GLOBALISATION

AND NEO-LIBERAL RULE

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> Rather than appearing as the prerogative of the sovereign State, concerns about conduct are voiced and pursued by a multiplicity of authorities and agencies that seek to unify, divide, make whole and fragment, our selves and our lives in the name of specific forms of truth.
> *Mitchell Dean (1996:210-11)*

> Audit and inspection...constitute the conduct of politics by other means, a characteristic they share with war.
> *Michael Power (1999:67)*

In the early 1990s journalists, economists, social scientists and spin-doctors began to focus on 'globalisation' as defining a new age in socio-economic development (Therborn, 2000:149).[1] For the Right, it stood for a brave new world then emerging, one which junked trade barriers and obstructive regulation based on nation-states. The original, early-nineteenth century economic-liberal utopia of unfettered market operations – a libertarian and individualistic vision splendid – was at long last about to be realised *globally*. At the same time the Right extolled globalisation in terms of its traditional, quasi-theological apologia for markets as such: they're irresistible, they're natural, and

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[1]   The term itself predates the 1990s, but became common coinage only from that decade. Naturally, globalisation has a history, often traced back to the 1870s, one which is the object of today's interest in 'transnational history' (eg Boli and Thomas, 1999; Iriye and Saunier, forthcoming)

they're good for everybody, just as Adam Smith (1937) wrote in 1776. The market's benign, optimising 'invisible hand' sees to all that. This time around technological determinism braces the argument – the invisible hand now has its fingers glued to keyboards connected to the microchips of the world.

For much of the Left, globalisation stood for a new onslaught by plutocrats everywhere (aka 'market forces') against democratic will formation in the form of nation-states' socio-economic developmental choices, and hence the destruction of socio-economic security and social equity on a world scale. The Left challenged the mythification of market forces as natural, irresistible and benevolent. It pointed to the actual origins of globalisation in the policies of powerful nation-states in which neo-liberals held the reins of power, and to the increasingly skewed distribution of wealth, income, life chances, and other elements of social development that globalisation palpably generates.

Both sides shared the assumption that international markets and their powerful players were winning a zero-sum game against nation-states for mastery over socio-economic development (and regression) around the world. This essentialist scenario had no place for institutional, organisational and governmental dynamics. Later problematisations of globalisation – by sceptics who questioned the basic premise of a profound change towards global economy (for instance Weiss, 1998), and by anti-globalisation theorists and activists – has led researchers to look more carefully at how globalisation actually works.

The globalised world, it now seems, is coordinated and held together not only by markets, but also by a cornucopia of transnational organisations and other bureaucracies (including corporations) which compete with each other on an international market in *rules* and regulatory regimes of bewildering variety. In fact, Ahrne and Brunsson (2004) point to a 'rule explosion'. According to one well-known thesis, globalisation rests on big bureaucracies (often corporate ones), markets, and a prominent kind of rule-setting – formal international standards (Brunsson, 2000:21). The latter long predate globalisation, but have now assumed a new and qualitatively greater role that exemplifies this condition.

Two curiosities arise from this less essentialist view of globalisation. Firstly, the globalised world's growing number of supporting transnational organisations (or 'international non-governmental organisations' – ingos), such as the International Organization of Standardization (ISO), exercise neither the delegated authority of sovereign states nor financial muscle, and must therefore generate alternative sources of authority for themselves and the rules they set and sell on a competitive market (Tamm Hallström, 2004).[2] Just as – in the wake of the French Revolution – political legitimacy rests on popular sovereignty and therefore representative processes, so transnational organisations have to make out some sort of claim to 'represent' a variety of 'stakeholders', including fictive 'communities', such as 'consumers' and 'environmentalists'.

Secondly, the market in rules has in turn summoned forth an even more rapidly expanding market in auditing, certification and accreditation based on those rules. Instead of the old economic-liberal fantasy of deregulation, we now have this 'new regulation'.[3] Deregulation is only 'visible' to the eye blinded by the essentialist assumption that regulation is something that sovereign states alone do. Far from being the promised land of hairy-chested individualism and 'freedom', the globalised world now bristles with overlapping and competing regulatory regimes, and supports a vast global army of surveillance and conformance neo-professionals popularly known as (financial and non-financial) auditors. One of this army's generals, Michael Power (1999, 2005), has theorised current arrangements as *the audit society*.

These lines of inquiry leave little doubt that globalisation represents, among other things, *another configuration of power relationships*. In other words, it stands for just another metamorphosis of *Herrschaft* – to doff our caps to the classical theorist of power in the modern world, Max Weber, who called domination and subordination by their true names.

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2   Transnational bodies do not arise out of treaty between nation-states. Rather, most of them are self-generating ingos, the numbers of which have been rising steeply in recent years: see Boli and Thomas 1999: Part One.

3   This is the title of a large and ongoing research project at the Stockholm Centre for Organisational Research (SCORE), for which visit www.score.su.se.

In this paper I will seek to indicate what is different about the way power is organised, and thus exercised, in the globalised world; that is, how we are governed. Weber (1978) himself analysed markets in power terms, in stark contrast to mainstream economists' and other apologetic accounts which present them as fields of 'natural' human interaction which are innocent of that nasty substance. In Weberian terms, the unequal outcomes of market operations simply follow the uneven distribution of power that markets generate and articulate. From this perspective, we need to inquire into how power (including market power) is organised now.

In the next section I will look at the transnational organisational scene itself – with special reference to the main global standardiser and paradigmatic transnational organisation, ISO[4] – before interpreting 'the new regulation' in terms of Michel Foucault's analysis of variations in governmental rationality in modern times. Finally, I will look at the implications for political contestation of how globalisation is organised.

New Regulation, New Iron Cage

In a recent paper, Marie-Laure Djelic and Kerstin Sahlin-Andersson (2005) have provided an overview of the dynamics producing the new regulation in what they call our 'transnationalising world' – a formulation they prefer to 'globalisation'. They confirm Levi-Faur and Jordana's (2005) characterisation of the present as a new 'golden era of regulation'. Nation-states now either cooperate with 'voluntary' transnational organisations, or have made way for the latter's 'soft' law (recommendations, norms and standards) and regulation, while reserving the right to return and impose their 'hard' equivalents if the new regulation falls short (Mörth, 2005). The most powerful nation-state of them all, the USA, so overshadows the new regulation through such relays as the IMF, World Bank, UN, WTO and their instrumentalities

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4   In Loya and Boli's (1999:176-77) estimate, this organisation attracts around 30 000 experts onto its standards-developing technical committees, and is functionally linked to another 450 transnational organisations. These authors' account presents it in more idealistic terms than I do.

that, to a large extent, the new regulation amounts to Americanisation. 'The institutional forces, the fundamental rules of the game of the rule-making process in our world also reflect undeniably the power of American actors, groups, networks, organizations and cultural and cognitive blueprints,' Djelic and Sahlin-Andersson (2005:35) argue.

In the space thus created for transnational regulation, we can easily get the impression of instability and disorder from the exorbitant growth of regulatory frameworks ('regulatory or governance "inflation"'), the competitive jostling of rule-setting organisations, and 'complex patterns of *bricolage*' (Djelic and Sahlin-Andersson, 2005:8, 10). All this, our authors suggest, represents surface phenomena. Beneath them, corporations and other organised interests are competing for power and control over their particular socio-economic fields. Four kinds of organisational actor dominate the competition among rule-setters – those that are part of or associated with nation-states; 'public' international organisations (eg, IMF, World Bank, WTO, OECD and various manifestations of the EU); 'reinvented old actors' (eg, universities, corporations, the media and the professions); and 'new' actors – either entirely new, or old ones, such as standards bodies, which have newly arrived on the regulatory stage (Djelic and Sahlin-Andersson, 2005:24-25).

The way for any organised interest to win in this new game is not to try to evade regulation, but on the contrary to take the lead in setting up a regulatory regime that gives one's own interests an advantage – the 'first-mover advantage'. We might call this strategy *pre-emptive regulatory capture*. As more and more interests adopt it, areas of socio-economic activity that have traditionally not been regulated now fall under the spell of transnational regulation, such as aspects of financial reporting, quality management, environmental management and social responsibility.

Naturally, the new regulation promotes a discourse that suppresses references to the effective strategic considerations (that is, power, control and self-interest), and instead enshrines references to progress, efficiency, best practice, science, expertise, professionalism, coordination and the Common Good. Significantly, indulgence in this discourse (and practices based on it) moulds identity. Now even nation-states refer to themselves and their operations in these terms, as if they were also self-

optimising corporations rather than the vehicles of the popular will and responsible for the welfare of their national communities.

As Machiavelli himself suggested, struggles for power follow rules of the game – 'meta-norms' in contemporary parlance – which structure the contests and so provide an underlying order. An important meta-norm today shifts responsibility away from rule-setters towards rule-followers. This puts a premium on setting rules governing *self-presentation* – above all, establishing the organisational protocols whereby rule-followers become formally *auditable*. Audit and subsequent certification then become essential for an organisation's 'street cred'. The consequent 'audit explosion' in turn leads to a steep proliferation of administrative work in all organisations so as to meet the demands of 'the paper police' (Power, 1994; Ivarsson Westerberg, 2005). (This is a blight that Australian academics, among the denizens of many other large organisations, hardly need to be reminded of!)

The self-presentation element in the new regulation has its own discourse featuring terms such as *transparency* and *accountability*, all devoid of relevance to the substantive quality of the products or services that the organisations in question produce. The practices that this discourse spawns illustrate Djelic and Sahlin-Andersson's (2005:20, 29) point that 'transnationalising' regulation hardly nurtures diversity in organisational life; rather, it promotes homogeneity, conformity and surveillance. Weber's 'iron cage' of rationalised modern organisational forms looms once more (to say nothing of Kafka's castle).

A potted history of international standardisation epitomises these trends (see Higgins, 2005a; 2005b:3-10). Most national standards bodies (NSBs) in the west began life in the 1920s to develop and publish national standards. The latter fulfilled a strictly technical role in coordinating design, installation and industrial production so as to promote national economic integration, (initially bilateral) trade, and technology transfers. At first NSBs published mainly *product standards*. By degrees they came to play a modest role in government regulation by providing and continually updating technical specifications to complement regulations and government purchasing. They played a key part in technical innovation and technology transfers in the war effort 1939-45, a period that also saw the diffusion of quality control standards

– *process standards* – in munitions industries. (Process or 'management' standards address not what is produced, but rather the manner in which it is produced.) In 1944 the Allied nation-states directed their NSBs to form the United Nations Standards Coordinating Committee to facilitate military technology transfers and exchanges of military hardware.

Two years later this body became the International Organization for Standardization (ISO), destined to grow four decades later into a key participant in the new transnational regulation. At first it merely coordinated the NSBs' work by producing 'recommendations' as to how compatible national standards might be developed. But from 1970 it began to publish new-fangled 'international standards', which affiliated NSBs were invited to adopt unamended as 'harmonised' national standards to facilitate trade. The Tokyo Round (1973-79) of the General Agreement on Tariffs and Trade developed the GATT Standards Code (later superseded by the WTO equivalent) that reinforced the authority of international standards as a means of reducing technical barriers to trade.

In 1987 ISO published its first significant process standards – the generic ISO 9000 quality management series, and the new iron cage was thereby under construction. Trade had by then intensified to the point where many companies could no longer rely on their good reputations in the local business culture, and had to seek remote trading partners. The latter naturally needed evidence of their new partners' sound management. ISO 9000 appeared to meet that need.

Audit-verified certification to ISO 9000 in time became the essential calling card for corporations and other organisations in many western countries, and increasingly in east-central Europe and Asia. Not only did ISO 9000 sell phenomenally well, but a burgeoning industry grew up around consultancy on how to apply it, and around audit, certification, and accreditation of the certifiers. The once-modest technical committee (ISO TC 176), that developed and still updates ISO 9000, became a nodal point of transnational regulatory power. Criticisms of the series were legion – it drew on pop-management literature rather than hard-nosed management theory; it prescribed top-down control structures; it excluded employee involvement; it hardly addressed substantive issues of product and service quality; its generic nature assumed that one size fits all – but 'the market' was not listening (Foley et al, 2005).

International process standards provided ISO with a promising start as a transnational regulator, and it has gone on to develop several more, only the more salient of which warrant mention here. Working on the ISO 9000 precedent, in 1996 it launched its series of environmental management standards (ISO 14000). Again, audit and certification were features of the system, which thus offered corporations the possibility of a certified clean bill of health on environmental issues, as long as the auditors ticked the right boxes. In 2003 it began to develop a standard for *social responsibility* (ISO 26000, due in 2008), albeit on the promise – which many treat with scepticism – that it will not be the object of audit and certification.

In this context 'social responsibility' refers to an organisation's practices in industrial relations, gender equity and north-south trade. ISO braved a new level of controversy in this initiative. Lacking delegated authority from one or a consortium of nation-states, it had to work hard on its 'quest for authority', as Kristina Tamm Hallström (2004) puts it, in the eyes of its potential customers and rule-followers. Those who had long occupied the field (especially the International Labour Organization and the Global Reporting Initiative) protested, had to be mollified, and to some extent brought into the developmental process, while business interests had to be reassured that social responsibility would not cut into profits. Others who intercepted this reassurance wondered if standards development in this area wasn't yet another case of going through the motions for cosmetic purposes, with little prospect of substantive social-responsibility 'outcomes'.[5]

ISO thus illustrates Djelic and Sahlin's argument in several ways. It exemplifies an old actor playing an altogether new and salient role in 'the new regulation', with its proliferation of rules (including norms and formal standards), and its emphasis on self-presentation, and thus reliance on frenetic auditing. It has constantly had to compete with other transnational rule-setters for markets for its rules, and it has had to generate its own authority (based on claims to representativeness and procedural transparency in standards development) in the eyes of

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5   For a good description of these controversies in the developmental process towards
     ISO's coming social responsibility standard to date, see Tamm Hallström, 2005.

potential rule-followers. And part of the appeal of international standards as 'soft' law is that they pre-empt authoritative 'hard' interventions by nation-states.

One of Max Weber's less visited prophecies concerns the trend in modern organisations towards *formal rationality* (accounting conventions and other internally consistent and self-referential calculative systems) at the expense of *substantive rationality* (ends-means rationality, or the most efficient way to achieve a given substantive result) (Higgins and Clegg, 1988). It might be remembered that he and Franz Kafka (1883-1924) were contemporaries, both prominent writers in the German-speaking world, observing the same modern trends, and arguably coming to similar conclusions.[6] The new transnational regulation embodies formal rationality and formalistic rituals of checking in close to pure form.

Transnational regulators are not, it seems, in the business of building a more efficient and fair world, just a more obsessively standardised, regulated, administered, audited and certified one. So what is the point of globalisation's new transnational regulation? Let us ask Michel Foucault.

Rationalities And Technologies Of Government

From the late 1970s until his death in 1984, Foucault broadened the scope of his studies of specific forms of power – especially disciplinary power and bio-politics – into the development and proliferation of governmental rationalities (and of practices dependent on them) throughout the modern period in the west.[7] Government (crucially understood as an encompassing *practice*, and not as a particular

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6   I owe this insight to my colleague Stewart Clegg. Weber's own dates are 1864-1920.

7   The classic texts of Foucault's earlier period of power analysis are *Discipline and punish* and *The history of sexuality* vol. I; the brief canon on governmentality as such took the form of Foucault's 1978 lecture of the same name to the Collège de France (Foucault, 1991). The best overview of the area (including a handy glossary of terms) is probably Dean, 1999, while Hindess, 1996 provides an excellent reconciliation of Foucault's thought with mainstream western political theory.

institution) in our own time thus has at its disposal a menu of 'technologies' that has accumulated over the last four centuries. Rather like the nodal jewels in Indra's net, each rationality in practice carries the reflection of the others. Since Foucault's death, a whole school of exegetes has systematised his fragmentary literary legacy in the area, and in what follows I will rely on their work.

For Foucault the story – or 'genealogy' – starts with the transition from Machiavelli's problematic in *The prince* (how a ruler might gain and retain control of a *territory* he has seized or otherwise acquired) to one concerned with the government of a *population* (Foucault, 1991:100). Right from the start, 'government' itself was understood as a practice, 'the conduct of conduct', to be applied to a series of objects, from oneself, through one's spouse, children, household and business, to the social and political entities under one's sway. For instance, 17th century handbooks for rulers typically emphasised that good government began with the ruler's own intimate practice of self-rule and self-control (Foucault, 1991).

From this bedrock arose the first rationality of government in the series, one known in the German states, where it arose in the 17th century, as *Polizeiwissenschaft* (and sometimes 'cameralism': Pasquino, 1991). This 'police science', which relied heavily on statistics about the population, had little to do with defending law and order – a connotation 'police' acquired only in the late 18th century. Rather, it sought to submit the population to the gaze of all-knowing authorities, including through 'statistics' and neo-stoicist confessional practices (forerunners of today's rituals of self-presentation). The authorities could then intervene to *secure* the prosperity of the state and the population (including through mercantilist trading arrangements), and the happiness of the latter understood as a body otherwise incapable of securing these boons for itself. The triad government–population–security would henceforth provide a constant trope in modern governmentality.

In the Foucauldian lexicon the 'police' conception of government is also called 'the shepherd-flock game', as it constitutes the state as a political pastorate that takes responsibility for the 'flock' as a whole, and for its individual members. The ambit of 'pastoral' government knows no bounds. The police regulations for the city of Nuremberg in the late

middle ages, for instance, dealt with such matters as the use of the familiar second-person pronoun between parents and children, the dimensions of saddles and horsecloths, what could be eaten and drunk at weddings, and so on (Pasquino, 1991:110).

At least in its original forms, 'pastoral' government depended on state sovereignty and *raison d'état,* but the remainder of the series of governmental rationalities does not necessarily do so. Foucault is perhaps best known for his study of the origins of 'disciplinary society', and for the associated dethroning of state sovereignty – 'cutting off the king's head' – as an important element in the exercise of government (Foucault, 1977; 1980:121). Disciplinary power does not proceed from a sovereign at the centre of government, but is on the contrary 'capillary' – exercised locally according to a variety of discursive techniques ('the micro-physics of power') in particular 'private' and 'public' institutional settings (Hoy, 1986:131).

To the extent that (governmental) power thus dispenses with reliance on a doctrine of sovereignty, it can also dispense with the legitimacy and authority that state sovereignty normally bestows on its institutional expressions. From now on, the relationship between governmental practices and state institutions is strictly contingent. Thus the divorce between regulation and state sovereignty – such a defining characteristic of the globalised new regulation – rests on longstanding precedents.

Nonetheless, disciplinary society, which began to emerge in the 17th century, exhibits continuities with 'police science'. They include the assumed knowability (through statistics and confessional techniques) of the populations under its sway, themselves conceived very much as the *objects* of rule in the form of surveillance, regimentation and control, as 'bodies' to be 'drilled' and 'normalised' in armies, prisons, poor- and work-houses, among other paradigmatic settings. The very notion of discipline harks back to government of the self in the pastoral conception of government, as well as anticipating the 'practices of the self' based on self-mastery and self-responsibility that would later underpin liberal rationalities of government.

In the 19th century an amalgam of pastoral and disciplinary power began to crystallise, one Foucault calls 'bio-power' to designate, as Colin Gordon (1991:4-5) puts it,

> forms of power exercised over persons specifically in so far as they are thought of as living beings: a politics concerned with subjects as members of a *population*, in which issues of individual sexual and reproductive conduct interconnect with other issues of national policy and power.

A by-product of the interest in the population from this point of view was a certain collusion with another, otherwise antithetical rationality – early (or classical) liberalism from the late 18th century. In both cases, the population began to take on a new nomenclature and character as 'society'.

In spite of abjuring the earlier aspirations to omniscience in relation to the governed, liberal strategies of government until recent times have also relied heavily on 'statistics', and more particularly, *social*-scientific expertise. This expertise has often privileged economics (aka political economy), but it has also included other substantive expertise understood as contained in sui generis disciplines such as public administration, political science, sociology, epidemiology, social work and psychology. These disciplines generated the know-how (*savoir-faire*) which, when fed into public inquiries and other policy-forming bodies, 'render docile the unruly domains over which government is to be exercised, to make government possible and to make government better,' in Nikolas Rose's (1996:45) words.

In the classical liberal (but not the bio-political) perspective, society is seen as having its own immanent regularities and processes of self-regulation, which define the limits of institutional government, and which have to be known if government is to be effective. Naturally, the Foucauldian tradition accounts for liberalism not as an ideology or philosophy, but rather as a distinctive approach to the art of government, one based on critique of the totalising pretensions and claims to omniscience of pastoral and bio-political government. To govern well in the liberal mode, one has to work with and through the mechanisms of self-sustaining civil society, including its self-regulating economic

mechanisms.[8] In theory at least, classical liberalism relied heavily on the writers of the Scottish Enlightenment, especially Adam Ferguson and Adam Smith, and their conception of the 'naturalness' of civil society and self-regulating markets.[9]

The distinctive feature of liberal rationalities is the treatment of the governed no longer as the *objects* of rule, but as formally free *subjectivities* to be engaged with and coordinated. *The governed must become complicit in the processes whereby they are governed.* Their formally free decision-making then constitutes not an obstacle to government, but a *technical requirement* of it. The effectiveness of government thus lies in how the 'free' subjectivities in question are moulded so as to reliably respond to the usual desiderata of government – the constants of security and prosperity (Hindess, 1996:123-131; Gordon, 1991:14-27; Burchall, 1991; Barry et al, 1996:7-16). In this problematic, the fenceless, ambiguous frontier between state and civil society, between public and private organisations, provides room for manoeuvre for pragmatic practices of government. In their turn, these practices rely on the effects of disciplinary power in producing citizens (and civic organisations) with developed, dependable practices of the self – free but disciplined agents whose choices are calculable for governmental purposes.

The history of the western NSBs sketched above illustrates the pragmatic meshing of *the* government (to adopt Hindess's term for institutions officially wielding state sovereignty) and formally 'private' organisations. The practices that the NSBs have increasingly engaged in since their emergence in the 1920s, not least as standards have become

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8   In the last twenty years interest in civil society has rekindled, although often in revisionist form in which it becomes for the first time a recipe for 'small government', and excludes the economy: see for example Cohen and Arato, 1992. For a sounder account of civil society, one that emphasises its historical dependence on a strong state, see Krygier, 1996.

9   As Karl Polanyi's (1944) classic account shows, the coming of liberal government to Britain in the first half of the 19th century saw the crucial markets in question – in land, labour and capital – emerge out of energetic (not to say brutal) laissez-faire interventionism. Historically speaking, markets like these are artifices, a point that would become fairly uncontroversial for neo-liberal ideologues of the latter 20th century, such as the Chicago School.

an essential regulatory mechanism, leave no doubt that they have exercised the functions of government in the Foucauldian sense. Yet their credibility rests on their insistence that, as elements of civil society, they have not been part of – and have worked at arm's length from – *the* government. They wear their 'non-government' labels with pride.

Nonetheless the intimacy between them and *the* government is striking. In most instances the latter established them, at least partially funded them, and has been well represented on their boards and committees at all levels. Those belonging to belligerent states during World War II, as we have seen, became crucial intruments in the eminently statist enterprise of waging war, out of which ISO itself arose. In the affairs of international standards bodies, western non-government NSBs work intimately with non-western counterparts which are unashamedly arms of *the* government in their homelands. A large and growing proportion of the western NSBs' (and these days ISO's) standards now become essential components of *the* government's normal regulatory and other functions, and most NSBs now have a treaty or memorandum of understanding to put their 'partnership' with *the* government on a visible, formal footing. And the prospects of any NSB ever manifesting unresponsiveness to the policy impulses issuing from *the* government are more than somewhat remote.

However, what has stimulated interest in transnational organisations in the last decade, I suggest, is not their engagement with classical liberal governmentality, but rather with its 'advanced' liberal – or 'neo-liberal' – successor.[10] We should note in passing that its style of rule picks up most of the organisational aspects of globalisation: the latter may be seen (among other things) as a neo-liberal project.

The intellectual origins of neo-liberal rationality go back to the mid-20th century German *Ordoliberalen*, the postwar writings of Friedrich von Hayek, and the Chicago School and its derivatives, especially public choice theory. The former contributed the idea that the business enterprise models the optimal way for individuals and collectivities to

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10   Some writers in Foucauldian mode – eg Dean, 1999:149-50 – distinguish between 'neo-liberalism' and 'advanced liberalism'. For my purposes in this paper the distinction is over-refined, and I will treat them as conterminous.

conduct themselves; as we have seen, nation-states today read from this script in speaking and behaving as if they were corporations. The Chicago School for its part suggested that all social phenomena and choices are in reality market-economic ones (Gordon, 1991:41-46; Burchall, 1996:22-30). The regimes of Margaret Thatcher and Ronald Reagan put neo-liberalism into practice, and their examples have been followed, to greater and lesser extents, in many other western countries, not least Australia.

While neo-liberalism is still recognisably liberal in founding the activities of government on the formally free (but substantively disciplined) choices of autonomous agents, it has introduced drastic changes into how the governed are to be conceptualised and organised, in order to be reliably complicit in their own government. Unlike classical liberalism, neo-liberalism no longer seeks to maintain governmental functions within society; rather it governs without governing *society* as such (Rose, 1996:61). As Margaret Thatcher herself announced in 1987, 'there is no such thing as society. There are individual men and women, and there are families.'[11] For the purposes of neo-liberal rule, society is reframed as a plethora of 'communities', such as the academic community, the legal community, and so on. Some of them are technocratic ones which Ernst Haas (1990, 1992) has conceptualised as 'epistemic communities', and which standardisers exemplify (Jacobsson, 2000).

While the word 'community' picks up resonances of the warm, enfolding *Gemeinschaften* of pre-modern times that classical sociology made much of (Tönnies, [1887] 1988), there is nothing at all either *gemeinschaftlich* or morally self-sufficient about 'the business community', 'the accounting community', 'consumers', 'parents', 'retirees' and so forth that neo-liberal rule conjures forth and builds on.

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11   Interview in *Women's Own*, quoted in Dean, 1999:151. As Colin Gordon (1991:46) points out, politicians and governments with neo-liberal stock-in-trade return to liberalism's self-image as a *critique* of government, now especially as the negation of socially oriented government. They thus present themselves as *breaking up a blocked society*, one burdened with rigidities and privileges. The present conservative Australian government exemplifies this pattern, especially in dismissing all its critics (of whatever stripe) as 'elites'.

Rather – to borrow terms coined by Bruno Latour (1986; cf Barry et al, 1996:11-12) – these 'autonomised' groupings (including these days some semi-detached state ones) are 'enrolled' to constitute the first points in the 'relays' whereby governmental impulses are diffused and 'translated' into codes of conduct far from official chancelleries. Detailed information returns to the chancelleries along the same relays according to prescribed reporting obligations, that is, ritualised self-presentation. In a variety of institutional forms, including the now ubiquitous quasi-autonomous non-government organisations ('quangos'), the 'communities' in question are enrolled in government by entering into 'partnerships' with *the* government to fulfil regulatory functions on a 'voluntary' basis, just as the NSBs have done. Once again, liberal technologies of government rely not on the imposition of rule on *objects* of government, but on moulding *subjectivities* to be responsive to the desiderata of government, and in this way (and in this sense), to govern themselves and others in their sphere of influence.

The essence of neo-liberal rule is, then, *governing at a distance*, to adapt Latour's (1986; cf Rose, 1996:55-56) notion of 'action-at-a-distance'. From its inception in the mid-19th century, telegraphy played a vital role in western (not least intercontinental imperial) government in relaying directives to its operatives manning far-flung outposts, and relaying detailed information about the governed back to the centre. This 'telegraphic politics' (Barry, 1996:129-132) foreboded (and provides a metaphor for) today's ventriloquistic neo-liberal rule. In place of Morse code, however, there is another process of encryption or translation: in Nikolas Rose's (1996:42) words, 'the translation of political programmes articulated in rather general terms – national efficiency, democracy, equality, enterprise – into ways of seeking to exercise authority over persons, places, and activities in specific locales and practices'.

The vagueness of these political programs militates against translation into *substantive* terms, as the emergence of 'quality' as a management concept (and crusade) over the last three decades, referred to above, illustrates. Kevin Foley and his colleagues (Foley et al, 1997:esp 56-57; Foley et al, 2005) have rued its vagueness and lack of support in rigorous management theory; Michael Power (1999:58-59) points to its chronic (but functional) ambiguity; and Johan Quist (2003) shows it to be in need

of yet another round of 'translation' if it is to make any difference in practice at the point of production.[12] However, the true significance of the quality industry may not lie in producing better products and services and environmental protection, but in elaborating 'practices of the self' for all organisations it touches (including universities). In so doing it provides an occasion for recurring auditable self-presentation – an essential technology of neo-liberal rule.

As Power (1999:42) notes, the rise of quality management in particular, and its diffusion into many aspects of public and private organisational life, constitute one of the main factors actually driving the audit explosion. Quality has to be made *auditable*, which focuses attention on the formalities of managerial processes rather than the substance of what they do (Power, 1999:58-60).

Audit, of course, has its own genealogy within the rationalities of government discussed above. It begins with the practice of neo-stoicist confession in 'the shepherd-flock game', and passes through the inspection-house scenario of disciplinary society. It has long been part of the civil service tradition in many western countries in what Foucault calls 'the disciplinarisation of the state' (quoted in Gordon, 1991:27). With the arrival of audit society, discipline and inspectability come to play an important part in government well beyond the confines of the state.

Like the earlier forms of submission to the authoritative gaze, and like the notion of quality, the concept of audit is singularly vague and question-begging, which enhances the auditor's power, including the discretion to liberally interpret public policy (Power, 1999:ch.3).[13] *Thus the perennial liberal rhetoric of small government by no means betokens governing less or abandonment of the will to govern* (Rose, 1996:53).

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12   A prominent Australian standardiser, Ian Stewart, noted as early as 1970 that '"Quality" is of course a question-begging word' (quoted in Higgins, 2005a:136). The ISO 9000 standards make a virtue of being 'generic', and so applicable in a wide range of organisational settings, which means they have to be highly abstract.

13   '[I]t is precisely this fuzziness in the idea of auditing that enables its migration and importation into a wide variety of organizational contexts,' Power (1999:6) comments. 'The ambiguity of auditing is not a *methodological* problem but a *substantive* fact.'

Audit society promotes – in terms of Michael Power's (1999) subtitle – *rituals of verification*, which also amount to rituals of obeisance for formally autonomised but effectively enrolled organisations. Hype notwithstanding, audits make no contribution to transparency in aid of democratic processes, and are more likely to foreclose questioning than stimulate it (Power, 1999:138, 143).

One of the immediate gains of the neo-liberal breakthrough in many western countries in the 1980s was the piecemeal dismantling of direct state provision of social services, and the commercialisation and outsourcing of what was left of social provision, under the guise of the New Public Management (NPM, as it is called in Britain). Direct chains of command gave way to a new set of arms-length linkages based on marketisation, monetarisation and contractualism (Rose, 1996:54-55; Yeatman, 1998; Nordström, 2004:14-16). In this shift, substantive social goals – such as the reduction in poverty and morbidity levels – gave way to formal financial 'outcomes', above all 'cost effectiveness' and 'value for money'.

At the same time, neo-liberal governments replaced (wherever possible) direct economic regulation with various forms of self-regulation based on formal reporting requirements. Both shifts encouraged a new form of corporate 'governance' (a term that also took off in the 1990s) backed up by auditing, the criteria for which came from standards and other rules, such as the Cadbury Code in the UK. These transformations in particular exemplify the neo-liberal focus on government at a distance. Through their reliance on auditing, they also have serious ramifications for the goals and forms of organisational life.

The organisational effects of government by audit follow the logic of the barium meal – the ingestion of something hardly nutritious and certainly not appetising, but visible to the penetrating diagnostic gaze. Since the favourable outcome of an audit (not least a quality audit) constitutes the hallmark of legitimacy and, for a commercial(ised) organisation, a competitive advantage, it can displace substantive goals in the organisation's forms of calculation. The way to the prize here lies through achieving auditability by inserting internal control systems into the organisation. As Power (1999:53) observes:

> The growing formalization of regulatory layers has generated interest in the internalization of control mechanisms and the validation of their integrity by internal and external audits. New roles have been created, such as financial services compliance officers...and environmental managers..., and new institutional stages have been provided for old roles, such as internal auditors who are an increasingly credible point of reference in public debate. Furthermore there has also been a reworking of inspectorial institutions. With enhanced managerial capability has come greater attention to systems of self-inspection.

To be auditable, then, is to be visible to remote governors and so governable at a distance, rather than to be efficiently pursuing the substantive goals of the organisation. 'Audit can provide assurance that the system works well even when substantive performance is poor' (Power, 1999:60).

Audit society represents another triumph of formal over substantive rationality (Higgins and Clegg, 1988). The present-day 'rule explosion' is one indicator of this triumph. And true to the spirit of neo-liberal marketisation, as we've seen, there now flourishes a market in rules. The oft-remarked trend towards the replacement of the 'hard' laws of sovereign states with the 'soft' standards, norms and rules of transnational bodies, fits the ventriloquistic pattern of neo-liberal rule at a distance.

As we have seen, too, all rationalities of government cultivate strands of supportive expertise that reflect their particular logics. Whereas socially-oriented government, that immediately preceded the neo-liberal breakthrough, privileged substantive, social-scientific expertise, not least in policy formation, today's government rests on mastery of formal rationality as embodied in the intellectually lowlier 'grey sciences', above all accounting, auditing and law (Rose, 1996:55-56). The self-evident goal of government is now simply more 'transparent', cost-effective government for its own sake, not government that achieves democratically chosen normative goals.

Political Conclusion

Much is to be gained from situating the peculiarities of today's global governance in a wider historical context such as the Foucauldian one. This strategy robs globalisation and its apologetics of their strangeness, and brings them into a more familiar terrain of *power* analysis – how power is organised and exercised; the kind of finery the emperor pretends to be wearing; how dissidence is contained; and what (equally familiar) effects all this has on our lives in terms of disempowerment and the frustration of substantive social goals. Those who fight for their own and others' liberation must first gain a precise knowledge of how their bondage works, and Foucault's analysis takes us a long way towards that essential understanding. Rather like his intellectual ancestor, Machiavelli, he takes a dispassionate view of political doctrines, the better to understand their role in strategies of domination. Hence his insistence on seeing neo-liberalism strictly as one item on a menu of governmental rationalities, not as a political doctrine or program as such.

But at the end of the day we have to cease suspending disbelief and see neo-liberalism (together with its artefact, globalisation) as precisely a political project, a profoundly socially destructive one no different from that classically described by Karl Polanyi (1944) in *The great transformation*. In his historical scenario, the attempt to achieve the corrosive utopia of market society, first in early Victorian England, provoked an equal and opposite political reaction, which he dubbed 'the self-protection of society', in the form of various collectivist movements, including trade unionism, socialism, and eventually even 'social liberalism'.

Repression notwithstanding, oppositional groups managed to articulate their arguments and programs to challenge economic liberalism, with considerable success. A robust political process ensued around normative issues of democracy, social equity and inclusiveness. When the protectors of society eventually won the struggle for universal suffrage and formed governments, they achieved further success in mounting policies and building institutions that at least partially achieved democratically arrived-at goals of social justice and social security.

The novelty of neo-liberal rule today is its ability to silence political contestation and hamstring the political process, leaving society unprotected. Only neo-liberalism itself achieves articulateness in a political culture it has itself moulded. To reach for another Thatcherism, *there is no alternative!* In countries with pronounced neo-liberal governments such as USA, Britain and Australia, the official opposition parrots the same neo-liberal slogans and has no political profile of its own, let alone a political program around substantive normative goals to protect society. Public affairs have in this way degenerated into an endless parade of triviality, scandals and moral panics about 'terrorists', 'queue jumpers' and the like (Cf Sandel 1996). Democratic will formation as a product of public debate and mobilisation thus tends to become a dead letter.

This unchallenged neo-liberal ascendancy, I suggest, is the cumulative effect of a number of aspects of neo-liberalism's discursive practices of government. The most obvious of them is the talking-down of the capacities of nation-states in the putative 'new ballgame' of globalisation. As nation-states remain virtually the only credible sites for programs of social amelioration, writing them off (dogmatically, without evidence) as spent forces strongly discourages the politics of social amelioration as such, to the point of making them discursively unavailable. Secondly, the declining relevance of nation-states becomes a self-fulfilling prophecy once the power to regulate is transferred to transnational organisations divorced from popular sovereignty and political community. These organisations are thus available for regulatory capture, whereby the interests of their most powerful 'stakeholders' mould the regulatory regimes they proliferate.

Thirdly, in organisational life as a whole (including the state), the shibboleths of formal rationality (accountability, transparency, value for money and so on), and their enervating rituals of self-presentation and verification, effectively decoy discussion of – and mobilisation around – substantive issues and choices about how we might imagine ourselves living and working together and relating to each other, given the technological means at our disposal and the environmental dangers we face.

To these factors we might add a fourth, to which George Ritzer (2004) draws our attention. He points to globalisation's tendency to dehumanise and obliterate the distinctive features of products, amenities, services and – above all – social forms. In short, *'nothing'* (social forms that are centrally conceived and controlled, and lack substantive local content and control) *displaces 'something'* (social forms with local content, under local control, and with substantive content). Our political life itself has fallen victim to this *Zeitgeist* of globalisation, to itself become homogenised, flattened and denatured.

In political theory at least, the western tradition has contained two antithetical senses of freedom – the ancient civic-republican conception of freedom as collective self-rule, and the liberal conception of the propertied individual's freedom from authoritative interference. Freedom *to* pursue deliberatively arrived at goals, versus freedom *from* the decisions of others (most particularly democratic governments). The sympathies of many of us may go to today's reactive anti-globalisation movements. But it would be far better for us to find our starting points in reaffirmed republican freedom against its neo-liberal denial, work out our substantive goals, and devise the political forms in which to mobilise around them. Those forms would have to be resilient enough to challenge the supports of globalised neo-liberal rule that stand in the way of effective democratic government.

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