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**Article**

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# Foucault's contributions for understanding power relations in British classical political economy

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## Abstract

This paper analyzes the strategic role played by British classical political economy in constructing new technologies of power. Michel Foucault drew attention to a change that political economists promoted concerning the role of the state, which has been overlooked by historians of economic thought. This paper explores the main arguments provided by the most important British political economists of the 18th and 19th centuries on what concerns population management, State's role and economic dynamics in order to examine Foucault's considerations. Although British classical political economy consolidated the mechanism of markets and economic individuality, thus creating a system of truth that changed economic norms and practices, its discourse also established a political conduct that was responsible for creating mechanisms of control that disseminated new forms of power relations.

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## Resumo

Este artigo analisa o papel estratégico desempenhado pela economia política clássica britânica na construção de novas tecnologias de poder. Michel Foucault chamou a atenção para uma mudança promovida por economistas políticos com relação ao papel do Estado, fato que foi ignorado por historiadores do pensamento econômico. Este artigo explora os principais argumentos fornecidos pelos principais economistas políticos britânicos dos séculos XVIII e XIX no que diz respeito à administração da população, ao papel do Estado e a dinâmica da economia a fim de examinar as considerações de Foucault. Apesar de a economia política britânica ter consolidado o mecanismo dos mercados e o individualidadena esfera econômica, criando assim um sistema de verdade

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que modificou as normas e práticas econômicas, seu discurso também estabeleceu uma conduta política responsável por criar mecanismos de controle que disseminaram novas formas de relações de poder.

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*Palavras-chave:* Economia política clássica britânica; Genealogia do poder; Arte liberal de governar; Biopolítica

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## 1. Introduction

This paper analyzes the strategic role played by the British classical political economy in the process of creating new forms of power relations between the state, population and economic reality. The aim is to understand how political economy was relevant for rationalizing and consolidating a form of power that French philosopher Michel Foucault designated as “biopolitics”.<sup>2</sup> The paper takes Foucault’s writings regarding economic ideas and re-establishes them into a critical analysis of the history of economic thought in order to comprehend how political economy was responsible for the emergence, strengthen and consequences of biopolitical practices.

Whereas most historians of economic thought interpret classical political economy – especially the British school – as a way of understanding and creating a system of liberal political economy designed to limit the power of the sovereign, this paper demonstrates that classical political economy actually served to constitute new powers to the state and to other institutions related to it, such as educational, health, financial, statistical, psychological and urban.

Michel Foucault’s genealogy of power examined economic thought and other human sciences to understand how individuals became subjects in the modernity. Inasmuch Foucault realized that power is not only repressive, but rather productive (produces subjects, conducts and patterns), he shifted his analyses from disciplinary power to biopolitics.<sup>3</sup> Foucault defined biopolitics as a specific technology of power that emerged in the end of the 18th century and aimed to deal with biological elements of human beings, such as: birth, mode of living, prosperity, health, reproduction and death.

Foucault had to approach the classical political economy of the 18th and 19th century – especially the British one – because a different rationality of State became a central issue in the analyses of the first thinkers of that school, insofar as they were concerned with national economic growth and opulence of population. It was also for this reason that this school first had to question the mercantilist doctrine in what concerned with the centrality of State, later addressing a critique of the sovereign, since the State should have a less interventionist role in managing society.

Foucault’s notion of biopolitics can be investigated from a perspective that connects economic discourse and practice with power relations. Although some works written by [Tribe \(1978\)](#), [Amariglio \(1988\)](#) and [Lima \(2010\)](#) made valuable connections between Foucault’s writings and economics, all of them made reference to Foucault’s early archeological writings and the epistemic formations of economic theory and discourse, thus not approaching extensively Foucault’s notions of biopolitics and its consequences to constituting new power relations.

This paper first outlines Foucault’s ideas regarding power relations and his genealogical investigation method, showing how the concept of biopolitics emerged. Secondly, the paper emphasizes how British classical political economy emerged, establishing a line of thought from a critique of mercantilism to Ricardo’s and Malthus’s ideas. This section is followed by a critical reading of the classical economic thought in terms of power relations, taking Foucault’s arguments to stress the emergence of a liberal art of government and, as a consequence, biopolitical practices. Lastly, the final remarks regarding this theme are presented.

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<sup>2</sup> However, the term *biopolitics* was not created by Foucault. Rudolph Kjellén, a Swedish intellectual, was perhaps the first to make use of this word, but Foucault’s theoretical developments regarding biopolitics and biopower have been considered more extensive and accurate than those ones of his predecessors ([Esposito, 2008](#), pp. 16, 24).

<sup>3</sup> Foucault’s first approach regarding the study of power relations involved disciplinary power, a form of power disseminated by non-State social institutions, such as school, hospital, prison and factory. According to Foucault, these institutions had a major role in constituting the modern subject through coercion, controls and surveillance. His shift to biopolitics occurred when Foucault noticed a different non-disciplinary type of power that also influenced and modeled the constitution of subjects in modernity.

## 2. Foucault's genealogy of power: the emergence of biopolitics

Michel Foucault's investigations involved different areas of human, social and medical sciences, such as psychiatry; sexuality; clinic; law; economics; philosophy of science; discourse and language, among others. His vast *oeuvre* included books, courses, interviews and several lectures that were not separated into isolated phases, rather in theoretical displacements<sup>4</sup> inside the same perspective: to search for the reasons why individuals became subjects in modern age.

History had always been a present issue in Foucauldian *oeuvre*, especially in regard to the transition from archeology to genealogy. The latter became a broader approach once it dealt with non-discursive practices, differing from archeology. With genealogy Foucault continued to investigate the issue of knowledge, but dealing with it from a power perspective: knowledge generates power, and therefore, truth regimes.

Foucault sought the connections among knowledge, power and truth, following Friedrich Nietzsche's genealogical analysis and method. According to Foucault (1971, pp. 67–69), genealogy was not a search for an origin, neglecting all other historical aspects, but rather an investigation that should pay attention to the discontinuous and specific facts of a discourse. Genealogy represented a combination of three major aspects: (i) *discontinuity*, when discourse should be considered not something evolutionary in time, rather discontinuous; (ii) *specificity*, which does not assume a pre-discourse or certain symbols that make a statement possible, but to consider a discourse as something specific from its own time and space; and (iii) *exteriority*, when conditions of possibility outside a discourse must be considered, as external facts, actors and power relations.

To pursue a genealogy of power relations meant to abandon the idea that 'power is always repressive and punitive'. Even though Foucault investigated disciplinary power and its disseminative institutions (prison, school, hospital, etc.), he later turned to a different form of power: the one that develops relations of productivity in human life.

Foucault claimed that a new form of power emerged during the 18th and 19th centuries, which was not a punitive one, but rather a productive one and it focused on human life as a whole. He designated this emerging form of power as "biopower" (2004, p. 01). Biopower represented a definite turn in his analyses once he re-inserted State as a relevant power institution, inasmuch as State centralizes and applies many forms of power relations. Foucault then shifted his analyses from a previous micro-institutional to a macro level.

For Foucault, it was during that time that the subject started being considered not only individually, but mainly collectively, emphasizing the notion of *population*. The transition from the individual to the population as the embodiment of a political subject occurred throughout the 18th century, a period of time when Foucault claims that one of the first great novelties in power techniques was the appearance of *population* as an economic, social and political issue (Foucault, 1978, p. 31). At that moment in time, governments realized that they could not manage isolated individuals only or people in general, but population in its own regularity and specific variables: birth, life expectancy, reproduction, productivity, habitat and death.

Foucault developed a genealogy of governmental practices that occurred from the 16th to the 20th centuries to understand biopower dynamics and biopolitical practices. He accomplished this in order to articulate more accurately the governmental practices in mercantilism, classical liberalism and neoliberalism, highlighting the population management and the reinforcement of biopolitics. Hence, biopolitics was intimately related to existent power relations among State, population and economic knowledge, which was a key form of power throughout the birth of capitalism.

Foucault's book first published in 1976, *The History of Sexuality volume 1: An Introduction* provided an analysis of structural changes in sovereignty from the end of the 17th century to the beginning of the 19th. According to Foucault (1978, p. 131), throughout the history of sovereignty, the sovereign had a privileged role of acting directly over vassals, deciding upon their life or death. When there was any kind of threaten to sovereign's position, he had a divine right to declare war and to sacrifice his vassals' lives.

Nevertheless, Foucault (1978, pp. 135–137) emphasized that there was an asymmetry of rights in that previous power relationship: State exercised power in the form of a right over both life and death of people, but this did not mean that State should consider the maintenance of life as part of its duties. It was only at the end of the 17th century that profound changes in power mechanisms emerged. First, different modes of control, discipline and surveillance arose, aiming at producing docile, disciplined and 'normal' individuals. Later on, at the end of the 18th century more

<sup>4</sup> Foucault's three theoretical displacements include: (i) archeology of knowledge; (ii) genealogy of power and (iii) ethics of the subject. This paper focuses on the second one.

precisely, a new type of power emerged, Foucault affirmed, which became a sort of power that had to care after the maintenance of life and so the well-being of population. While territory used to be the main concern for the sovereign, population became the most valuable national resource, and so the center of attention for the State.

The constitution of this power over life, *biopower*, was based on two main pillars: one was established during the 17th century and involved the anatomic-politics of an individualized body – disciplines; another one emerged at the end of the 18th century – the biopolitics of the population – organizing power over life in its collective way. The latter constructed power relations that focused on biological processes of life: birth, reproduction, growth, productivity, health, etc.

The division of biopower into two pillars aimed at controlling individuals in their totality, hence producing subjects (Foucault, 1978, p. 140). However, Foucault (1997, pp. 242–243) highlighted the different techniques that comprise disciplinary power and biopolitical practices. Biopolitics regarded human beings not in their individuality, but rather in their multiplicity, taken them as constituting a global mass that is affected by different processes that occur during their lifetime. These biopolitical techniques demanded a new set of knowledges (*connaissances*<sup>5</sup>) in order to assist the control and maintenance of their lives, such as statistical devices, demography, public policies, and discourse legitimacy.

These *connaissances* provided regulatory mechanisms that had as their prime goal equilibrium and stability. While individualization, punishment and exclusion of the abnormal were the common set of practices for the disciplinary power to control and discipline, biopolitics began to use *security apparatus* and the notion of *laissez-faire* to regulate the collectivity through the notion of equilibrium and normality.

A “security apparatus” or “*dispositif*” could be characterized as a technique, a *connaissance*, a calculus or a policy. It acted over a space (not a territory), encompassing a multiplicity of subjects and where the population lives. Its main goal was to normalize the population and to make sure that all activities related to population’s equilibrium and normality would work well. For instance, Foucault exemplifies the problem of food scarcity in the middle of the 18th century: when confronting such issue, physiocrat knowledge managed to avoid food scarcity not by lowering prices and controlling economic variables, rather by conceiving *laissez-faire* as an economic policy where prices could float freely within the market sphere.

In this sense, political and economic techniques could be considered as modern security apparatuses, especially the ones with liberal aspects. Foucault (2004, pp. 11–15) says, unlike disciplinary forces, security apparatuses act using broader forces, taking *laissez-faire* beyond economic sphere and re-using it within political domain. Permission and normalization became then its main guide. Therefore, security was a collective power that considered population as its political subject, aiming its normalization and controlled permissiveness.

Foucault (1997, p. 250) claims the exercise of biopolitics has been effected by both State and non-State apparatuses and institutions since the 19th century, contradicting the idea of biopolitics being exclusively a State form of power. The institutions related to biopolitics also included, for instance, medical institutions, insurances and welfare funds, which have become more accurate and collectively spread throughout the 20th century.

Foucauldian genealogy considered that economic ideas – especially the ones produced by the classical political economy – were majorly relevant for the analysis of the birth and growth of biopolitics. In Foucault’s lectures presented in Collège de France between 1978 and 1979 (entitled *Security, Territory, Population* and *The Birth of Biopolitics*) he highlighted the central and strategic role played by economic theories and ideas in that process. According to Foucault, economic theories should not be taken only as a set of discourses, but also as political practices that were embodied by the State and other institutions as a way of producing new power relations.

The development of political economy became, for Foucault, the major locus of biopolitical practices, inasmuch as it was the first main school of thought – in particular the British economists from the end of the 18th century to mid-19th century – to focus on issues related to economic management and population care, opening up a new set of ideas, theories and practices.

The main arguments of classical political economy presented in this paper intend to return to the emergence of pre-classical economic thought (mercantilism and physiocracy) in order to identify and understand which ideas were

<sup>5</sup> In French, *savoir* differentiates from *connaissance* (both are translated into English as ‘knowledge’). *Connaissance* refers to a particular branch of knowledge, a particular discipline (such as economics, biology and philology). *Savoir* is ‘knowledge’ in general, so to speak; it encompasses all branches, all domains of ‘knowledge’ (*connaissances*).

relevant for their discourses, how they were articulated and how they left economic sphere and became a part of governmental practices. To understand how a ‘liberal art of government’ emerged and how biopolitical practice was intrinsically related to it, the next section focuses on the emergence and consolidation of classical political economy, highlighting its main ideas regarding population care and the role of the state. Although most historians of economic thought interpret the classical as creating a system of liberal political economy designed to limit the power of the sovereign, Foucault sees it differently: as a way of constituting new powers of the sovereign.

### 3. Classical political economy: the role of State and population care

This section outlines some of the main economic, political and social conditions that contributed to the emergence of classical political economy and how some of the most important British political economists of the 18th and 19th centuries, in particular Adam Smith, David Hume, Thomas Malthus and David Ricardo, interpreted them.

For Foucault, to build a genealogy means to search for the discontinuous, specific and exterior factors that influenced the emergence of a knowledge, discourse or practice. Therefore, to understand classical political economy from a genealogical point of view means to pay attention to certain issues that were ignored or not properly investigated by historians of economic thought. In his lectures, Foucault quoted several economists that were relevant to his analysis of the shift in technologies of power at the end of the 18th century. He noted that the British liberal school promoted a change in the way to understand the action of the State in regard to markets interference, population care and political management, especially when analyzing the ideas developed by the economists mentioned above. Thus, their writings should be reexamined in order to understand how their theories were conceived and disseminated throughout the political reasoning from the end of the 18th to the middle of the 19th century.

In order to understand them in their own context, it may be helpful to classify them into two categories (or generations) according to some of the main economic and political issues of their time, as well as to the way the role of the State was conceived. Smith and Hume constituted the first generation, whereas Malthus and Ricardo composed the second one.

#### 3.1. *The political economy of Scottish enlightenment*

The birth of political economy was conditioned by the crisis of mercantilist doctrine, which was heavily criticized by many intellectuals of the end of the 18th century – including Smith and Hume, as well as the emergence of French physiocracy and Scottish Enlightenment in the middle of the 18th century. The well-known Smithian critic of mercantilism, portrayed by Jacob Viner (1991), has been brought into question by many mercantilist scholars, such as Magnusson (2009, pp. 49–53).

Regardless of what has been debated in terms of mercantilist notions of wealth and value, a central question regarding the critique of political economy involved the structure of power that predominated in mercantilism. This referred to the central dominance of the State regarding internal and external trade – which, according to Smith, for instance, did not respect natural economic forces, the opulence of the nation through population growth and its exclusive economic importance.

The shift from mercantilism to physiocracy occurred in a moment where mercantilism had its decline due to an economic and political crisis (see Mokyr, 2009, p. 05). Both French and British economists contemporary with that moment played an important role in consolidating new ideas. For instance, the notion of a natural order of economic forces and of an endogenous growth of the population, as well as the shift of the focus from the agricultural production to the commercial activity constructed the bases of mid-18th century physiocracy, influencing classical economists directly (Brewer, 2009, p. 85).

Some key aspects regarding physiocratic influences toward political economy – especially Smith’s writings – lied on notions regarding ‘economic government’; the role of the population and statistical analysis; the dynamics of economic forces of supply and demand and the role of self-interest in economic decisions. What it should be noted is that physiocratic tradition differed from mercantilism in terms of the economic system as a whole, emphasizing not only commerce, but agriculture, the natural order and dynamics of economic forces, such as supply and demand, and the emerging notion of self-interest.

However, political economy presented a broader analysis when compared to physiocrats in terms of what constituted value, the importance of manufacturing production and to the role played by State on all the economic processed. Smith (1976a, p. 428) considered political economy a type of science related to the Statesmen and legislators that could allow



the population to obtain a proper return and opulence, as well as making possible to State obtaining enough revenue to fund public services. This would mean that political economy and economic issues were not considered a separate topic from the institution of the State.

Although moral sentiments and human nature were always present in Smithian and Humean analysis, at the same time they indicated the reinforcement of a particular view of individual and reality. Smith's (1976a, pp. 26–27, 456) arguments regarding self-interest and benevolence in economic and social contexts presented a complex vision of the individual which cannot be reduced to plain self-interest by all means. White (2009, p. 56) claims that the economic side showed the minimum preconditions to the functioning of the market in an impersonal way; thus, the relations between buyers and sellers did not require exclusively profound social bonds. This explains why individuals within the market could be motivated by self-interest.

Complementary to this, Hume (2009, p. 762) says individuals' interests were subjected to an institutionalization, representing a move from individual sphere to the collective one. To Hume, this represented the emergence of the State when certain individuals rule the interests of others in a society through justice and norm. Smith analyzed this by using the invisible hand metaphor: socially beneficial spontaneous orders originate from the interaction of self-regarding actors (Smith, 2006, p. 84).

Nevertheless, Smith's metaphor did not represent a rejection to regulation or the establishment of higher institutions, especially when he approached the social context. He made that clear by defending some State's tasks in *The Wealth of the Nations* and *Lectures of Jurisprudence* (see, for example, Smith, 1976b, pp. 687–688, 1978, p. 05).

When Smith determined which duties the State should accomplish, he presented an *unintended order* model (see Young, 2005) which aimed at harmonizing natural freedom, maintaining common justice and defending individuals' interests through moral philosophy. On the other hand, justice would be conducted through the invisible hand, so the sovereign intervention would only be necessary if justice failed as an unintentional result. What should be noted in Smith's writings is that the State and the sovereign are not excluded from the political and social processes; but rather they are delimited to specific tasks which included justice, national security and public administration.

Concerns regarding the role of the State included public cleanliness, public security and education. When approaching security, Smith says: 'In general, the best means of bringing about this desirable end is the rigorous, severe, and exemplary execution of laws properly formed for the prevention of crimes and establishing the peace of the state.' (Smith, 1978, p. 331).

Similarly, Smith's writings defended education as a public good, and thus it should be provided by the State: 'For a very small expence [sic] the publick [sic] can facilitate, can encourage, and can even impose upon almost the whole body of the people, the necessity of acquiring those most essential parts of education.' (Smith, 1976b, p. 785).

It should be noted that some arguments and theories provided by Smith and Hume began an analytical tradition regarding economic ideas that influenced the following generation of political economists. When approaching the role of State specifically, their claims were redesigned by Malthus and Ricardo, which also deserve a proper investigation.

### 3.2. *The political economy of the English tradition*

Within the genealogical process of economic ideas, Malthus's and Ricardo's writings could be analyzed by pointing out discontinuity and specificity issues. First, their ideas should not be taken simply as a natural evolutionary process deriving from Smithian and Humean thesis; many times in their works, Malthus and Ricardo emphasized a criticism in regard to the first generation of political economists.

Secondly, some conditions of possibility outside their discourse must be considered, locating which external facts were representative, especially in what concerns social and political elements. For that, a reference to the main economic, social and political outcomes of the First Industrial Revolution is crucial. This section focuses on Malthus's and Ricardo's writings regarding population treatment, its effects on labor market and the strategic role of State, emphasizing some considerations regarding the shift of ideas from the first generation to the second one.

Malthus's work regarding population has been extensively quoted and criticized, although he was not the first intellectual to approach this issue in economic terms.<sup>6</sup> His critique toward other political economists such as Adam

<sup>6</sup> According to Schumpeter (1994, pp. 250–252), William Petty, James Stuart and Joseph Townsend investigated the population issue and its relations with the economic context before Malthus, mathematically and politically.

Smith and David Hume focused on rethinking their optimistic world view, claiming that their vision of the integrity of the man and his connection to society had not been empirically verified (see [Malthus, 1998](#), pp. 02–03).

[Mokyr \(2009\)](#) and [Deane \(1979\)](#) verified a decrease on mortality rates followed by an increase on birth rates in the 18th century United Kingdom. Also, more complex social issues were pointed out by [Mokyr \(2009, pp. 287–289\)](#) in regard to British social and matrimonial structure, emphasizing the role of increasing wages and the increment of marriages (and children).

According to Malthus's pessimist view of the world, Great Britain suffered from an increase in its inhabitants as a consequence of the Poor Laws.<sup>7</sup> Extinguishing those Laws, in Malthusian view, would both control British population growth and cause an improvement of preventive and positive checks. The preventive checks were those that prevented the population from expanding: legal and biological instruments (i.e. the option of not getting married or not having children); whereas the positive checks included those measures which increased death rates: hunger, war and infectious diseases ([Malthus, 1998](#), pp. 19–23).

If wages represented the natural price of necessary labor to allow workers to subsist and perpetuate their existence, Malthus and [Ricardo \(2001, p. 58\)](#) agreed that wages suffered from the natural forces of supply and demand. The effects of wages on the population were investigated by both political economists, creating a complementary theory.

In this sense, if higher wages motivated population growth, the number of workers would suffer an increase and hence the wages would start a lowering movement toward its natural price again. In a scenario where the Poor Laws still persisted, says [Malthus \(1836, pp. 71–72\)](#) and [Ricardo \(2001, pp. 67–68\)](#), this assistance would tend to cause a lowering effect on wages due to the lower number of workers willing to trade their labor force for wages. Therefore, to maintain their profit rates, the capitalists would tend to lower the payments given to workers. However, this thesis was criticized by anti-liberal intellectuals during the 20th century.<sup>8</sup>

A fact that deserves a further analysis is the new power dynamics established during the 19th century regarding the State action toward the Poor Laws. The institution of State was responsible for establishing it, revoking it and redesigning it into new forms of population care, which indicated a relevant link between liberal political economists and the role of the State in terms of power relations.

Although the importance given to the liberal content of those writings is notable – for instance, the criticism that [Ricardo \(2001, p. 85\)](#) makes about governmental interference on external trade – it is worth noticing that the institution of State is not fully rejected. Regardless the critiques on economic interference and control, the presence of the State is recognized and emphasized when dealing with population management and care. In the Malthusian theory, State should help improving the preventive and positive checks, stimulating wars and preventing the population from early marriages and high birth rates through legal ways.

Therefore, State action was necessary to control population growth and to maintain the welfare of the collectivity. Once the Poor Laws brought negative effects in terms of moral behavior and national economy, it was the State's duty to suspend it and to provide other means of care and regulation. The financial assistance and direct assistances were withdrawn and replaced by a State care which focused a *regulative management* of the population, a form of control which used statistics (birth rates, death rates, marriages, immigration) and other indirect means to seek a social balance.

Understanding the way those political economists treated the issue of policies concerning population management from a genealogical perspective allows us to comprehend how they were transformed from theories into practices. If those concepts and theories in fact transcended from the epistemological sphere of economics to the political frame of State, they have altered State action toward population.

The next section analyzes this issue using Foucault's concept of biopolitics together with the ideas of classical political economists in order to understand how a new form of power emerged and how it contributes for a better understanding of positive forms of power relations – those that produce conducts, behaviors and patterns.

<sup>7</sup> The Poor Laws were constituted as a set of poverty relief policies (monetary, food, clothing, etc.) established since the Tudor era (16th century) until the end of the 19th century in the UK (see [Polanyi, 2001](#)). However, according to [Deane \(1979, p. 152\)](#), the Poor Laws were directed mainly to rural workers and it did not reach many manufacturing workers, although the system suffered many critiques.

<sup>8</sup> The liberal movement anti-Poor Laws in Britain was extensively explored by Polanyi's work *The Great Transformation* (1944), highlighting some of the main consequences of the reforms suffered by Poor Laws in 1834. [Polanyi \(2001, p. 90\)](#) argues that the extinguishment of poor assistance in fact created a liberalized labor market, leading to a decrease on wages and the strengthening of economic liberalism.



#### 4. Liberalism and security in contemporary government

For the purpose of this paper, an investigation of the historical changes in State policies concerning population's care demands an integrated analysis. First, it involves a more attentive consideration of the Foucauldian thesis regarding the evolution of power relations throughout the 16th to the 19th centuries; and secondly, it requires a better understanding about the relationship between the concept of biopolitics and classical liberal considerations regarding the role of State in economic, political and social terms. Insofar as economic ideas were converted into political practices with specific consequences, the main goal of this section is to understand how this process evolved.

Foucault's intellectual developments regarding economic ideas focused on the shifts from mercantilism and physiocracy to political economy, emphasizing how the power dynamics established among State, markets and population suffered significant changes from the 16th to the end of the 18th century. According to Foucault (2004, pp. 312–315), mercantilism was characterized by the institution of the *police*, which represented a specific form of public administration throughout the 16th, 17th and 18th centuries. While mercantilist doctrine pursued economic opulence of the nation through State control of markets and trade, the *police*<sup>9</sup> was responsible for administering public affairs in a broader sense, which included all spheres in regard to life: security, labor, trade, morality, health and happiness.

When physiocracy emerged – not as a proper school of thought, but as an organized set of ideas, according to Schumpeter (1994, pp. 223–224) – it brought new concepts on how to fight scarcity through agriculture and free competition, where prices, supply and demand would fluctuate freely. Also, it provided alternative theories regarding self-interest and criticized mercantilist overregulation toward economic sphere and trade (see Schumpeter, 1994, pp. 209–248). Furthermore, physiocracy was a relevant theoretical frame because of its primary criticism toward mercantilism, what represented in Foucault's terms the beginning of the shift to a different *governmentality*.<sup>10</sup>

However, Foucault claims that political economy in fact was the first economic school of thought to represent the beginning of a new governmentality by dividing power, knowledge, government and science properly. Foucault (2004, pp. 350–351) says that, unlike the resorts used by 17th century *raison d'Etat* – that is, calculations of forces, diplomatic calculations and trade balance, classical political economy launched a type of scientific knowledge that was external to the State and entered governmental practices through different analytical methods. He says: 'two poles appear of a scientificity that, on the one hand, increasingly appeals to its theoretical purity and becomes economics, and, on the other, at the same time claims the right to be taken into consideration by a government that must model its decisions on it.' (Foucault, 2004, p. 351).

Then, as Smith (1976a, p. 428) once considered, the duty of political economy was to architect and rationalize politics that aimed at the opulence of the nation and its population. Thus, this school of thought acquired a normative tone which went beyond the analysis of pure economic data, creating a strategic role in terms of governmental policies.

When economic ideas reached governmental level of action, economic liberalism was consolidated as a technology of government, transforming the markets, utility and interests as self-limiting principles of governmental reason. This represented to Foucault (2008, pp. 27–28) the empowerment of "the liberal art of government" and the provision of the idea of "frugal government". This meant that the State did not establish its principles, actions and reasoning through concepts of power, laws, wealth and strength anymore, but through the restriction of State power based on economic rules, principles and actions.

In other words, it is the natural mechanism of the market and the formation of a natural price that enables us to falsify and verify governmental practice [. . .]. Consequently, the market determines that good government is no longer simply government that functions according to justice. The market determines that a good government is no longer quite simply one that is just. The market now means that to be good government, government has to function according to truth. [. . .] Political economy was important, even in its theoretical formulation, inasmuch as (and only inasmuch as, but this is clearly a great deal) it pointed out to government where it had to go to find

<sup>9</sup> According to Schumpeter (1994, p. 159) the State of police, or *polizeiwissenschaft* was a governance model that emerged in Germany during the 18th century. It involved the main principles of public administration and bureaucracy, encompassing issues such as public security and civil protection, hygiene and health, education, moral conduct and other areas of population's lives (more on this, see Foucault, 2004; Smith, 1978).

<sup>10</sup> In Foucault's work, governmentality represented governmental techniques, or modes of governing a population through institutions, procedures, analyses, reflections, calculus and tactics that allowed the exercise of a certain form of power. During his investigations of power, Foucault studied pastoral governmentality, liberal governmentality and neoliberal governmentality.

the principle of truth of its own governmental practice. [...] The market must tell the truth (*dire le vrai*); it must tell the truth in relation to governmental practice. (Foucault: 2008, p. 32, original highlights)

According to Foucault, when the knowledge produced by political economy consolidated the ideas of the mechanism of markets and natural price, this had an impact not only on economic ideas, but also on governmental practices. The principle that natural economic forces would lead to desirable results of market promoted a change in governmental practices, which shifted from the focus on issues of law, justice and national opulence to the primary economic supervision of markets. Thus, the duty of the State was to be to supervise the functioning of market relations and to ensure the freedom of the agents within the economic scenario not by intervening in the economy directly, but by preserving the interests, trades and economic processes.

For instance, an eighteen century edition of the *Evening Mail* (London) described how State should perform as a supervisor when managing the society and the economic reality:

[We are] now at a period in the life of society when commercial knowledge had risen to perfection, and when it was demonstrated by daily practice that more advantages were derived from unrestrained modes of barter and exchange, than from any regulation which the limited understandings of a Legislature could devise. ([Evening Mail, 1797](#), p. 3).

Introducing liberal economic principles within the sphere of actions of the State led to a redesign of its practices, especially concerning the treatment of the population. Justice, security, freedom, education, health and wellbeing policies became a political agenda that was not found in the old State of *police* during mercantilism. This actually led to several political and social consequences that were conceptualized by Foucault in the shape of a new technology of power, biopolitics.

Insofar as biopolitics constituted itself from the perspective of security, [Foucault \(2008, pp. 65–66\)](#) emphasized the emergence and reinforcement of control mechanisms as a counterpart of liberal economic ideas and the establishment of markets as a truth regime. If biopolitics arose as a technology of power that aimed at regulating and controlling the population through wellbeing policies and forms of knowledge known as security apparatuses, political economy was also responsible for rationalizing such policies through the role of State concerning population issues.

When [Malthus \(1998, p. 05\)](#) discusses the differences between food expansion (arithmetical growth) and population increase (geometrical growth), he demonstrates great concern in defending a set of control mechanisms to, in Malthusian terms, maintain the naturalness and regularity between the growth of population and land production according to natural laws. This represented a concern regarding demographic control, public hygiene, economic production and population's statistics (see [Malthus, 1998](#), p. 10).

Furthermore, defending the annulment of Poor Laws and the consequent expansion of labor force indicated a clear instance for the action of State: how should State intervene so that markets could work properly? In this case, revoking the Poor Laws would have forced low-income individuals to enter the labor market and to release the supply and demand mechanism of wages, making them fluctuate freely.

Other means of action regarding the role of State toward population lied on preventive checks. According to Malthus, the discouraging of early marriages depended on moral and educational pillars, which, in Smith's opinion ([1976b, pp. 781–786](#)) should be a duty of the State.

Quoting Smith:

Though the state was to derive no advantage from the instruction of the inferior ranks of people, it would still deserve its attention that they should not be altogether uninstructed. [...] The more they are instructed, the less liable they are to the delusions of enthusiasm and superstition, which, among ignorant nations, frequently occasion the most dreadful disorders. An instructed and intelligent people besides are always more decent and orderly than an ignorant and stupid one. They feel themselves, each individually, more respectable, and more likely to obtain the respect of their lawful superiors, and they are therefore more disposed to respect those superiors. They are more disposed to examine, and more capable of seeing through, the interested complaints of faction and sedition, and they are, upon that account, less apt to be misled into any wanton or unnecessary opposition to the measures of government. ([Smith, 1976b](#), p. 788).

According to Smith, although the State could not take direct advantage of investments on education, these could provide a larger benefit in terms of national peace, wellbeing and most of all, governability.

Ricardo's (see 2001, pp. 96, 105) criticism of governmental taxes over foreign trade and national capital well portrayed how the State could become an obstacle to an increase on economic returns from industry, agriculture and foreign trade. That reinforces Foucault's argument regarding the double-sided consequences of political economy: the defense of less State intervention on economic forces (and in case of intervention, it should occur only when necessary or to ensure the proper functioning of markets); and the emergence of numerous policies that involved the biological side of the population.

It is worth exploring more carefully the counterpart of the liberal art of government, which found markets and *laissez-faire* as its principle of truth at the same time it created regulation mechanisms to control the population's lives. Inasmuch as the knowledge provided by political economy ascended as a set of political practices, the institution of State remained as a manager of the security apparatuses – as Foucault argued. The issue of security and its apparatuses emerged as a consequence of the liberal art of government, insofar as self-regulating markets demanded the control of the State as a condition to its proper functioning.

Therefore, the empowerment of economic liberalism and the emergence of biopolitical practices are codependent. The rise of economic liberalism and the redesign of the role of the State do not mean that this regime of government is free, tolerant or permissive. Although it produces liberalizing discourses within the economic context, it has consequences regarding the control of individual and collective lives since it 'produces' certain specific freedoms within a controlled space.

Security apparatuses produce regulative consequences, but they also produce freedom once they allow population to be 'free' under certain limits and boundaries. For Foucault, this was a clear demonstration of the birth and consolidation of biopolitics: the emergence of several institutions and policies that aim population's care and wellbeing in accordance with a discourse of freedom associate with markets regularity and naturalness.

A practical example that clarifies the social and political consequences of the biopolitical process can be derived from the 19th century Great Irish Famine, when British Tories and Whigs saw that historical fact "as scientifically inevitable and necessary to clear away the surplus Irish population", and a necessary "mechanism for reducing surplus population" (see O'Boyle, 2006, p. 6).

Other examples of these biopolitical practices include a recent emergence of medical, educational, sexual, urban, moral and economic devices throughout the 20th century. They produce a constant search for equilibrium, normality, longevity and optimum planning (economic and urban).

The counterpart of this system is emphasized by Lemke:

The liberal relationship between freedom and security is even more complex. Liberalism does not only produce freedoms, which are permanently endangered (by their own conditions of production) and require mechanisms of security. Danger and insecurity (the threat of unemployment, poverty, social degradation, etc.) are not unwanted consequences or negative side-effects, but essential conditions and positive elements of liberal freedom. In this sense, liberalism nurtures danger, it subjects danger to an economic calculus, weighing its advantages against its costs. (Lemke, 2011, p. 46).

For Lemke, liberal ideas do not just guarantee freedoms, such as trade freedom, private property freedom or self-interests freedom, but also organize the conditions that individuals should follow, indicating a positive effect of liberalism regarding governmental action. To the extent that liberalism produced security apparatuses, a natural side effect of that would be positive and desirable consequences (unemployment, poverty), leading to a constant maintenance of the liberal system of power and the imposition of biopolitical practices that still remain present today.

Moreover, a culture of fear arose: how to avoid that an individual's behavior and interest would not become a danger to another individual? Foucault (2008, pp. 65–67) answers this question by asserting that a global risk management, which involved medical institutions (medicine, psychology, psychiatry, sexuality), urban planning, economic planning, economic policies and all kinds of insurances and social security, would prevent that to happen. The exercise of biopolitical practices involves both the institution of State and other non-State institutions related to it.

Therefore, the exercise of biopolitics demanded a complex shift on three pillars: the emergence of the knowledge produced by the British classical political economy; the consolidation of a liberal art of government in terms of governmental power; and the establishment of markets as a system of truth (or regime, in Foucauldian terms). These made possible the double-game of forces of liberalism: freedom and security combined.

## 5. Concluding remarks

Understanding the emergence and development of the British classical political economy in the light of Foucauldian genealogy provides a helpful analysis of how technologies of power arose and how they changed the dynamics that involved the role of State, markets and population. Conceiving political economy not only as a discourse, but rather as a set of political practices is a strategy to demonstrate how many contemporary policies and institutions emerged from the liberal discourse and how it spread to State action.

British political economy had its crucial relevance in Foucauldian analysis as the first school of economic thought that was able to introduce a set of organized economic ideas and policies, causing a rethinking in regard to the role of State toward markets and population care. Conceiving the writings of Adam Smith, David Hume, Thomas Malthus and David Ricardo from the genealogical point of view (discontinuous, exterior and specific) and dividing them into two generations contributed to a broader investigation regarding their main influences and points of view in terms of social and economic structure.

Although these four main political economists reconsidered the role of State as a supervisor of economic reality, much of their writings regarding the regulation of the collectivity has been overlooked by scholars of the history of economic thought. Hence, the main goal of this paper was to provide a better understanding about the hidden connection between liberal economic ideas and contemporary forms of collective control. It aimed at demonstrating how the British political economy was responsible for constructing a new technology of power, that is, biopolitics, and how Foucault's investigations regarding economic discourse should be reconsidered as relevant for the rethinking of contemporary power relations.

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