‘Neo-liberal governmentality’ and ‘ever-expanding market’ – situating Foucault’s concept in modified Marx’s theory of value

Although they both are concerned with subjugation in social relations, the critical thoughts of Karl Marx and Michel Foucault seem to be at odds with each other. Marx was concerned with subjugation generated by economic system. In his opinion “the abolition of the present system must bring with it the abolition” not only of workers’ oppression but also oppression of other groups, like for example women (cf. Marx 2010: 502). Foucault on the other hand was, eventually, concerned with multiplied subjugation which, in his opinion, cannot be reduced to a single dimension of social world. Even though young Foucault was relying on Marx’s method of comprehending given problems as socially conditioned (see May 2006: 297), already before his critique was fully developed the French thinker parted his ways with Marx. As early as in 1960s Foucault (2005 [1966]: 347ff) accused Marx of forming his critique on a discourse that categories cannot comprehend man as (s)he really exists substituting this, instead, by a notion of man reduced to phenomena explained by scientific theorems inscribed in eschatological promise that these explanations will bring man to a really human existence. In the next decade, even if Foucault assumes, as Marx did, that it is subjugation that prevents man to live humanely, he criticizes him for narrowing this problem to its economic aspect.

This state of affairs is reflected in a very frequent reserve and distance between contemporary Marxists and Foucaultians1. Contrary to this reserve and distance, in my paper I want to show that one of Foucault’s late key concepts – ‘neo-liberal govermentality’ – when transformed through the prism of modified Marx’s theory of value allows to comprehend various aspects of subjugation, pointed out – however somewhat in passing – by Foucault himself, in a more consistent way. While Foucault, overshadowed by his concept of discourse, in his investigations into the ‘neo-liberal governmentality’ considered these aspects in a constricted, selective, one-dimensional perspective of controlling bodies in space and time, my approach allows to grasp them adequately and fully, and, therefore, to completely

1 As an example of an exception, we can point to Marsden (2005). However Marsden is combining those two authors taken to strictly. As a result we receive a critical concept that points to only one aspect of subjugation/alienation produced by contemporary capitalism.
understand their nature as well as the way of their functioning. Owing to this, it allows to point to a constructive way of overcoming them.

The aim of my paper will be realized as follows. I will start with the discussion of Foucault’s concept of ‘neo-liberal governmentality’. After the presentation of its relevant aspects, I will situate it in the context of his idea of biopolitics and point to characteristic concealments which the French thinker makes and indicate that they stem from his problematic comprehension of the notion of discourse that underlies the whole idea. Next, I will suggest Jürgen Habermas’ idea of communicative rationality as a proper solution to this difficulty and postulate re-reading of Foucault’s concept from the standpoint of critically grasped Habermas’ theory of communicative action. Finally, I will embed Foucault’s observations on ‘neo-liberal governmentality’, reinterpreted through the prism of theory of communicative action, in Marx’s observations of ‘ever-expanding market’ in order to conceptualize an adequate theory of value for today’s knowledge economy. What I mean is a theory of value that will allow to highlight scientifically organized subsumption (subjugation) of all our capabilities under capital in everyday interactions, and point to ways which will allow us to overcome this alienation.

**Foucault’s analyses of ‘neo-liberal governmentality’**

Foucault discussed the ‘neo-liberal governmentality’ in his lectures delivered in Collège de France in academic year 1978/1979. He analyzed it against the background of “crises of governmentality” in twentieth-century western liberal societies. These crises stem from the fact that in these societies “[the] liberty is no doubt guaranteed, but also produced by [an] art of government, which, in order to achieve its ends, needs continually to create, maintain, and frame it” (Senellart 2008: 329, cf. Senellart 2009: 498). And this takes place in such a way that “the mechanisms for producing freedom, precisely those that are called upon to manufacture this freedom, actually produce destructive effects which prevail over the very freedom they are supposed to produce” (Foucault 2008: 68-69). To be more specific, Foucault is speaking about the problem of state interventionism which consists in the fact that “mechanisms of economic intervention have been deployed to avoid the reduction of freedom that would be entailed by transition to socialism, fascism, or National Socialism. But […] these mechanisms of economic intervention surreptitiously introduce types of intervention and modes of action which are as harmful to freedom as the visible and manifest political forms one wants to avoid” (Foucault 2008: 69). This contradiction of twentieth-century
western liberal societies underlies the crises constituting “crises of governmentality”, among which we find problems such as increased economic costs of realization of freedoms or “inflation of the compensatory mechanisms of freedoms” (in other words bureaucratization, juridification, overregulation of economic and social life). As Foucault points out this whole situation occurs as a failed response to the then crisis of capitalism, namely the Great Depression (cf. Foucault 2008: 70).

Neo-liberal governmentality emerges as a reaction to this “crisis of liberalism”, “as a critique of the irrationality peculiar to excessive government, and as a return to a technology of frugal government” (Foucault 2008: 322). First, it is developed by members of so called Freiburg School, who formed the concept of ordoliberalism which underlay postwar German Soziale Marktwirtschaft (Foucault 2008: 75ff). The point of departure of this concept was Max Weber’s observations about “irrational rationality of capitalist society” (Foucault 2008: 105). The aim of this concept is to redefine, or rediscover “the economic rationality that will make it possible to nullify the social irrationality of capitalism” (Foucault 2008: 106). According to its proponents this is achievable when the capitalist competition is allowed to function without any obstacles. This is provided by various actions directed not at “mechanisms of the market economy, but on the conditions of the market” (see Foucault 2008: 137ff). One portion of these actions seeks “to prevent external [to the market] processes from intervening and creating monopolistic phenomena”. Another, in the form of monetary policy, aims at enhancing three fundamental tendencies of the market, namely “the tendency to the reduction of costs, the tendency to the reduction of the profit of the enterprise, and finally, the provisional, localized tendency to increased profit, either through a decisive and massive reduction of prices, or by an improvement in production”². Yet another portion wants to influence external conditions of the market such as migration, technological progress, law, education and training or climate. Finally, a portion of them seeks to supply adequate social policy, namely a social policy that aims not at abolition of inequality but at allowing it to be “the same for all” and that relies on privatization, not socialization, of risks. Such a social policy has as its main goal an economic growth, which “should enable all individuals to achieve a level of income that will allow them the individual insurance, access to private property, and individual or familial capitalization with which to absorb risks”.

And in all these actions lies the role of political institutions which are supposed to perform them through various policies. So the mechanics of this first incarnation of neo-

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² Stimulating all of these tendencies would deliver something what Joseph Schumpeter (2008) called a “creative destruction”. 
liberal governmentality is to use adequate policies to purge the whole social reality from obstacles that undermine free play of capitalist market and its core rule of competition. Therefore its representatives, postulate “a policy of society (Gesellschaftspolitik)” in which society (or to be more specific: “die soziale Umwelt’: the social environment”) is “the target and objective of governmental practice [aimed at this purge]” (Foucault 2008: 146). The economic growth, that was supposed to appear in these circumstances, was supposed to allow Germany to overcome its irrational recent past and produce its sovereignty anew (Foucault 2008: 85-86).

Foucault underlines that “to the same extent that governmental intervention must be light at the level of economic processes themselves [i.e. leave ‘mechanism of market economy untouched’], so must it be heavy when it is a matter of this set of technical, scientific, legal, geographic, let’s say, broadly, social factors which now increasingly become the object of governmental intervention” (Foucault 2008: 141). Nevertheless, he concentrates only on one of these factors. He is concerned only with the influence of ordoliberal governmentality in legal dimension. Here he notices that while this governmentality tends to multiply the subjects of market competition, i.e. enterprises, and spread them throughout all dimensions of society as its “formative power” (see Foucault 2008: 146-148), it also “multiplies the surfaces of friction between each of these enterprises [and thus] opportunities for disputes, [which means that it also] multiplies the need for legal arbitration” (Foucault 2008: 149-150). So, in a legal dimension, the discussed governmentality has as its other side “an ever-increasing number of judicial instances” (Foucault 2008: 175), which implies an increasing amount of control in society.

The ideas of German ordoliberalism, were undertaken and developed in United States. This version of neo-liberalism, elaborated by scholars from Chicago School, pushes further the objective of intervention into “the social environment” for the sake of economic growth. Now it is no longer a “policy of social interventions”, but an attempt “to extend the rationality of the market, the schemas of analysis it offers and the decision-making criteria it suggests, to domains which are not exclusively or not primarily economic” (Foucault 2008: 323). So, viewed against the background of ordoliberalism, American neo-liberalism “appears much more radical or much more complete and exhaustive” (Foucault 2008: 243). To realize this “radicalization”, it proceeds in two steps.

3 Or, as Foucault (2008: 145) puts it, “[Government] has to intervene on society as such, in its fabric and depth. Basically, it has to intervene on society so that competitive mechanisms can play a regulatory role at every moment and every point in society and by intervening in this way its objective will become possible, that is to say, a general regulation of society by the market”.

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Firstly, it uses “the generalization of the economic form of the market […] as a principle of intelligibility and a principle of decipherment of social relationships and individual behavior” (Foucault 2008: 243). Secondly, “it involves scrutinizing every action of the public authorities in terms of the game of supply and demand, in terms of efficiency with regard to the particular elements of this game, and in terms of the cost of intervention by the public authorities in the field of the market” (Foucault 2008: 246). The French thinker illustrates both these aspects while discussing Chicago School’s concept of human capital and penal policy.

The concept of human capital was developed in the context of Schumpeter’s idea of economic development through innovation introduced by entrepreneurs (Schumpeter 2004; Schumpeter 2008). Such development is supposed to counter capitalist tendency of the falling rate of profit emphasized by Marx (Foucault 2008: 231). However, the members of Chicago School want to be more specific about how this innovation is possible. Therefore they point to human capital as its source. Accordingly, they oppose hitherto dominant, quantitative comprehensions of labor in terms of number of workers and labor time. Instead they want to treat a worker as an “active economic subject” (Foucault 2008: 223). The activity of a worker as human capital is a result of “the set of investments we have made at the level of man himself” (Foucault 2008: 231). These investments apply to so called acquired elements of human capital (though Foucault points that the development of genetics opens the possibility for investment and modification of innate elements, too). What is meant here is “voluntary formation” of our abilities to produce an income (Foucault 2008: 229). It proceeds through such factors as education, interfamilial relations or healthcare. For example, according to this neo-liberal governmentality, since we know that relations between a child and its parent(s) are crucial for formation of our abilities, we can treat “[the] time parents spend feeding their children, or giving them affection as investment which can form human capital”. Analogically, all the cultural stimuli can be treated as such an investment. A man is supposed to be an “entrepreneur of himself”, who performs and/or uses these all investments “[to be] for himself his own capital, [to be] for himself his own producer, [to be] for himself the source of [his] earnings” (Foucault 2008: 226). The public authorities are valued positively to the extent they facilitate the transformation of people into “entrepreneurs of themselves” with their actions. This whole enhancement of human capital is supposed to bring about innovation and allow to overcome the problem of falling rate of profit (Foucault 2008: 231-232).

The “generalization of the economic form” in the area of penal policy consists in the following redefinition (see Foucault 2008: 248ff). The crime and criminal are no longer
treated from moral, psychological and social point of view. They are treated in terms of investment, risk-taking and profit-expectation: a criminal as any other economic-rational person invest his sources and takes a risk to gain some income/profit. In the frameworks of American neo-liberal governmentality, public authorities’ actions in this domain are judged with reference to the interplay between demand and supply: “It is the task of the penal system to respond to a supply of crimes, and punishment is one means of constraining the negative externalities of specific actions” (Lemke 2001: 199).

In the frameworks of American neo-liberal governmentality the paradox of ordoliberal governmentality, namely the problem of multiplication of juridical instances that follows multiplication of enterprises is mitigated. Judiciary is also submitted to the economic calculation of costs (see Foucault 2008: 260). Its costly disciplinary character is diminished to a degree that within discussed neo-liberal governmentality people internalize market-oriented patterns of behavior and are rendered responsible for their economic-rational assessment of “the costs and benefits of a certain act [in given situation] as opposed to other alternative acts” (Lemke 2001: 201). In these circumstances the governing instances can exercise control by “actions on [people’s] environment” (Foucault 2008: 261). For when people are encoded to respond to given situation by pursuing the most economically rewording behaviors, than they can be steered by “modifications in the variables of the environment” (see Foucault 2008: 270). And for the author of *The Birth of Biopolitics* here lies American neo-liberalism’s own paradox: on the one hand it wants man to be “the entrepreneur of himself” who takes the responsibility for his undertakings and, on the other hand, it makes him “someone who responds systematically to systematic modifications artificially introduced into the environment” and who, as such, is “manageable” (Foucault 2008: 270).

“Neo-liberal governmentality” as incarnation of biopolitics

Foucault’s discussions of German and American neo-liberal governmentality as a continuation of paradoxical development of liberalism in which attempts at greater protection of the freedom undermine it were supposed to be introduction to his analyses of biopolitics. Although these discussions grew out of proportions (cf. Foucault 2008: 185) and became the main topic of his lectures, we can still see that Foucault carried them out against the background of the idea of biopolitics.

By biopolitics, Foucault understands “numerous and diverse techniques for achieving the subjugation of bodies and the control of populations” (Foucault 1978: 140). Taking
historically it is “the attempt, starting from the eighteenth century, to rationalize the problems posed to governmental practice by phenomena characteristic of a set of living beings forming a population: health, hygiene, birthrate, life expectancy, race”. So biopolitics is a set of activities performed by governing instances aimed at controlling the whole populations. In his analyses of neo-liberal governmentality, the connection with this problem is present, first of all, when Foucault lectures about ordoliberalism. It is present in his analyses of “a policy of society (Gesellschaftspolitik)” when he mentions such targets of political interventions as migration, education and training or climate. The aspect of control can be seen here, when he underlines the “an ever-increasing number of judicial instances” that accompanied the multiplication of enterprises which were supposed to organize all spheres of social life, including those connected with migration, education and training or climate, and thus form the ordoliberalism’s paradox. The connection with problem of biopolitics in the case of American neo-liberalism is present in Foucault discussion of the extension of “economic form” to non-economic areas. We can see it when he concentrates on feeding, birth rate or health in his dealings with the problem of formation of human capital through interfamilial relations (see Foucault 2008: 243ff), or in his focus on the penal policy. The aspect of control is present in the question of “actions on [people’s] environment”.

For Foucault biopolitics, as an incarnation of governmentality, is a complex of “power-knowledge” which materializes in a discourse. For him a discourse is “set of statements that are made official or authoritative” as a knowledge that organize our reality (e.g. indicate what is sane and what is insane) and our (inter)actions within it (e.g. the interaction between madman and a doctor) “in a given historical period” (cf. Downing 2008: 9, 33). It is independent from individuals and, moreover, determines them: “The individual does not possess discourse or make discursive meaning. Rather, discursive formations create subject positions that can – and must – be occupied by speaking individuals” (Downing 2008: 49). This determination is subordinated to the dictate of unspecified power. From the beginning Foucault is occupied with discourses that are connected with practices (interactions) oriented toward “[disciplining] the needs and desires of individual organism as well as the social body of entire population” (Habermas 1990: 245). These discourses and interactions are based on a concept that we can term teleological-strategic rationality, in which people are objectified and treated as means to a given end. For Foucault this is the final form of rationality, which cannot be changed and could only be transgressed. This Foucault’s fixation on insurmountability of this rationality causes two major shortcomings in his
comprehension of neo-liberal governmentality: on the one hand he exaggerates some things; on the other he overlooks others.

On the one hand the French thinker assigns to neo-liberal governmentality a paradoxical fatality of increasing freedom at the cost of undermining the very same freedom. Whereas we do not have here anything paradoxical. Neo-liberal governmentality broadens the freedom of the market of entrepreneurs, while the freedom that it is undermining is of a different sort. Foucault cannot see this because, on the other hand, he is using too narrow a concept of rationality. By this undermining he understands the “ever-increasing number of judicial instances” in the case of German ordoliberalism and ever-increasing manipulation of individuals by “actions on [their] environment”. These concerns are related to something more than obstacles to the undertakings of entrepreneurs: while entrepreneurship needs the freedom of teleological intervention in the social and natural environment, Foucault is concerned with the possibility of people living uncontrollable, independent lives. The latter calls on the notion of autonomy in the intellectual, social and psychological spheres and is connected with another, deeper type of rationality, a rationality which, following Habermas, we will call communicative rationality.

When we distinguish these two types of rationality, we can go further and ask whether the idea of multiplication of entrepreneurs is in line with this deeper concept of rationality, in the first place. Namely, we can ask whether what Foucault sees as neo-liberal incarnation of liberalism’s paradox is not a consequence of contradictions inherent in crucial (namely economic) premises of neo-liberal governmentality. Deceived by his one-dimensional concept of rationality and being indifferent towards the distinction of the two types of rationality, Foucault is unable to ask such a question. He seeks the logic of crises of governmentality that would be separated from the logic of capitalism crises (see Foucault 2008: 70), and bona fide accepts neo-liberal concept of enterprise as something that is free from inner contradictions of self-alienation, such as those which Marx highlighted in the case of industrial capitalism. Firstly, the French thinker claims that economic order pursuit by ordoliberalism “is not a return to the kind of market society that Marx denounced at the beginning of Book I of Capital [but a] return to a sort of social ethic of the enterprise [discussed earlier by Weber, Sombart or Schumpeter]”; it is “a society in which the regulatory principle should not be so much the exchange of commodities as the mechanisms of competition” (Foucault 2008: 147).

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4 See Habermas 1984: 279ff. Habermas would not call communicative rationality a deeper type. In my opinion this stems from an internal contradiction which can be found in his critical theory. I cannot discuss this here, I did that in Nalichowski 2012.
However the commodity fetishism denounced by Marx has as its premise exactly the capitalist competition. In my opinion, the competition sought after by neo-liberalism is not an overcoming of commodity fetishism but its intensification. This intensification becomes evident particularly in the case of American neo-liberalism. Secondly, the French thinker seems to be accepting Chicago School’s idea of overcoming the problem of falling rate of profit with actions aimed at enhancing human capital by applying “economic form” to “domains previously considered to be non-economic”. However, this in fact means that the effects of commodity fetishism are spread throughout the entire society.

Before I show that in the frameworks of neo-liberal governmentality our economic self-alienation which subjugates us and destroys our autonomy is enhanced, I have to present the idea of communicative rationality in more detail.

**Rationality, its development and deformations of this development**

In the most fundamental sense, as rational we define actors who in their actions consciously choose means to successfully achieve established goal. So rationality is connected with action and it points to actions in which we knowingly use effective means to realize our aim. This notion of rationality was elaborated in profound way by Weber (1978) and is, in one way or another, a point of reference for practically every consideration dealing with the problem of rationality. It is also some point of reference for concept of communicative rationality.

Going deeper, we can distinguish the following types of rationality. In the first one, the goal is fixed and actors reflect only on means to achieve it. This is teleological type of rationality. Here rationality consists in selection of instruments which allow us to be effective in achieving given goal. So it is related to our knowledge of an objectified setting in which we act, to our instrumental skills, technical tools and techniques, that we have at the disposal and to the way we use them in our actions.

In the second type of rationality we consider not only means to achieve aims, but also the aims themselves. We can rationally evaluate whether our goals are compatible with our values. This is value-oriented type of rationality. In it, in addition to evaluating our usage of knowledge about the situation, instrumental skills etc., we also evaluate our relation to values and moral convictions. We can also evaluate the way we choose these values. Therefore the rationality acquires reflective character and in it we evaluate also the way we decide which
values and moral norms to follow. Thus we arrive at all-encompassing, communicative concept of rationality.

When we look at this classification from the standpoint of social reality we can speak about (inter)actions, and distinguish two types of them. These types can be differentiated on the basis of the interaction’s coordinating mechanism. Namely, we can have, on the one hand, interactions which are coordinated by orientation to reaching understanding and, on the other hand, interactions coordinated by orientation to success (see Habermas 1984: 286ff). In the first case, actors together determine the aim of their interaction and agree the action plan. They treat each other as equally important for the success of their interaction. To reach consensus they refer to common (social) norms that shape human relations in society they are part of and to common knowledge about the world in which they live as well as they reveal and make mutually clear their inner intentions, feelings and convictions. They do that with reference to common cultural background from which they take interpretations for norms, facts and intentions. This all take places through a medium of rational communication, which allows to refer to those spheres and to reach consensus about them that will allow actors to interact together. Therefore, we can speak here about communicative (inter)action. In the second case, one actor (or one group of actors) treats other(s) as means to achieve his/her preconceived goal. So here we deal with the situation in which one actor (group of actors) objectifies other(s) and instrumentalizes them for his/her/their own purpose. This is the case of strategic(-teleological) action in which one (some) actor(s) broadens the teleological rationality to include other people treated as instruments for his own interests.

The social norms, common knowledge as well as expression for our inner intentions, feelings and convictions are part of something that following Habermas (1984: 75ff) we can call three worlds to which we refer in our interactions. Namely, they are: society as a totality of social norms that regulate interactions of members of the given society, knowledge as a totality of our understanding of the world we live in, and subjectivity as a totality of our inner states and their expressions. These three are mediated by language and culture together with which they constitute a “lifeworld” (see Habermas 1987: 119ff). In our communicative actions, we not only confirm them, when we rely on them to reach mutual understanding. We problematize them, when we cannot use them as a basis of consensus, and try to develop such ones that will allow us to cooperate. We can do that because in our communicative actions we are rising validity claims that what we say is understandable, true, right and truthful (because it is based on proper usage of language and this or that of facts, norms and engagements), which can be criticized by our interlocutor(s) in an argumentative way (i.e. by giving reasons
and accepting possible counter-reasons until we reach a consensus) (see Habermas 1984: 295ff; Nalichowski 2012: 94ff). This ability constitutes our communicative competence which, materialized in our communicative actions, is crucial for both reproduction and constructive critique of lifeworld and all of its aspects. This competence can exist and develop only in communicative actions. It can be acquired by new generations through socialization.

Since teleological (and strategic-teleological) rationality is based on knowledge, skills and techniques, which all develop in a social context with the mediation from communication, it is conditioned by communicative action. In order to function properly, the latter needs our communication to be freed from externally imposed deformations. For only in this case, it is possible not only to reproduce all aspects of our rationality (knowledge, social norms, subjectivity, culture and language), but also to overcome its internal weaknesses (gaps or inadequacies that impair these aspects from within). The problem is that teleological rationality through systems of teleological and strategic (inter)actions such as market and the state, which are based on it, supersedes with its own elements the medium of communicative action from the process of reproduction (and constructive critique) of lifeworld (cf. Habermas 1987: 332ff).

In my opinion Habermas describes this problem in an inconsistent way, which makes his critique of this process vogue and conservative. As I show in my PhD thesis, he has conceptualized communicative rationality in a contradictory way, which has resulted in his ascribing of too much autonomy to teleological rationality and systems of teleological actions. These two issues make it impossible for him to adequately detail the logic of the superseding of the medium of communicative action by elements of teleological rationality and point to effective ways to overcome this problem. In the last paragraph of my paper I will come back to Foucault’s analyses of neo-liberal governmentality with a concept of communicative rationality, understood in the way we just have, in order to sketch a modified Marx’s theory of value, which will allow a more consistent comprehension of various aspects of subjugation, pointed out in passing by Foucault, and thus also outline more adequately the logic of discussed superseding of communicative rationality by teleological(-strategic) one. As it will be seen, this comprehensive subjugation occurs as the superseding of communicative by teleological(-strategic) rationality dictated by ever-expanding capitalist market, which seeks Schumpeterian economic growth as an answer to its internal crises, and which want to achieve this growth by extending the “economic form” to all aspects of our life.
More than “subjugation of bodies”

When, armed with a more comprehensive concept of communication, we return to Foucault’s analyses of neo-liberalism, we can see primarily that what his one-dimensional notion of discourse did not allow him to notice about the idea of entrepreneurship, is the systematic superseding of communicative rationality by teleological-rational imperatives of expanding market and political apparatus at its disposal. This superseding occurs for, as I have mentioned, entrepreneurship is by no means an overcoming but an enhancement of commodity fetishism. And this enhancement proceeds exactly through this superseding. To show this, let us start with Schumpeter’s idea of economic growth that underlies neo-liberal governmentality.

It was mentioned that neo-liberalism believes that economic growth driven by innovation is something that overcomes the tendency of the falling rate of profit, which Marx (1998: 209-265) indicated as an unsolvable crisis of capitalism. Moreover, prima facie it seems that this growth resolves also the other crisis that Marx pointed out as unsolvable in capitalism, namely the crisis of underconsumption. However, this solution is not without a gloomy other side. It appears as a comprehensive subjugation of people, in which all aspects of their lives are subsumed under capital along the line of extension of “economic form” to “domains previously considered to be non-economic”5. To understand this we have to look at the transformation that has occurred in capitalism since Marx observed it.

To have a perspective, we have to describe the two crises of industrial capitalism analyzed by Marx6. The tendency of the rate of profit to fall stemmed from the fact that forced by competition, capitalists have to reinvest the profit into the expansion of production. This leads to the increase of value of workforce, since an amplified demand for labor occurs. To counter this increase, capitalists started to use “labor-saving machinery”. However, thus they raised the organic composition of capital (i.e. the relation between constant capital (machines

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5 This comprehensive subsumption leads to a comprehensive crisis which includes such problems as military conflicts, terrorism, populism and organized crime, spread of various psycho-pathologies (pathological forms of personality, stress, depression, consumptionism), distorted work-life balance and demographic collapse of the West, devastation of the Nature, famine, underdevelopment, unemployment, growing inequalities, skills mismatch and information asymmetry, public and private debt, financial ruptures, as well as so-called secular stagnation, scientifically implemented bureaucratism, technocratism, juridification in some areas and underregulation in others, growing invigilation of citizens by political institutions, deteriorating public finances, media-related privatism and apathy which undermine political participation, corruption and nepotism of politicians, alienation of scientific activity. I cannot discuss this comprehensive crisis and its genesis from contemporary capitalism further here, I detailed it in Nalichowski 2015.

6 We can find more detailed summary of them in Sweezy 1946: 145ff.
and technologies) and variable capital (labor), so their rate of profit decreased (for profit came from exploitation of labor in the form of unpaid labor time as a source of surplus value).

The underconsumption, in turn, stemmed from the fact that either the lowering of wages or replacement of labor with machinery, in combination with expansion of production, led to the excess of supply over effective demand. Contrary to Marx’s expectations however, these crises had not brought about the end of capitalism. Instead they brought about transformations that allowed capitalism to uphold the rate of profit which makes it possible both, to produce enormous wealth for the reach and expand prosperity to include mass wage labor. However, they did that by introducing new forms of exploitation and enslavement, which Marx did not take into account, and which go far beyond “subjugation of bodies” discussed by Foucault and have brought about comprehensive crisis mentioned above. It all has happened as a process of “ever-expanding market”, which Marx (1998: 235-236) sought as one of capitalism’s “counteracting influences” to the problem of falling rate of profit. Yet, he thought of this expansion in geographical terms, as a growth of trade, and overlooked the possibility of expansion of capitalist market through subjugation of all our capabilities and their subsumption under capital. It proceeded as follows.

The increase of organic composition of capital means an increase of human capital, i.e. knowledge (objectified in machines and technologies), in constant capital. Achieving this required developing in separate people highly specialized knowledge at the expense of their other cultural (social/moral, psychological/emotional and reflective) capabilities. This “specialists without spirit”, as Weber (2005: 124) called them, are produced in “schools [that] are the factories” (Fromm 2007: 30ff) which are structured in such a deformed way that they cannot be useful in developing a wise, comprehensive and reflective knowledge, in place of which they provide “new technology and a plug-in workforce [for] businesses” (Newfield 2008: 10). So here we have the first dimension of superseding of communicative rationality by teleological one through extension of “economic form” to “previously non-economic domains”. Here it occurs as commodification of knowledge. This commodification is also a first instance of new dimensions of subjugation overlooked by Foucault in his discussion of neo-liberal ideas of entrepreneurship and human capital: it is a subjugation of our intellectual development which deprives it of reflexivity and wisdom for the sake of production of narrowly specialized knowledge for the needs of economic growth powered by innovation. This subjugation permits businesses to “privatize general intellect/collective knowledge” (cf. Žižek 2012) even though it impairs communicative conditions of development of this intellect (knowledge). As such it is a new source of surplus value which in contemporary capitalism is
added to “traditional” extraction of surplus value from physical labor, which in Western societies is diminished by increased organic composition of capital, and is shifted to peripheral regions of the world where it is still profitable.

The increase of human capital in constant capital allows to process natural resources in a much greater amount to generate a huge overproduction. As we can infer from the critical situation of our natural environment this processing greatly exceeds nature’s regeneration capacity and, as such, is another source of surplus value. This is connected with a further instance of new dimensions of subjugation. It consists in the fact that we are deprived of the possibility of communing with a thriving nature and have to live in devastated one.

These changes in the composition of constant capital were paralleled by changes in variable capital. The latter are supposed to allow better functioning of process of overproduction and to organize overconsumption of its products. The workforce, which had been freed from the process of production, moved to services (cf. Sweezy 1946: 228ff, 278ff). Part of it, through activities such as training and human relations, public relations, marketing, advertisement, trade, repair, customer service, organization of cultural events and production of cultural goods (the “culture industry” (Horkheimer, Adorno 2002)), directly or indirectly fabricate “social relations” (cf. Lazzarato 1996), which will either spread forms of careerism and manageable cooperation of self-interested people that, in addition to human capital, are required for smooth functioning of current overproduction process, or make people prone to overconsume products of this process. The rest produce “social relations” in public institutions whose task it is to secure conditions of this overproduction and overconsumption, through policies such as healthcare, public security, administration, social insurance or education.

These “social relations” change us into social, psychological and cultural capitals, that is beings emotionally bound to given patterns of behavior (that are in line with some particular interests), who spread these patterns further in their social interactions. These “relations” are produced in scientifically managed and, in most cases, mediatised interactions with people. These are strategic(-teleological) interactions. The communication is not used in them to reach mutual understanding, but to allow speaker (S) – or rather particular interest for which S works – to make the listener (L) do what is profitable for the S. In such interactions emotional (psychological), moral (social) and cultural components of communication are

7 This management is based on the same commodified, unreflective, teleologically diminished knowledge that comes into play in production of human capital. In this case it is applied to the domain of social sciences, in which the regard for the essence of social world and its praxis is denied for the sake of the possibility of instrumental usage of social processes, cf. Habermas 1971.
treated not on their own rights but are instrumentalized in line with the interest that determine S behavior. The communicate is structured in such a way that it does not provoke L (but also S who, to perform his task, has to become emotional, social and cultural capital him/herself) to reflect on its psychological, social and cultural content. Instead it stimulates L’s immature emotions as well as social and cultural believes to act in line with S’s interest.

The immaturity of our emotions as well as our social and cultural believes are, in turn, products of deformations of interfamilial relations stemming from applying “economic form” in this domain. Namely, they are products of the adaptation of interactions between children and parents to the needs of production of human capital and “entrepreneur of himself”. The conditions of work and consumption of human capitals of contemporary capitalism undermine the status of nuclear family (cf. Back 1992). In today’s fragmentized families, which appear in the place of it, children are raised as royals, without a possibility to face consistent parental authority and having their relations with parents mediated by technical media of communication (Lazartigues et al. 2005; Lazartigues et al. 2006; Lazartigues et al. 2007; Twenge, Campbell 2009; Turkle 2011). Treating children as royals whose whims are supposed to be instantly fulfilled, raising them without authority and with the help of technical media of communication are believed to be means enhancing their creativity and giving them affection and thus developing their human capital. Instead they undermine the possibility of successful psychosocial development through sincere everyday interactions with close ones in which we can clarify our emotions, social norms and cultural believes, and learn how to handle them appropriately, or constructively criticize and overcome them while creating new, more adequate ones. Parents’ authority is replaced by influence of a “third parent” (television and other media of the culture industry), which repressively desublimates the frustration stemming from this blocked possibility of successful psychosocial development in patterns of behavior desirable by contemporary capitalism (consumerism and, then, careerism). Without the possibility of advancing into a “reality principle”, children are trapped in a “pleasure principle” where their developing personality becomes addicted to outside objects and stimulations through which today’s economy lures them (Lazartigues et al. 2006: 340-341). Thus in nowadays capitalism people develop asocial and psychopathological traits of “narcissistic-hedonistic” personality, that are then used in production of “social relations” which will make them chasing every possible way to gain

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8 This belief is spread by “experts” from which we have to learn how to herd with our close ones, because we are deprived of the possibility to learn it through communicative-rationally experiencing of our life together. The knowledge we imbibe from these experts is the same commodified, unreflective, teleologically diminished knowledge that comes into play in production of “social relations”.

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income allowing them to overconsume. As such, these traits are grist to the mill for the process of overconsumption of overproduction that propels this capitalism.

Thus in all this we have the next instances of new dimensions of subjugation connected with superseding of communicative rationality by teleological one through extension of “economic form” to “previously non-economic domains”. It is a subjugation that bonds us to deformed communication in which we cannot successfully develop our emotions, social norms and cultural background, because they all have been subsumed under the “economic form”, and, instead, we develop in it quasi-spontaneous predispositions to behavior that can be externally manipulated and instrumentalized to the needs of contemporary capitalism. This subjugation(s) is a case of manipulation through “actions on our environment”. It provides yet another new source of surplus value.

However, though it influences our behavior, it cannot be rendered by critique of discourse fixed on “subjugation of bodies”. These are our social and emotional capabilities as well as cultural background and communication, in which they develop, that are being subjugated here. The subjugation of bodies is only a derivative to this process and can be comprehended only through this very process. The damage is done on more fundamental level. The manipulation of our behavior proceeds not through external control of our body, but through internal control of our own social, emotional, cultural and communicative competencies (in addition to the diminishing of intellectual ones, which was discussed earlier). Once planted in us, this control can proceed through “actions on our environment”. And the growth of this form of control is not a paradox of neo-liberal governmentality but a consequence of alienating character of its economic premises. On the other hand, since undermining of our development so far advanced generate some deviations and disputes⁹, the need for external juridical and controlling instances, noticed by Foucault, grows. But this again is not a paradox of neo-liberal governmentality but a consequence of an alienating character of its economic premises.

And this, together with the instances of subjugation pointed out above, is the hidden agenda of “entrepreneurship” and economic growth powered by innovation that has allowed contemporary capitalism to overcome the problems of falling rate of profit and underconsumption. It developed as “ever-expanding market”, however not primarily in geographical terms, as Marx thought, but in terms of commodification of our abilities other

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⁹ This includes problems such as organized crime or terrorism. As I show in another place (see Nalichowski 2015), they should be seen as supplementary, to the spread of careerism and consumerism, results of expansion of contemporary capitalism, which undermines the possibility of proper development of our abilities, culture and communication by instrumentalizing them.
than the ability of physical labor. (And even the geographic aspect of this ever-expansion of market proceeds with the help of such a commodification, for today’s global capitalism is using dogmatic elements of non-occidental cultures to internally discipline them and their resources to the fight for foreign investments.)

It all shows us that proper critique of contemporary subjugation should be directed toward deformation imposed on our communication by mechanisms of contemporary knowledge capitalism. Instead of allowing its diminished teleological rationality speculate with our abilities through deformed communication, we should define them rationally in free communication, and from the perspective of these definitions regulate our economic cooperation. Thus our knowledge would develop without undermining our ability of reflection as well as our emotional and social abilities and culture. Foucault does not see this possibility, because with his one-dimensional concept of rationality, he is confined by defeatist idea of knowledge/discourse which, like Althusserian concept of ideology, determine “subject positions” and thus cannot recognize those subjects as capable of doing such a reflection from within this knowledge.

As I discuss it elsewhere (see Nalichowski 2015), this is achievable when we introduce mechanisms of deliberative democracy into our economic cooperation and from within the very same processes, through which capitalism subjugates our abilities, we will communicative-rationally overcome its speculation. The best suited moments in contemporary capitalism for this purpose are such initiatives (initiatives that frequently originate from the society itself) as prosumerism, sharing economy, citizen science, freeware, engagement of workers, participatory budgeting, consumer confidence, New Public Management, non-governmental organisations. These initiatives, on the one hand, are appealing to society’s self-determination and, on the other hand, are placed in crucial bolts of today’s economic system. So, even though capitalism tries to instrumentalize them to manipulate us through its “actions on our environment”, we can still use them to take our economic cooperation in our own hands, if we just change their medium from teleological to communicative rationality, which is the only one natural for them as a form of social interactions.

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10 So here we have a combination of strategic(-teleological) and value-oriented rationality (we can find its illustration in Rata’s (2000) concept of tribal capitalism; for more detailed analyses of this question, see Nalichowski 2013, Nalichowski 2015). It is yet another dimension of subjugation: namely, the subjugation that bonds us to a life in a “global village” of societies broken by rapid marketization and filled with resentment that finds it outlet in such pathologies as authoritarian personality, populism as well as organized crime and terrorism, that were discussed a little in previous note.
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