:40). The Great Depression of the 1930s, catalyzed by the Wall Street Crash of 1929, led to massive unemployment throughout the developed and much of the developing world. In the wake of the Second World War, many Western states enacted policies of economic intervention so as to prevent a return to pre war levels of unemployment. 'To a large extent these interventionist policies were guided by the work of UK economist John Maynard Keynes (1883-1946)…Keynes challenged classical economic thinking and rejected its belief in a self-regulating market' (Heywood 2003:63). Keynes, a liberal who identified with the Liberal Party, had some sympathy with the Labour Party, but not with socialism, holding Marxism to be 'a sickness of the soul'. Keynes drew his inspiration from the classical liberals, sharing with them many core liberal values, he, like J.S. Mill before him, placed a high value on individual cultural pursuits, and shared with earlier liberal thinkers an optimism for science and progress (Richardson 2001:40). Richardson notes that whilst Keynes may appear to have a broad affinity with T.H. Green, he emphasized his differences with the Oxford Hegelians.

> Sympathizing with the young generation's rejection of capitalism but scorning their Marxist solution, he held that the system could be salvaged, but only through a fundamental rethinking of its operation. His anger and polemics were directed against the crippling economic orthodoxies of the day – their rationalizations, their acquiescence in mass unemployment, their blindness to new issues that challenged their models, their refusal to struggle for new models adequate to new situations (ibid).

Keynes was not opposed to capitalism *per se*, indeed, as Heywood (2003) has noted, he was in many ways its saviour. 'He' like Polanyi 'simply argued that unrestrained private enterprise is unworkable within complex industrial societies' (Heywood 2003:64). Breaking with the laissez faire belief in market solutions, Keynes held that growth and employment levels are largely

determined by demand, governments can regulate demand through adjustments to fiscal policy and deliver full employment. 'Keynesian demand management thus promised to give governments the ability to manipulate employment and growth levels, and hence to secure general prosperity' (ibid). A corresponding concern with securing general prosperity drove Roosevelt's New Deal. Speaking to Congress in 1935 Roosevelt elucidated his belief that excessive market freedoms were the root cause of the economic and social problems associated with the Great Depression (Harvey 2005:183). Roosevelt argued that,…

> Americans…must forswear that conception of the acquisition of wealth which, through excessive profits, creates undue private power. Necessitous men are not free men…The primary obligation of the state and its civil society was to use its power and allocate its resources to eradicate poverty and hunger and to assure security of livelihood, security against the major hazards and vicissitudes of life, and the security of decent homes (ibid).

Roosevelt's New Deal was not, as Richardson (2001) has noted, the product of a single doctrine or theory, but rather a series of pragmatic engagements with various problems. Richardson goes on to show that while the economics of the New Deal eventually came to appear Keynesian, this was due to the logic of events and an openness to new ideas, there was however no major reformulation of liberal theory in favour of greater state initiative (Richardson 2001:40). Roosevelt remained committed to a balanced budget and refused to run a deficit in order allocate more funds to public works projects, the New Deal thus resulted in a very gradual decline in unemployment, it would be the massive increase in military spending in the lead up to the second world war that would provide the engine to drive the American, and indeed international economy out of depression (Heywood 2003:64-65). As Heywood puts it, 'the unemployment of the interwar period was therefore curled by inadvertent Keynesianism'(ibid). Roosevelt did however offer a significant extension of the classical liberal prescription of freedom. Speaking to Congress in 1941 Roosevelt argued that all

humans ‘everywhere in the world’ ought to enjoy not only the freedoms of speech, expression and religion that had been doggedly defended by earlier generations of liberal thinkers from the Enlightenment onwards, but also the freedom from want and the freedom from fear, the very same freedoms of income and security that Polanyi argued could be extended to all members of society through regulation and control.

This conception of freedom, this freedom from want would provide the bedrock for the welfare state or Keynesian consensus that became orthodoxy in the post war West. Whilst the degree of state initiative involved in welfare capitalism was anathema to the kind of minimal state favoured by classical liberals, for modern liberals in the vein of a Green or a Hobhouse, or indeed a self-identifying socialist like Polanyi: ‘the expanded economic and social role of the state was a necessary means in modern industrial society to enable individuals to achieve freedom – to realize their potential’ (Richardson 2001:41). This was very much the notion of positive liberty, identified by Isaiah Berlin, Green’s ideal of true freedom as the maximum power of all members of human society alike to make the best of themselves (in Berlin 1958/1969:9). ‘By the end of the Second World War, Keynesianism was widely established as an economic orthodoxy in the West, displacing the older belief in laissez faire (Heywood 2003:65). Questions have arisen as to whether the post war Keynesian consensus, or period of embedded liberalism, in which economies are subjected to regulation and the goals of politics are identified with welfare rather than freedom, are rightly to be identified as liberal. Richardson (2001) argues that with the defeat of fascism, ‘liberal democratic institutions were secure and the core liberal values were accepted without question’…’the traditional liberal agenda had, it appeared, been achieved; political conflict was over incremental welfare issues and managing the mixed economy’ (Richardson 2001:41). Richardson goes on to argue that to understand the Keynesian consensus as anything other than liberal would be to adopt too narrow a definition of liberalism,

> It is also an attempt to narrow down liberal values, marginalizing equal rights and claims to freedom, redefining liberalism such that "economic freedom," understood in a particular way, becomes the supreme, defining value. This view could not survive a reading of the classical liberal texts but amounts to a distortion and narrowing of the history of liberal thought (Richardson 2001:42).

It would however be precisely the prioritizing of economic freedom that would lie at the heart of the next oscillation in the field of liberalism, the ascendancy of neoliberalism and, a reworking of some of the political- economic thought that preceded Green and Hobhouse, notably the determination to minimize the economic role of the state – the philosophy of small government.

Advanced liberalism and beyond

Just as the earlier oscillation from classical liberalism to a social liberalism had involved a redefinition of freedom, so to the turn away from social liberalism, embodied in the ascendancy of neoliberal ideas would involve a redefinition of freedom, freedom would no longer be conceived of in terms of freedom from want, the freedom of security, rather, freedom would come to be understood as autonomy, the freedom of immunity from arbitrary acts of authority – negative freedom.

As Richardson (2001) has noted, in the European context at least, 'the resurgence of classical liberal thinking in the 1970s and its subsequent dominance of public discourse came as an astonishing, barely comprehensible turning back of the clock – a return to laissez faire as it was often perceived' (Richardson 2001:42). Beginning as a rejection of Keynesian economics, neoliberalism amounts to an attempt to subordinate the state to the market, to halt, and indeed to reverse the trend towards 'big' government and state intervention that characterized much of the twentieth century (Heywood 2003:55). Neoliberalism is a form of market fundamentalism; 'markets are seen as morally and

practically superior to government and any form of political control' (ibid). As both Richardson (2001) and Heywood (2003) have noted, in this respect neoliberalism goes beyond its nineteenth century antecedent.

If one figure can be viewed as central to the reaffirmation of certain classical liberal values, then it must surely be Friedrich von Hayek. In *The Road to Serfdom* (1944), published within months of the publication of Polanyi's *The Great Transformation,* Hayek offered 'an uncompromising reaffirmation of the anti-statist tradition, entirely unresponsive to the concerns of embedded liberalism' (Richardson 2001:43). For Hayek, central planning and economic intervention in general was impossible. Hayek argued that,

> planning in any form is bound to be economically inefficient because state bureaucrats, however competent they might be, are confronted by a range and complexity of information that is simply beyond their capacity to handle. In his view economic intervention is the single most serious threat to individual liberty because any attempt to control economic life inevitably draws the state into other areas of existence, ultimately leading to totalitarianism (Heywood 2003:55).

Hayek was opposed to any form of social or distributive justice, in the name of which governments restricted individual freedom; instead Hayek reaffirmed the classical liberal commitment to negative freedom, freedom from any form of control by the state. Nikolas Rose (1999) argues that in the final three decades of the twentieth century neoliberal philosophers and political theorists provided the most powerful thematization of the project of freedom, and that Hayek represents the most consistent of these thinkers. Hayek held that 'the only moral principle which has ever made the growth of an advanced civilization possible was the principle of individual freedom' (Hayek 1979 in Rose 1999:64). For Hayek, the answer to the perceived failings of Keynesianism lay in a revival of some of the principles of classical liberalism. Hayek holding that the only principles upon

which true freedom can be based are congruent with those of classical liberalism, that is, ‘freedom to order our own conduct in the sphere where material circumstances force a choice upon us, and responsibility for the arrangement of our own life according to our own conscience’ (Hayek 1944 in Rose 1999:137). Hayek's conception of freedom breaks with classical liberal notions of freedom however; insofar as Hayek rejects the naturalism of the classical liberals. Hayek's freedom is no longer the freedom of the 'system of natural liberty' of Adam Smith and the Scottish Enlightenment, but freedom as artefact (Burchell 1996:24). Hayek, for whom '*man has not developed in freedom...freedom is an artefact of civilization...*Freedom was made possible by the gradual evolution of *the discipline of civilization which is at the same time the discipline of freedom*' (Hayek 1979 in Dean 1999:155-156), dispenses with the notion of freedom as a natural attribute of economic man. As Dean (1999) has put it, 'the specificity of Hayek's conception of freedom is that it is both *negative*, in that it is freedom from coercion by the arbitrary will of others, and *anti-naturalist*, in that it its conditions are not found in the natural state of humankind' (Dean 1999:157).

For Rose, as uncompromising as Hayek’s position is, it forms but one pole of a field of argument linking right-wing radicals, to liberals, libertarians and modern European socialists. Rose goes on to argue that, in the closing decades of the twentieth century, from struggles against communism in the East to arguments against welfare in the West,

> Dreams of freedom are turned against the phantasms of rational and comprehensive planning of economic activity, and deliberate social improvement through educational and social reform that tried to shape the future of mankind. Correlatively, notions of freedom, with the associated celebration of powers of the individual, autonomy and choice, underpin attempts to specify and construct new forms of social arrangements (Rose 1999:64).

For Rose, whilst appeals to freedom were articulated from across the political spectrum, it was only

those, following on from Hayek, on the neoliberal right that were able to formulate a politics congruent with this renewed emphasis on freedom, as has been shown in chapter two above, Rose terms this new politics advanced liberalism.

Social strategies of government, at least the kind of social strategies of government associated with what Rose terms 'welfarism', sought to provide the preconditions for the realization of positive freedom for the less advantaged members of society. Rose argues that over time, voices from across the political spectrum came to describe the perverse ways in which well meaning attempts to ensure equality and maximize liberty actually produced the reverse (Rose 1999:84). For Rose, advanced liberalism emerges as a *new* way of understanding and acting upon human beings as subjects of freedom. Within advanced liberal strategies of government, freedom is conceived of in terms of autonomy, as Rose puts it, 'the capacity of an autonomous individual to establish an identity through shaping a meaningful everyday life,…the capacity to realize one's desires in one's secular life, to fulfill one's potential through one's own endeavours, to determine the course of one's own existence through acts of choice' (ibid). Central here is the idea of work, work being a key means with which one can embark on the path towards self-actualization. As Derek Kerr (1999) has argued, for Nikolas Rose and those associated with the governmentalities literature, work in market based societies is thus turned into the very essence of freedom' (Kerr 1999:195). As Miller and Rose (1993) put it, 'For the entrepreneurial self, work is no longer necessarily a constraint upon the freedom of the individual to fulfill his or her potential through strivings for autonomy, creativity and responsibility, work is an essential element in the path to self-realization' (Miller and Rose 1993:101 in Kerr 1999:195). Advanced liberalism imagines an economic politics in which the interests of the nation are married up to the interests of the individual, 'an economic politics that enjoins work on all citizens…one which provides mutual benefit for the individual and the collective: it enhances national economic health and at the same time generates individual freedom'

(Rose 1999:145). 38

Nikolas Rose argues that advanced liberal strategies of government with their autonomous, responsible subjects exercising their freedom through choices made in the market does not amount to a return to nineteenth century liberalism, or, finally government by laissez faire, this is not merely the reactivation of the *homo economicus* who haunted the nineteenth century. Rather, for Rose, advanced liberalism contains 'an ethical *a priori* of active citizenship in an active society, the respectification of the ethics of personhood', for Rose this is the most fundamental characteristic of advanced liberal strategies of government, underpinning mentalities of government from all parts of the political spectrum. Advanced liberal strategies are thus viewed in a positive light. These strategies of government produce personal freedom, marked out in terms of autonomy, choice and self-realization, embarking subjects on projects of self mastery, enhancing their lives (Rose 1996:60-61, 1999:282). Michel Foucault, whose brief writings and lectures on governmentality provided the font and matrix for Rose's style of analysis, advocated the transformation of life into a work of art. For Rose, advanced liberalism in which subjects are to fulfil themselves as free individuals, to shape their own life according to widely disseminated grammars of living, allows for the possibility of such an active art of living. Thus Rose, and others working within the governmentalities framework paint advanced liberal innovations as 'not all unambiguously bad', (Burchell 1996:34-35), Rose holding that 'the breathless celebrations or condemnations of Thatcherism have proved to be overblown' (Rose 1996:53). As Derek Kerr (1999) has argued, for the governmentality writers, advanced liberalism which produces a freedom centered on the discipline of the market, might in fact constitute the best form of governing the subject (Kerr 1999:194). As Colin Gordon (1991) has shown Foucault's accounts of neoliberal thinkers evince a

38 Neoliberalization is however, also associated with shifts away from full time, secure and lifelong employment in favour of flexible, casualized and sometimes part time employment, that 'must ceaselessly be earned' (Rose 1999:158). As Kerr (1999) has noted, that this freedom in work might equate to the non-freedom of alienated labour (labour as poverty) is not considered.

sense of intellectual attraction and esteem, and that Foucault's perspective may be viewed as libertarian. One can read a corresponding libertarianism in Rose's work. Rose, argues that, 'rather than subordinate oneself in the name of an external code, truth, authority or goal…each person's life should be its own telos'…and that we should oppose 'all that which stands in the way of life being its own telos' (Rose 1999:283). Rose's conception of freedom, opposed to 'all that which blocks or subverts the capacity of others asserting for themselves their own vitalism' (ibid) is a freedom that prioritizes the individual. Whilst it is not simply the freedom of the classical liberals; it bears a familial resemblance to earlier incarnations of negative freedom. Rose's notion of individual freedom, stressing autonomy and choice breaks with classical liberal freedom in significant ways. Yet the more telling break is with positive freedom: any kind of freedom from want that might be provided by a benevolent social state. For Rose after all, the social is dead.

The turn towards neoliberalism or advanced liberalism does not represent a simple turning back of the clock to classical liberalism as some initially thought. Rather advanced liberalism re-activates certain classical liberal themes. Central among which is 'the sceptical vigilance over political government basic to classical liberalism' (Rose 1996:53). For Richardson (2001) it is a commitment to negative freedom that underpins this sceptical – to – hostile attitude to the state. Isaiah Berlin argued that the positive conception of liberty proved itself to be, 'at times, no better than a specious disguise for brutal tyranny' (Berlin 1958/1969:8), and as such not really liberty at all. 'Everything is what it is: liberty is liberty, not equality or fairness or justice or culture, or human happiness or a quiet conscience' (ibid:5). The shift away from social strategies of government toward advanced liberalism involved the re-affirmation of a kind of negative freedom in the face of what many saw as the tyranny of positive liberty. As has been shown in chapter two above, Rose details how this shift began as neoliberals attacked what they saw as the excessive government embodied in the welfare bureaucracies that had grown up in the middle decades of the twentieth century. These

neoliberal critics forged unlikely alliances with the 'apparently left wing romantic individualists' (McMylor 2003:405) who, in the 1960s and 1970s, were demanding 'freedom from parental, educational, corporate, bureaucratic and state constraints' (Harvey 2005:41).

As noted in the introduction above, there has been a widespread acceptance of the benefits to be had from individualism and the freedoms supposedly conferred by a free market and the acceptance of personal responsibility for one's own well being, to the extent that, in a sense 'we have all become neoliberals' (Harvey 2006:*xiii*). Understandings of freedom have however, been shown above to be temporally located and subject to reformulation. Whilst a particular conception of freedom, freedom as autonomy, choice and self-responsibility has become dominant, this does not mean that this dominance is necessary or permanent. We would do well to remember that we, who have all become neoliberals, were, in the words of U.S. President Nixon, all Keynesians in the not too distant past. Whereas the Keynesian consensus lead Daniel Bell (1960) to predict an end to ideological and political differences and the triumph of welfare capitalism, some three decades later with the collapse of the Soviet Union, Francis Fukuyama elaborated a different kind of liberal triumphalism, the end of history and the triumph of free market liberal democracy; the end of a centuries-long era of ideological conflict.

As has been demonstrated in the pages above however, liberalism has developed through a series of oscillations. Its progress forward has been marked by a series of twists and turns between contending positions. On one side is a liberalism that strenuously asserts the primacy of individual liberty, and on the other side a liberalism in which appeals to individual freedom are balanced with the broader objective of democratization and a commitment to egalitarianism. These contending liberalisms are not static, they are articulated in different ways at different times, contingent on a whole array of temporal specificities. The classical liberalism of the nineteenth century is not the

liberalism of the neoliberals, yet it shares with it a fundamental commonality – the belief that by ensuring maximum freedom for the individual to pursue his or her own economic interest the market can make everyone better off. As we saw in chapter three above, Karl Polanyi (2001:257) held that such a postulate was 'entirely unnatural in the strictly empirical sense of *exceptional*'; it ignored a fundamental fact about human beings, that their economy is necessarily enmeshed in a web of political and social relations. Any attempt to run an economy on crude self- interest would, Polanyi argued, put an impossible level of pressure on people and their environment and elicit a protective response re-embedding the economic in some form of social relations. Strategies of government would inevitably emerge in which the economic sphere was subordinated to wider social concerns. Polanyi suggests that there are different possible ways to embed the economy in society at any historical moment. Like the varying economic liberalisms the various alternatives to market liberalism too, are contingent on specific historical conditions. Thus, the third way of governing through community does not amount to a return to the social government of the Keynesian consensus, yet there is an underlying unity of thought that informs both – that humans are more than just isolated, egoistic individuals and that the state has a role in guaranteeing the rights and the development of all.

5. Conclusion

As stated in the introduction above, this thesis set out to examine the transformation from welfare state to market governance, with reference to analogous transformations that took place in the past. In so doing it has dealt comparatively with the work of Karl Polanyi and Nikolas Rose, two very different thinkers, both of whom nevertheless have important things to say about social change. We have seen how, at various points, their work converges – both authors stressing the heterogeneity of perspectives that have come together at various moments to effect social change. These convergences notwithstanding, Rose and Polanyi offer very different accounts of the changes to the ways in which we are governed. Rose's genealogical investigations assert the importance of contingency, and the depth of rupture with the past. Rose tells a story in which strategies of government are thought into being, are subsequently problematized from various quarters and are ultimately replaced by new forms of government. Polanyi on the other hand stresses the inevitability of a protective countermovement to arrest market expansion suggesting a degree of historical recursivity. A Polanyian view of social transformation thus highlights the symmetry of various moments of change; classical liberalism and the protective turn to the social, neoliberalism and the protective turn toward community.

In the paragraphs that follow I will briefly re-visit the key points elaborated above. Chapter two surveyed Nikolas Rose's account of the birth and death of social strategies of government, the

emergence of a new way of governing that Rose termed advanced liberalism and the 'rather unexpected' turn toward community. We began with Rose's account of the nineteenth century liberalism in which classical political economy effected the separation of an economic domain from a moral domain. As the economic domain was thought to comprise its own internal laws and causalities it was to be left to govern itself in accordance with the principles of laissez faire. The moral domain on the other hand became the target of an enormous array of interventions aimed at shaping the character and conscience of subjects and moulding their conduct. Classical liberal hostility toward the state meant that these interventions were, initially at least, conducted by nonpolitical actors – various philanthropists, medics, charities and religious organizations. Over the course of the late nineteenth and early twentieth centuries it became increasingly clear that this haphazard array of interventions was failing in its allotted task. From this point on it became incumbent on the political apparatus itself to guarantee the well-being of society and the individuals that comprised it. Welfare states in their various forms took shape across much of the Western world and an altogether new type of citizen was born; a social citizen with needs as well as responsibilities. Government from this point on was to be conducted from the social point of view.

This social imperative for government remained largely uncontested during the middle decades of the twentieth century. As the twentieth century drew to a close however, the logics of social government reeled under broadsides of critique from various points in the political compass. Rose shows that these diverse skirmishes were gradually rationalized into a coherent mentality of government – advanced liberalism – the emergence of which was symptomatic of the death of the social. Advanced liberal strategies of government rely on a range of techniques that 'enable the state to divest itself of many of its obligations, devolving those to quasi-autonomous entities that would be governed at a distance by means of budgets, audits, standards, benchmarks, and other technologies that were both autonomizing and responsibilizing' (Rose *et al* 2006:91). The subject

itself is likewise to be made autonomous and responsible – freed from the stifling bonds of the welfare state – obliged only to maximize his or her own life as a kind of enterprise, and in so doing enhance national economic well-being. Finally we saw how, for Rose, a new rationality of politics has begun to take shape that valorizes community as the ideal territory for government. Rose holds the emergence of various third way strategies of government to be both unexpected, and, in their current form at least, impossibly nostalgic – representing an attempt to revive aspects of social government that are now dead and buried.

In chapter three I compared Rose's account of the birth and death of the social with Karl Polanyi's ideas on the double movement. Echoing Rose's contention that strategies and technologies of governing arise out of complex fields of contestation, we saw how a meeting of divergent opinions over the issue of relief for the poor impelled the development of economic liberalism. Next we turned to the role of the state in nineteenth-century laissez faire. Rose argued that classical liberalism relied on nonpolitical actors so that the state could retreat and govern from a distance. Polanyi on the other hand, argued that laissez faire could never have been established without concentrated state power. For Polanyi it required a massive increase in the functions of the state to impose the logic of the market.

Thereafter we observed another partial convergence of opinion between Rose and Polanyi; both authors holding that the shift away from laissez faire was initiated from a variety of political, moral and philosophical perspectives. However, what Rose held to be a contingent transformation of liberalism, Polanyi asserts was both inevitable and spontaneous and caused by nothing more than the fact that laissez faire doctrine is utopian in the sense of impossible; the self-regulating market is something that cannot exist. Polanyi shows that the kind of market society that the classical economists wanted to create had no historical precedent. Prior to the nineteenth century the

economy was never more than a function of the social order. To disembed the economic from the social, as the classical economists had attempted is something that cannot be done. Further Polanyi argued that a mis-reading of human beings as egoistical and bent on material gain had impelled the classical liberals in their doomed quest to establish a self-regulating market. For Polanyi, society is an inescapable reality of human life, one that the classical liberals and their twentieth century scions sought in vain to deny. Thus Polanyi's ideas about the impossibility of a disembedded fully self-regulating market have implications for contemporary neoliberal attempts at creating a market economy.

As we saw in chapter three, Polanyi was adamant that the economic meltdown of the 1930s and the corollary rise of fascism had consigned the utopian belief in a self-regulating market to history. Polanyi lived until 1964, at which time economic liberalism was very much on the margins of political and intellectual discourse. Polanyi did not witness the reemergence of economic liberalism in contemporary neoliberal guise – the advent of which prompted Rose to pronounce the death of the social. However Polanyi's characteristic insistence on the reality of society and the changelessness of humans as social beings would no doubt lead a present day Polanyi to conclude that advanced liberal strategies of government that seek to bypass society are bound to fail, causing a level of suffering so great as to necessitate moves to reign the market in. In the concluding paragraphs of chapter three I argued that the contemporary shift toward government through community is not, as Rose puts it, 'rather unexpected' but rather an unavoidable shift in direction; the inevitable re-embedding of the economic in social relations.

In chapter four we saw how liberalism has developed through a series of oscillations between contending clusters of ideas, on one side notions of individual liberty are elevated into a categorical imperative, and on the other such notions are balanced with appeals to democratization. We

observed that initial debates within the field of liberalism, or at least proto-liberalism, were addressed to the issue of democracy. Generations of thinkers confronted themselves with a question, if it was to be the people rather than the sovereign that would rule, who exactly counted as the people. In the Putney Debates of 1647, despite rigorous arguments to the contrary, the prevailing opinion was that the franchise should be limited to the holders of property. We saw that the principle of tying political participation to the ownership of property would survive for some two and a half centuries, despite challenges articulated in different ways at different times from a whole array of divergent voices.

From the nineteenth century onwards, we saw how tensions in the field of liberalism began to be articulated in ways that explicitly resonate with arguments put forward by Rose and Polanyi. From this point on debate would range between an individualist liberalism on the one hand and a state sympathetic social liberalism on the other. These two poles of liberal thought were shown to be changeable, contingent on local and temporal specificities; producing different strategies for governing addressed to the shifting circumstances of the particular time in which they were located. Third way strategies of governing are no more a return to Keynesianism than neoliberalism is a return to classical liberalism. Yet, both liberal traditions are united by a commitment to a particular understanding of freedom. Negative freedom for the classical liberals and their neoliberal scions; positive freedom for the social liberals, the Keynesians and the various third wayers. We saw that the driving force behind oscillations between these two shifting poles of liberalism was, and continues to be, changes to the way freedom is conceptualized. Further we saw that for much of the past three decades a particular understanding of freedom – freedom as autonomy, choice and self-responsibility has become dominant.

For David Harvey (2005), the lack of serious debate about which of the various concepts of

freedom may be appropriate for our times is astonishing. Contemporary conceptions of freedom, Harvey argues, 'either take a purely neoliberal line or trim their sails so close to neoliberalism as to offer little in the way of a counterpoint to neoliberal logic' (Harvey 2005:18). Competing notions of freedom, positive freedom, the freedom from want, the freedom of security are obscured by the rigorous prioritizing of freedom as autonomy and responsibility. Freedom is, as Wendy Brown has argued, 'neither a philosophical absolute nor a tangible entity, but rather a relational and contextual practice that takes shape in opposition to whatever is locally and ideologically conceived of as unfreedom' (Brown 1995:6). Unfreedom in the here and now of advanced liberal societies is held to be compulsion by the state. For critics of economic liberalism however, the kind of market freedoms valorized in recent decades, may in fact themselves be unfreedoms. Frederic Jameson, for example, argues that far from being the guarantor of freedom, the market is in fact the very antithesis of freedom.

> The market is leviathan in sheep's clothing: its function is not to perpetuate freedom (let alone freedom of a political kind) but rather to repress it…market ideology assures us that human beings make a mess of it when they try to control their destinies ("socialism is impossible") and that we are fortunate in possessing an interpersonal mechanism – the market – which can substitute for human hubris and planning and replace human decisions all together (Jameson 1991:273).

For Chantal Mouffe, writing in response to decades of the ceaseless promulgation of individualist, libertarian conceptions of freedom it has become incumbent on the left to offer a reformulation of freedom. 'What the left needs is a postindividualist concept of freedom, for it is still over questions of freedom and equality that the decisive ideological battles are being waged' (Mouffe 1988 in Brown 1995:5-6). This was exactly what Polanyi had in mind. Developed both in *The Great Transformation* (1944) and in an essay titled *Our Obsolete Market Mentality* (1947) Polanyi's work

contained a forceful critique of what he held to be the narrow view of freedom that characterized nineteenth century liberalism and regrettably, haunts Rose's positive reception of advanced liberalism. Polanyi identified two types of freedom, one good and the other bad. The freedoms we cherish: freedom of conscience, freedom of speech, freedom of association, freedom of meeting and the freedom to choose where and for whom to work are by products of a nineteenth-century political economy that also produced 'evil' freedoms. Among these 'evil' freedoms Polanyi includes: 'the freedom to exploit one's fellows, the freedom to make inordinate gains without commensurable service to the community, the freedom to keep technological innovations from being used for public benefit and the freedom to benefit from public calamities secretly engineered for private advantage' (Polanyi 1947 in Dalton 1969:74-75). For Polanyi, acts of government, of regulation, planning and control both extend and restrict freedom; 'only the balance of freedoms won and lost is significant' (Polanyi 2001:263). For Polanyi, planning and control can be used to reshape, shift and enlarge freedoms…

> The passing of the market economy can become the beginning of an era of unprecedented freedom. Juridical and actual freedom can be made wider and more general than ever before; regulation and control can achieve freedom not only for the few but for all. Freedom not as an appurtenance of privilege, tainted at the source, but as a prescriptive right extending far beyond the narrow confines of the political sphere into the intimate organization of society itself. Thus will old freedoms and civic rights be added to the fund of new freedoms generated by the leisure and security that industrial society offers to all. Such a society can afford to be both just and free (Polanyi 2001:265).

Polanyi goes on to argue that the path to such a future of freedom for all is blocked by the 'moral obstacle' of liberal utopianism and as Harvey (2005) has noted, Polanyi held Hayek to be an exemplar of that tradition:

> Planning and control are being attacked as a denial of freedom. Free enterprise and private ownership are declared to be essentials of freedom. No society built on other foundations is said to deserve to be called free. The freedom that regulation creates is denounced as unfreedom; the justice welfare and liberty it offers are decried as a camouflage of slavery (Polanyi 2001:265).

The very definition of freedom thus degenerates into a mere advocacy of free enterprise (ibid). This is very much the case in the contemporary popular refrain, in which, as Wendy Brown (1995) has noted, ‘freedom other than free enterprise was cast as selfish, infantile, or killing, and placed in ignominious counterpoise to commitment, maturity, discipline, sacrifice and sobriety’ (Brown 1995:9). Further Brown argues that this discourse, in which “good freedom” became equated with individualism and entrepreneurialism, while “bad freedom” was cast as decadent if not deadly, has not been an easy one for the Left to counter (ibid:9-10).

The utter frustration of freedom in the Soviet Union and the failures of socialism elsewhere coupled with the suppression or lack of recognition of a variety of ethnic, cultural, sexual and medical differences characteristic of many welfare state bureaucracies has lead many to embrace the freedoms supposedly on offer in advanced liberal strategies of government. Such is the case for Rose, who values such freedoms at least insofar as they have valorized choice and opened up the possibility that we each make our life 'a work of art'. Polanyi too recognised that a strengthening of power at the centre might pose a threat to individual freedom. Polanyi argued that 'the true answer to the threat of bureaucracy as a source of abuse of power is to create spheres of arbitrary freedom protected by unbreakable rules' (Polanyi 2001:264). For Polanyi, rather than retreating to a narrow sense of negative freedom we need to resign ourselves to the reality of society which means the end of that freedom. But, he continues, we need not despair for as long as we are 'true to our task of creating more abundant freedom for all', we need not 'fear that either power or planning will turn

against' us and destroy the freedom we are 'building by their instrumentality'. 'This is the meaning of freedom in a complex society; it gives us all the certainty we need, (Polanyi 2001:268).

For Richardson (2001:45), 'if the ascendancy of neoliberalism can be likened to that of nineteenth-century laissez faire, contemporary liberal theory does not appear to be following the nineteenth century pattern: the turn to social liberalism'. With the collapse of communism and the practical difficulties experienced by welfare states in the various guises, socialism and various formulations of social democracy have, for the time being at least, lost their mystique (ibid). Political projects that seek to go beyond neoliberalism have, thus far, tended to occupy themselves with extending liberal principles to those people who for whatever reason were excluded in earlier neoliberal manifestations. In different ways, at different times and in different places feminists, advocates of multiculturalism and third wayers have alighted on notions of inclusion as a means with which to mitigate the effects of neoliberalism. As Richardson (2001) puts it, the idea of inclusion is frequently invoked in this context – the inclusion of women, indigenous people or the especially disadvantaged as full members of the community. (Richardson 2001:49).

> The term (inclusion) is widely used by those seeking an alternative to neoliberalism, but it is not yet clear whether it will come to be acceptable as a general term linking the different strands of contemporary liberalism. It is true that they may have a certain mutual affinity and an affinity with social liberalism. Like social liberalism, feminism and multiculturalism follow the logic of extending liberal principles of equality, positive freedom and autonomy to all those to whom they have been denied…the contemporary strands of radical liberalism conduct a variety of struggles against a variety of adversaries. They do not yet provide a coherent alternative to neoliberalism' (Richardson 2001:49).

Similarly, Both Nikolas Rose and Karl Polanyi argued that the challenges to nineteenth century

liberalism came from a variety of perspectives, and only gradually were they linked up into a coherent programme of governance. Social liberalism remaining only a spasmodic tendency until the Great Depression forced the hand of governments into accepting the need to manage, plan and control the economy and bring it to its social optimum. In much the same way contemporary challenges to neoliberal orthodoxy can be seen as diverse skirmishes with little if anything the way of programmatic coherence. Whether or not the economic difficulties of the present act as a catalyst for uniting the various strands of emergent ‘inclusive liberalism’ into something more durable, a renewed social liberalism in which freedom is reframed in positive terms perhaps, is yet unclear.

What is clear, however, is that since its beginnings centuries ago, liberalism has oscillated between contending positions. Since the nineteenth century these positions have been marked out in terms of an anti- statist individualist liberalism prioritizing negative freedom on the one hand, and a much more state sympathetic position in which positive conceptions of freedom are given priority on the other. For much of the past three decades an individualistic liberalism has dominated. As Richardson (2001) has noted, the current period can be seen as another attempt to reconstruct the self- regulating market on a global scale and substitute all societies to its “laws”. As such, a recurrence of Polanyi's double movement is to be expected: 'that is to say, attempts from societies to secure protection from the disruptive impact of unrestrained market forces' (Richardson 2001:176). Richardson goes on to ask whether such protection can be secured peacefully, through the normal working of existing political institutions, as was the case in the late nineteenth century when Polanyi's 'protective countermovement' and Rose's 'the social' were in their nascency; or whether it can be achieved only through violence and the overthrow of political regimes, as was the case in many places in the 1930s. The various political projects associated with the third way or 'inclusive' liberalism might be seen to represent the former, we can only hope that the developing economic difficulties of recent times don't come to approximate the systemic breakdown of the 1930s and thus

raise the specter of the latter.

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