

# Redistributing the Possible

How we can use Foucault to Fight our Crises

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**Abstract:** This thesis shows how Michel Foucault's critico-historical approach can be used to enable us to stop our ongoing production of economic, ecological and social crises. It argues that the true problem with these crises resides in the constraints on our perception of the ways in which it could be(come) possible for us to stop them. After that, it develops Foucault's critico-historical approach into an instrument that enables us to displace these constraints.

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*Today, the possible and the impossible are distributed in a strange way*

– Slavoj Žižek

*We can be grateful to Foucault for doing another of the things that philosophers are supposed to do – reaching for speculative possibilities that exceed our present grasp, but may nevertheless be our future.*

– Richard Rorty



# Preface

*Was ist Glück? - Das Gefühl davon, daß die Macht wächst, daß ein  
Widerstand überwunden wird.*

– Friedrich Nietzsche

This thesis has grown out of discomfort with our present responses to the economic, ecological and social crises and developed through a series of transformations. Knowing the history of some of these transformations is indispensable to fully understanding its contributions. The following therefore recounts the most important transformations in the process of writing this thesis and concludes by thanking the people who have made this thesis possible.

The discomfort that triggered me to write this thesis arose from a conflict between what I have learned in the various business schools I attended and the courses I took for my master's in philosophy at Erasmus University. Where some of the philosophy courses were fully focused on the lack of adequate responses to our ongoing production of economic, ecological and social crises, the dominant view that was taught in business schools basically ignored these crises. This was disconcerting, as I saw this dominant view to be much more deeply involved in and responsible for the production of these crises than is commonly understood and argued by critics.

The initial plan for this thesis, therefore, was to show and problematize how business education was involved in the production of these crises in order to enable more promising responses to these crises. To that end, I planned to show how business education had come to govern economic production in a way that drives the production of these crises. This was to be achieved by analyzing the current functioning of business schools in relation to economic production through the lens of Michel Foucault's governmentality concept. Such an analysis would have consisted of supplementing Foucault's own history of governmentality with a more specific history of economic government, in which the birth of the business school would be presented as key to understanding what drives the production of economic, ecological and social crises today. The insights from such a historical account, then, would have to serve as a basis for radical reforms in business education.

With this initial plan, I wanted to target three different groups. First of all, I wanted to supply anyone who was concerned about, involved in or responsible for the ways in which we are presently responding to these crises with a better understanding of what is driving their production. Second, I wanted to force business scholars (teachers and researchers) to engage in self-conscious, critical reflection on the role that their theories and practices play in the production of these crises. Finally, I wanted to focus the attention of philosophers and social scientists who work in the field of governmentality studies on the current functioning of business schools in relation to these crises as the most pressing problem for governmentality studies.

As I pursued this plan, however, I encountered two problems that only seemed to deepen as I tried to tackle or evade them in a way that would allow me to move on with my initial plan. The first was that I had to justify my focus on the role of business schools as more promising than a focus on, say, government regulation, conscious consumption or innovation. This was relatively easy when it came to what was driving our production of these crises. The teachings of business schools can be argued to govern the organization and current functioning of economic production, which is where

the negative economic, ecological and social effects that produce these crises begin. But when it came to arguing for the focus on the role of business schools as a way to enable more promising solutions, I hit a wall. Though business school teachings could be argued to govern the organization and current functioning of economic production, the latter seemed to be impossible to change. Perceived both from a popular and a scientific point of view, this current functioning appears to be necessary in ways that preclude the possibility of changing it (as I will argue in chapter five). My plan to problematize the current functioning of business schools as a way to enable more promising responses to these crises therefore seemed destined to fail.

The other problem was that the use of Foucault's governmentality concept seemed unable to yield insights that could justify and support the need for reforms of business education and a change of the functioning of economic production in practice (even if this were possible). I initially thought that, following the example of so many other scholars who have applied Foucault's governmentality concept, a brief summary and a few quotes from Foucault's own work on governmentality would suffice to explain and justify its use. But as I was writing a critical history of economic government and the birth of the business school, I grew increasingly dissatisfied about its ability to justify and support actual reforms of business education and economic practice. Everything I had written seemed perfectly acceptable and valuable for the field of governmentality studies (third target group), but insulated from being understood and accepted as legitimate arguments for reform by business scholars (second target group) and those who are concerned about, involved in or responsible for responding to these crises more generally (first target groups). The instrument I wanted to use thus seemed to be incapable of doing what my initial plan required.

Dealing with these problems, I eventually realized that they were both manifestations of a much more fundamental problem with the structure of our common understanding of the way in which things can be(come) possible for us. The problem of the apparent impossibility of changing the current functioning of economic production results from the constraints this structure imposes on our perception of the way in which it could be(come) possible for us to stop the production of these crises. The problem that an analysis based on Foucault's governmentality concept did not seem able to justify and support the need for reforms emerged because this concept is at odds with this common understanding of the way in which things can be(come) possible for us.

This insight led to a profound transformation of this thesis. The focus shifted from a critical history of economic government and the birth of the business school, to (1) explicating the structure of our common understanding of the ways in which things can be(come) possible for us, (2) showing how this structure constrains our perception of the ways in which we could change the current functioning of economic production in the production of economic, ecological and social crises and (3) to develop Foucault's more general critico-historical approach into an instrument that enables us to displace these constraints.

Instead of writing a critical-history of the birth of the business school that would not be understood or accepted as legitimate and to attempt to change the current functioning of economic production while that seemed to be impossible, this thesis now seeks to explain and justify the use of Foucault's more general critico-historical approach as an instrument that could enable us to change the current functioning of economic production by displacing the constraints on our perception of

the ways in which this could be(come) possible for us first. In short, it seeks to secure the conditions of possibility to successfully execute the initial plan for this thesis.

This transformation has changed the contributions of this thesis for each of the initial target groups. Though it is a step back in some ways, it has stepped up its ambition and deepened its contributions in others. The target group of those who are concerned about, involved in or responsible for our responses to the crises will still find a better understanding of the drivers of these crises in the second part of this thesis. Although they will not find the proposals for reforms that I initially intended to provide, they will find a deep understanding of how our common conception of the way in which things can be(come) possible for us constrains our perception of the problem with these crises and channels our concerns about- and efforts to respond to them in ineffective ways. Moreover, it also provides them with an instrument that enables us to displace these constraints in part three.

The target group of business scholars will still find a critique of how their theories and practices are involved in and responsible for the production of economic, ecological and social crises in part two. But they will also find an understanding of how our common conception of the way in which things can be(come) possible for us supports business administration – as an applied social science – in presenting the current functioning of economic production as something that cannot possibly be changed, even if it is to stop its production of economic, ecological and social crises.

Finally, those who work in the field of governmentality studies will not find the specific contribution of a critical history of the birth of the business school in this thesis yet. Instead, they will find a more profound philosophical contribution to the broader field of Foucault studies and philosophy in general in parts one and three. Together, these parts constitute the conditions of possibility that a more specific critical history of the birth of the business school and other Foucauldian studies need to actually affect the domains of knowledge and social practices they target. In contrasting Foucault's more general critico-historical approach with how our common understanding of the way in which things can be(come) possible for us is structured, these parts develop this approach into an instrument that enables us to displace specific constraints on our perception of what is possible. In doing so, this thesis provides one of the more complete and the most potent reading of Foucault's critico-historical approach to date.

It has taken me quite some time to arrive at the contributions that this thesis eventually has come to offer. I would therefore like to thank everyone who has been involved, not only for their support, but also – and perhaps in some cases especially – for their patience and endurance.

First of all, I thank Gijs van Oenen for his feedback, the pleasant exchange of ideas during our meetings and especially his encouragement when the process of writing this thesis was most frustrating. I also thank Jack Vromen for his willingness to comment on earlier versions and his critical feedback, which played an important role in shifting my focus to the more fundamental problems with applying Foucault's critico-historical approach.

Finally, I am grateful to my parents – not just for their support, but for teaching me how to care and think in ways that enabled me to take on a problem of this magnitude, and – persevere.



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# List of Bibliographic Abbreviations

Works by Michel Foucault, translated in English

AK	The Archeology of Knowledge (2010)
BB	The Birth of Biopolitics (2008)
BC	The Birth of the Clinic (1973)
CF	Confessions of the Flesh (1980a)
DP	Discipline and Punish (1977)
GE	On the Genealogy of Ethics (1983)
NGH	Nietzsche, Genealogy, History ((1998)
HM	The History of Madness (2006)
HS1	The History of Sexuality, vol. I (1978)
HSJ	The Hermeneutics of the Subject (2005a)
QM	Questions of Method (1991)
OT	The Order of Things (2005b)
PS	Power and Strategies (1980b)
SP	The Subject and Power (1982)
STP	Security, Territory, Population ( (2009)
TP	Truth and Power (2000)
TL	Two Lectures (1980c)
WC	What is Critique(1997a)
WE	What is Enlightenment? (1997b)

Milton Friedman's essay on the Method of Positive Economics.

F53	The Methodology of Positive Economics (1953)
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## List of Textual Abbreviations

- B1 The first belief about the way in which it could be(come) possible for us to stop our production of economic, ecological and social crises: ‘Stopping our production of the economic, ecological and social crises is Possible and Performed’ (see section 2.4)
- B2 The second belief about the way in which it could be(come) possible for us to stop our production of economic, ecological and social crises: ‘Stopping our production of the economic, ecological and social crises is Possible and Performable’ (see section 2.4)
- B3 The second belief about the way in which it could be(come) possible for us to stop our production of economic, ecological and social crises: ‘The possibility to stop our production of the economic, ecological and social crises is currently Unknown and therefore Unperformable, but Knowable and Performable’ (see section 2.4)
- B4 The second belief about the way in which it could be(come) possible for us to stop our production of economic, ecological and social crises: ‘Stopping our production of the economic, ecological and social crises is Impossible and therefore Unperformable’ (see section 2.4)
- CFEPPC The current functioning of economic performance in the production of economic, ecological and social crises (see section 3.2)
- CSR Corporate Social Responsibility
- MR1 Minimal Realism’s assumption of Constitutive Science Independence: ‘there is a fact of the matter about whether Y exists or not that is not created or constituted by ‘putting forth or uttering an economic theory (see section 6.2)
- MR2 Minimal Realism’s assumption of Correspondence: ‘Truth involves some kind of correspondence between theoretical statements and those constituting science-independent objects’ (see section 6.2)
- MR4 Minimal Realism’s assumption of Bivalence: ‘there is a fact of the matter about whether T is true or false’ that is determined independently of Science, by some objective reality whose existence and constitution is, again, independent of Science (see section 6.2)
- R1 Realism’s assumption of Independence: ‘The world consists of some fixed totality of mind-independent objects’ (see section 6.2)
- R2 Realism’s assumption of Independence: ‘Truth involves some kind of correspondence between theoretical statements and those mind-independent objects’ (see section 6.2)
- R3 Realism’s assumption of Uniqueness: ‘There is exactly one true and complete theoretical description of “the way the world is”’ (see section 6.2)
- R4 Realism’s assumption of Bivalence: ‘Theoretical statements are determined as true or not true, independently of our knowledge, by some objective reality whose existence and constitution is, again, independent of our knowledge’ (see section 6.2)
- R5 Realism’s assumption of Passive Knower: ‘There is some way for the mind to access reality as it is’ (see section 6.2)
- R6 Realism’s assumption of Realism of the Subject: the unchanging and timeless structures of experience and rationality that are common to all rational human beings (see note 39)
- SSTCP Standard Structure of Thought Concerning the Possible (see section 2.3)



# 1. Introduction

*I think that the task of philosophy is not to provide answers, but to show how the way we perceive a problem can be itself part of a problem.*

– Slavoj Žižek

Imagine. A Deus ex machina would magically appear to pay off all debt, restore the concentration of atmospheric green house gasses, pollution, and stocks of natural resources to preindustrial levels and install full employment for the global workforce. We would appear to be saved from the converging threats of the economic, ecological and social crises to the conditions for our collective survival as a civilization. Soon, however, this divine act will prove to have been nothing more than a temporary relief. For it would not have changed our tendency to produce these crises – and we would find ourselves in the exact same mess we are in today, but this time only faster.

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This thesis seeks to enable a solution to one of the biggest problems of our time by providing a more complete and potent reading of one of the biggest philosophers of the twentieth century. The problem to be solved is our ongoing production of economic, ecological and social crises. The philosopher whose work can help to solve it is Michel Foucault.

## 1.1 Our Perception of the Problem

There are two reasons why the problem of our ongoing production of economic, ecological and social crises requires a philosophical approach.

The first is that a philosophical approach can help us to ensure that we have an accurate perception of the problem. Generally speaking, our perception of a problem also defines the range of possible solutions we will consider in responding to that problem. If our perception of a problem precludes an effective solution from this range, we would not be able to solve the problem. A philosophical approach enables us to step back and reflect on the way in which implicit assumptions shape and constrain our perception of a problem first. As Slavoj Žižek puts it, philosophical reflection thus enables us to show ‘how the way in which we perceive the problem can be itself a part of the problem’.<sup>1</sup>

In the case of the economic, ecological and social crises, an accurate perception of the problem alone seems to be hard to come by. There are various ways in which the problem is perceived – each with its own level of understanding and its own corresponding range of possible solutions. Unfortunately, none of them seems to fully grasp the depth of the problem, as all of them can be shown to be a part of the problem somehow.

The first and most superficial way to perceive the economic, ecological and social crises is to treat each manifestation of one of these crises as a separate, incidental problem. Such a perception can be found among those who consider the 2008 financial crisis a fluke event-, extreme weather

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<sup>1</sup> Quoted from Žižek’s lecture *A Year of Distractions*.

and natural disasters as “acts of God” or regional spikes in unemployment and social unrest as a tragedy that simply befalls certain communities and nations.

The problem with this perception is that it leads to stop-gap solutions that fail to acknowledge the structural, underlying problem that causes the manifestations of these crises. When the financial crisis is perceived as a fluke event, government bailouts that react to the crisis seem to be the only solution. But although these bailouts saved the world economy from a financial meltdown in 2008, they did nothing to stop the tendency of the financial sector to produce the type of systemic economic risks that created these crises. When extreme weather events like hurricane Katrina are perceived as “acts of God”, we can do little more than to compensate for the damage with government relief funds. Such responses may alleviate some of the pain, but it does not address the continuing rise in global green-house-gas emissions<sup>2</sup> that increases the frequency and severity of these events. When spikes in unemployment are perceived as economic tragedies that simply befall us, government subsidies and retraining programs are the only logical response. But although this will work in some cases, it does not stop automation and artificial intelligence from displacing human labor at a scale where it is expected to become ‘the single most pressing social issue of the [twenty-first] century’.<sup>3</sup> Perceiving these manifestations of the economic, ecological and social crises as incidental problems, therefore, is a part of the problem because it prevents us from considering more structural solutions.

A second, more productive way to perceive the problem, then, is to approach our own tendency to produce these crises as the problem, focusing our response on structural solutions. Fortunately, this perception has informed most of our responses to these crises. Policy makers did not perceive the financial crises as a fluke event. They acknowledged the tendency of the financial sector to produce systemic risks and responded by issuing stricter capital requirements for financial institutions as a structural solution. Most people also perceive extreme weather events to be the effects of ecological crises with anthropogenic causes, rather than “acts of God” in the biblical sense. This perception leads governments to issue environmental regulations, scientists and inventors to pursue innovations in sustainable energy technology and consumers to switch to ecologically conscious consumption patterns. Likewise, leading intellectuals and forward looking politicians also perceive automation and artificial intelligence as an impending threat to global employment levels and social stability. This perception of the problem moves them to plea for increased investments in education as a structural solution to the problem.

Though this second perception of the problem has a far more accurate understanding of what causes these crises, it can still be seen to be a part of the problem. It overlooks that we have already deployed major response strategies that are intended as structural solutions, but that they have failed to stop our ongoing production of these crises so far. Strategies like government regulation, conscious consumption, innovation and corporate (social) responsibility have all been tried. But as chapter three of this thesis will argue, these responses have failed to fully contain or to intrinsically change our tendency to produce these crises. Perceiving our tendency to produce these crises as a structural problem that requires a structural solution therefore may be more accurate, but it is likely

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<sup>2</sup> As the IPCC reported, ‘annual GHG emissions grew on average by 1.0 gigatonne carbon dioxide equivalent (GtCO<sub>2</sub>eq) (2.2 %) per year from 2000 to 2010 compared to 0.4 GtCO<sub>2</sub>eq (1.3 %) per year from 1970 to 2000’ (IPCC, 2014, p. 6).

<sup>3</sup> Quoted from Rifkin (1995, p. xv).

to result in responses that fail to stop this tendency as it does not consider the failure of our present responses.

When it comes to preventing further escalations of the economic, ecological and social crises, it seems to be more effective, then, to perceive the failure of our present response strategies as the problem with these crises. Viewed as such, the problem is not simply to find *a* structural solution that could stop our tendency to produce these crises. The problem is to start from a position where the ineffectiveness of our present response strategies is acknowledged and to find ways to improve these response strategies or to discover new ones that can provide an effective, structural solution to the problem. This perception of the problem informs the actions of those who are trying to gather support for tougher financial or environmental regulations, of those who are trying to raise awareness about the ecological footprint of our consumption patterns, of those who seek to increase investments in education and of those who are trying to develop entirely novel responses to each- or all three of these crises.

Though this third perception of the problem seems far more focused and promising, it is still a part of the problem on a deeper level. Just as focusing on our tendency to produce these crises overlooks that there are many responses that have failed to be fully successful already. Framing the failure of these response strategies as the problem overlooks that many efforts have been made already to find ways to get our present response strategies to work and into searching for new ones. This third perception of the problem therefore leads to a stubborn persistence in finding more support for response strategies that we cannot seem to make sufficiently effective or an endless search for novel responses where it appears that none are to be found. The problem with this stubborn persistence and endless searching is that it evades a realistic assessment of the problem: it seems to be impossible, as chapter five and six of this thesis will argue, to respond to the economic, ecological and social crises in a way that fully stops our production of these crises.

A fourth, more realistic perception of the problem with these crises thus seems to be that we appear to be powerless to stop our own tendency to produce economic, ecological and social crises. Such a perception can generally be found among pessimists who have never been involved or who have withdrawn from their involvement in responding to these crises. It is rare among those who are seriously involved in- or responsible for our responses to these crises. But the rarity of this perception of the problem does not refute it. The present distribution of power between our major institutions and the present state of knowledge in the authoritative sciences suggest, as chapters four, five and six of this thesis will argue, that it is unlikely that we will be able to contain our tendency to produce economic, ecological and social crises and that it appears to be impossible to intrinsically change it.

But this realistic perception of the problem is also a part of the problem, as it leads to a fatalistic acceptance of our powerlessness against our own tendency to produce economic, ecological and social crises. Though it may seem unlikely that we will be able to contain our tendency to produce these crises and though it may even appear to be impossible that we will be able to change it, we simply cannot accept that we are powerless against it. The stakes are simply too high. The acceptance of a collective powerlessness against our own tendency to produce these crises would imply an acceptance of the gradual erosion of the conditions for our survival as a civilization. The problem with a realistic perception of the problem is thus that it seems to preclude the possibility of

successfully stopping our production of these crises. And that this impossibility simply cannot be accepted.

On the one hand, these reflections on the various perceptions of the problem reveal a progressive understanding of the depth of the problem. Where the first perception is oblivious to the structural causes of these crises, the second perception frames our own tendency to produce these crises as the underlying problem. Where the second perception ignores the ineffectiveness of our present response strategies as structural solutions, the third perception frames this ineffectiveness as the problem. Where the third perception overlooks the ineffectiveness of the attempts to gather more support for our present response strategies or to discover new ones, the fourth perception reframes the problem in terms of our apparent powerlessness to develop responses that can stop our tendency to produce these crises.

But as this progressive understanding of the problem shifts our attention to our inability to solve the problem so far, these reflections also reveal an apparent powerlessness to solve this problem. Where the first perception of the problem leaves us satisfied with reactive stop-gap solutions, the second perception of the problem maintains that we need a structural solution. Where the second perception of the problem still suggests that the problem can be solved through structural solutions, the third perspective shows that none of our structural responses have been able to provide an effective solution so far. Where the third perception still offers us hope that we could stop the ongoing production of these crises by gathering more support for our present responses strategies or by discovering new ones, the fourth perception of the problem implies that we are powerless to do so.

Reflection on our perceptions of the problem with the economic, ecological and social crises thus leads to the unsettling conclusion that we appear to be powerless to stop our own tendency to produce these crises.

## **1.2 Our Perception of what is Possible**

The second reason why we need philosophy, then, is to enable a solution to the problem of the economic, ecological and social crises where none seems to be possible under our current perceptions of the problem.

Philosophical reflection has to go beyond a critical analysis of the way in which each of the four perceptions above are still a part of the problem individually. Showing how a particular perception of a problem is itself a part of the problem usually enables us to overcome the limitations of that perception and adopt a new perspective that does enable us to solve the problem. But this does not seem to be the case for our problem with these crises. Here, each successive reflection on the four perceptions of the problem deepens our understanding of the problem in a way that seems to make us more and more powerlessness to solve it. Eventually, we seem to get stuck between the third and the fourth perception. The only escape from the stubborn persistence in searching for more support for our present responses to the crises and the endless search for novel responses (third perception of the problem), seems to be the fatalistic acceptance of our powerlessness to successfully stop our production of these crises (fourth perception of the problem). Conversely, the only escape from this

fatalistic acceptance appears to be a return to the stubborn persistence and the endless search of the third perception.

The true problem with these crises (and for philosophical reflection) therefore resides in the constraints on our perception of the ways in which it could be(come) possible for us to stop our ongoing production of these crises. These constraints are constituted by a series of basic assumptions about what is possible (e.g. assumptions about how specific possibilities and impossibilities are fundamentally distributed, how we may come to discover this distribution and how we may come to actualize the specific possibilities that are discovered). These assumptions support us in solving a problem when they include an effective solution in their delimitation of the range of possible actions that can be performed by us. But they also prevent us from solving a problem when they preclude an effective solution from that range.

The first goal of this thesis therefore is to problematize how these basic assumptions about what is possible constrain our perception of the ways in which it could be(come) possible for us to stop our ongoing production of economic, ecological and social crises.

### **1.3 Foucault's Critico-historical Approach**

This thesis will develop Michel Foucault's critico-historical approach into an instrument that is able to displace the specific constraints on our perception of the ways in which it could be(come) possible for us to stop our ongoing production of economic, ecological and social crises.

Foucault is one of the most read and influential philosopher of the twentieth century. Countless of books and articles have been written about his work and his unique critico-historical approach has been adopted and applied across a wide range of fields within the social sciences.

But none of these readings of Foucault's work have grasped the full scope of his critico-historical approach and none of the studies that have applied this approach have tapped its full potential. Readings of Foucault's work have not grasped the full scope of his critico-historical approach, as they tend to discuss (and criticize) his work in contrast to one particular area of thought. His work is either read in contrast to that of other continental philosophers (e.g. Boyne, 2013; Milchman & Rosenberg, 2003; Prado, 2006), traditional and analytical philosophy of science (e.g. Gutting, 1989; Machado, 1992), more specific philosophical strands of thought like phenomenology, structuralism and hermeneutics (e.g. Dreyfus & Rabinow, 1983) and realism (Braver, 2007, pp. 342–427) or other methodological approaches (e.g. Shiner, 1982).

Studies that have applied Foucault's critico-historical approach have not tapped its full potential for two reasons. The first is that these studies have not applied it to the most important problem in our current day and age. Some of the themes that have been covered by Foucauldian studies over the past decades are "fast fashion" (e.g. Jeacle, 2012), accounting (e.g. Hopwood, 1987; McKinlay & Pezet, 2010), human resource management (e.g. Townley, 1993), patriarchal power (e.g. MacKinnon, 1989) or the politics of racial identities (e.g. Stoler, 1995). These topics are surely important (though some evidently more so than others), but all of them shrink in comparison to the threat that economic, ecological and social crises pose to the conditions for our collective survival as a civilization. The second reason why these studies have not tapped the full potential of Foucault's critico-historical approach, is that their use of this approach fails to secure the level of understanding

and the legitimacy that are needed to justify and support changes in the domains of social practice that they target. In applying Foucault's critico-historical approach, Foucauldians often assume that the approach is either self-evident or that its legitimacy is easily secured through a few brief quotes from Foucault's own comments about his approach. The problem, however, is that the presuppositions behind this approach are far too complex and foreign to common thought for its outcomes to be accepted and acknowledged at the points in social practice where it matters (e.g. politics or science). As a result, studies that apply Foucault's critico-historical approach all too often amount to little more than interesting reading material for other Foucauldians, which is a far cry from the potential to actually transform specific domains of social practices that the approach possesses.

It is my contention that (1) the full scope of Foucault's critico-historical approach can only be grasped when it is contrasted to our basic assumptions about the possible (e.g. how things can be(come) possible, knowable and performable for us) and (2) that its full potential will only be reached when it is applied to a major problem like our ongoing production of economic, ecological and social crises, against the backdrop of an adequate understanding of its contrast to our basic assumptions about the possible.

The second goal of this thesis, therefore, is to show how Foucault's critico-historical approach can be developed into an instrument that is able to displace the specific constraints on our perceptions of the ways in which it could be(come) possible for us to stop our production of the crises – or, more generally, into an instrument that is capable of redistributing specific delimitations of the possible.

#### **1.4 Structure**

The first part of this thesis explicates our basic assumptions about the way in which things can be(come) possible for us. To that end, chapter two, distills our basic assumptions about the ways in which things could (be)come possible for us from the various classes of beliefs about the ways in which we would be able to stop the production of the economic, ecological and social crises. It then shows how these assumptions together constitute a standard structure of thought concerning the possible. This standard structure of thought concerning the possible (or SSTCP) serves as a canvas and a supporting contrast for the discussions of the subsequent parts of this thesis.

The second part of this thesis then proceeds to show how SSTCP precludes the possibility of stopping our tendency to produce economic, ecological and social crises from our perception of what is possible. To that end, each of the chapters in this second part discuss why our optimistic beliefs about the possibility of stopping our tendency to produce these crises are unlikely to hold true under SSTCP, while the pessimistic belief that it is impossible for us to stop this tendency seems to be supported by SSTCP.

The third part shows how Michel Foucault's critico-historical approach can be used to problematize the way in which SSTCP seems to preclude specific possibilities from specific distributions of the possible. More specifically, it develops Michel Foucault's critico-historical approach into an instrument that is capable of redistributing specific possibilities and impossibilities.

Finally, the fourth part concludes this thesis by discussing how this elaborated version of Foucault's critico-historical approach could help us to enable more effective responses to our production of economic, ecological and social crises. To that end, chapter ten concludes by showing how the first three parts of this thesis can, retrospectively, be seen to have performed the first steps of applying Foucault's critico-historical approach to our problem with the ongoing production of these crises. Chapter eleven adds an outline of how the further steps of this application could be undertaken to actually displace the specific constraints on our perception of the ways in which it could be(come) possible for us to stop our tendency to produce these crises and to actually change this tendency.



# Part I



## 2. How the Possible is Thought

There are many ways in which it is commonly believed to be possible or impossible for us to stop our production of economic, ecological and social crises. These beliefs can be distinguished and grouped based on their common assumptions about how it could be(come) possible for us to do so. Once these classes of beliefs have been defined accordingly, we can distill our basic assumption about the ways in which it could be(come) possible for us to stop the production of these crises.

### 2.1 Four Classes of Beliefs About our Ability to Stop our Production of the Crises

The first class of beliefs assumes that it is not only possible for us to stop our production of economic, ecological and social crises, but that our past or present responses to these crises have already done so. This belief can be found among those who are either responsible for responding to these crises or those who would be negatively affected by responses to these crises in some way. With regard to the economic crisis, for example, many regulators and bankers will argue that the capital requirements for banks have been raised sufficiently to prevent another financial crisis. With regard to the ecological crisis, there are those who claim that the private sector is deploying enough sustainable innovations to end global warming and pollution. With regard to the social crises that result from the technological displacement of human labor, politicians who are currently in office as government officials will tend to claim that their educational reforms will prepare future generations of students for the challenges of the 21<sup>st</sup> century. The common belief in each of these claims is the belief that we have already done- or are already doing enough to stop the production of these crises.

The second class of beliefs assumes that it is possible to stop our production of economic, ecological and social crises if we are able to find more support for the response strategies that are already available to us. Christine LaGarde, for example, advocates to raise capital requirements for banks with an additional 2.5 % beyond the latest Basel III agreement because this would reduce systemic economic risks substantially (LaGarde, 2014). Al Gore's *Inconvenient Truth* (2006), concludes its alarming survey of global warming with the confident message that we can prevent its further escalation if enough of us will change our consumption patterns. And Brynjolfsson & McAfee (2012) argue that the large scale technological displacement of human labor can be compensated by more entrepreneurial innovation and additional investments in human capital and education. Each of these arguments is predicated on the belief that we already know what type of responses are needed to stop our tendency to produce these crises, but that they need more support in order to be effective.

The third class of beliefs assumes that it is possible for us to stop the production of economic, ecological and social crises, but that we still have to discover the responses that enable us to do so first. One of the most notable examples of this belief can be found in Ulrich Beck's *Risikogesellschaft* (1986). Here, Beck is highly pessimistic about our abilities to effectively respond to the risks that are produced in modern society. But he is still somewhat hopeful, because he expects that new forms of scientific expertise will discover more effective responses to manage these risks. With regard to the production of economic, ecological and social crises, one can find similar expectations. There are those, for instance, who believe that it will be possible to prevent future economic crises once we reach a level of understanding about the economy that enables us to develop error-free risk management tools. Likewise, there are those who expect that the discovery of new technologies will enable us to stop the production of ecological crises. Each of these expectations share the

assumption that we may not be able to stop the production of these crises yet, but that we can discover new ways to do so in the future.

The fourth class of beliefs assumes that it is simply impossible for us to stop our production of economic, ecological and social crises. This fourth belief comes in the form of hard claims about the limits of what is possible. There are those, for example, who claim that we cannot change our tendency to produce economic crises because it is human nature to always want more than what is economically sustainable. There are also those who claim that human beings are reluctant to act in the face of global warming, pollution and the depletion of natural resources because they are incapable of fully grasping the concept and the consequences of ecological catastrophe. Finally, there are transhumanists who claim that not only human labor, but human beings in general will inevitably be displaced by genetically enhanced humanoids or forms of artificial intelligence that are more productive. Each of these claims shares the assumption that some aspect of reality renders it impossible for us to stop our ongoing production of economic, ecological and social crises.

## **2.2 Assumptions about the possible**

These four classes of beliefs allow us to distill a series of prior, implicit assumptions that govern how we think about the way things can be(come) possible for us. These prior, implicit assumptions come in three different subsets.

### *2.2.1. First series of assumptions*

The first subset of implicit assumptions distinguishes four different modalities of existence for specific possibilities or impossibilities in their relationship to us. The fact that it is possible to have four different types of beliefs about our ability to stop the ongoing production of economic, ecological and social crises implies that stopping this production is not simply a matter of being possible or impossible. If there are four different beliefs, there have to be additional distinctions about the ways in which something is possible or impossible for us that go beyond a basic possible|impossible distinction.

The first three beliefs all assert that stopping our tendency to produce these crises is Possible, whereas the fourth belief asserts this is Impossible. All four beliefs thus rely on a primary binary distinction between:

Possible|Impossible

But the first three beliefs are also more specific about the modalities of existence of a particular possibility or impossibility in relation to us. The first belief holds that the possibility of stopping our production of these crises has already been actualized by the responses we have undertaken so far. This belief thus presupposes a further binary distinction of what is Possible and Impossible into:

Performed|Unperformed

The second belief holds that the responses that are presently available to us have not yet stopped our tendency to produce these crises, but could. This belief thus presupposes a further binary distinction of what is Possible and Impossible into:

Performable|Unperformable

The third belief holds that the responses that are available to us cannot stop our tendency to produce these crises, but that we can come to discover responses that could do so in the future. This belief thus relies on the assumption that specific possibilities and impossibilities can be further distinguished as

Known|Unknown  
Knowable|Unknowable

### 2.2.2. *Second series of assumptions*

Though the preceding conceptual distinctions are necessary to distinguish between the four types of beliefs, these distinctions and the beliefs themselves would remain meaningless without a further series of assumptions about the relations between these sets. In and of themselves, the assumptions about the distinctions amount to nothing more or less than isolated pairs of categories. The four beliefs however, assert that there is a *hierarchical order of conditional relations* between these categories.

Two of these assumptions about this hierarchical order of conditional relations are straightforwardly implied by ordinary language:

Before something can be Performed, it must first be Performable

Before something can be Known, it must first be Knowable

But the other two rely on further assumptions about the way in which what is Performed, Performable, Known, Knowable and Possible are related to each other. In fact, the difference between the second and the third belief relies on a decisive assumption about the relation between these categories. Where the second belief asserts that responses that are able to stop our tendency to produce these crises are already available to us (i.e. Performable), the third belief holds that the type of responses that are needed to stop this tendency are not yet available (i.e. Unperformable), because they still have to be discovered (i.e. are still Unknown). This implies that our ability to perform a particular action (i.e. the Performability of this action), is conditional upon whether or not the possibility to perform this action is Known to us first:

In order for something to be Performable, it must be Known

Such a relation is also presupposed by the difference between the third and the fourth belief. Although the third belief asserts that the responses that are needed to stop our tendency to produce these crises are not Known (i.e. Unknown) to us yet, it does presuppose that it is Possible for us to change our tendency to produce these crises. The fourth belief, on the contrary, holds that it is not possible to stop this tendency because this is somehow precluded from being Possible. The difference between these two beliefs thus presupposes that, in order for something to be Knowable and Performable, it must be Possible first:

In order for something to be Knowable and Performable, it must be Possible

Besides the series of assumptions that relates the Performable to the Possible, there is also a correlated series of assumptions that connects the Unperformable to the Impossible. The most straightforward of these relations is that between what is Unperformable and Impossible:

If something is Impossible, it is Unperformable

Yet the fact that something is Impossible does not mean that it is also Unknowable. Some specific impossibilities are Knowable and some of these specific impossibilities that are Knowable are in fact Known:

If something is Impossible, this can still be Knowable and Known

### *2.2.3. Third series of assumptions*

Though the first and second series of assumptions distinguish- and grant meaning to the different modalities of the Possible, they remain silent on how the modality of specific possibilities and impossibilities is determined.

The four beliefs also rely on a third series of assumptions about the way in which the modalities of existence of specific possibilities, in their relationship to us, are determined. These modalities are assumed to depend on three distributive functions that determine (1) whether some action is essentially Possible or Impossible, (2) whether the way in which an action can be performed is Known or Unknown to us and (3) whether an action is actually Performed or Unperformed. These distributive functions decide how specific possibilities are distributed across the different modalities of the Possible (i.e. the binary set of categorical distinctions that are constituted by the first series of assumptions).

The fourth belief relies on the assumption that there is some aspect of reality that makes things fundamentally Possible or Impossible in a permanent way. Maintaining that it is simply Impossible to stop our tendency to produce these crises implies that the possibility of doing so does not exist, regardless of what we may come to know or how much political support we may be able to gather. Claims about our ability to stop our production of economic, ecological and social crises therefore presuppose that things are fundamentally distributed across the Possible|Impossible-divide by the fixed and essential structures of Reality:

Reality distributes specific possibilities across the Possible|Impossible-divide

The third belief relies on a subsequent assumption about the way in which the existence of particular possibilities and impossibilities can be(come) Known to us. Claiming that it is possible to stop our tendency to produce these crises, but that we still have to discover how this can be done, presupposes that specific possibilities and impossibilities that exist, but are not yet known (Unknown) are somehow converted into specific possibilities or impossibilities that are Known. The examples of the third belief all expect that it is Science that converts unknown possibilities and impossibilities into known possibilities and impossibilities that are positively known. It can therefore be said that:

Science converts particular possibilities and impossibilities that are Knowable but Unknown to us into possibilities and impossibilities that are positively Known to us.

Finally, the first and second belief rely on an assumption about the way in which specific possibilities can be actualized. Asserting that we have already stopped our tendency to produce these crises, or that the response strategies that are available to us could do so, the first belief presupposes that there is a way in which specific possibilities that are Performable can and are

actualized, in some cases, as specific possibilities that are Performed. The second belief maintains that the process of such actualization is not only conditional upon the existence of this specific possibility (what is Possible in Reality) and our positive knowledge of its existence (what is Known through Science), but that it ultimately depends on the outcome of political processes which specific possibilities will actually be realized. Politics, therefore, is presupposed to decide whether or not specific possibilities that are positively Known and Performable will actually be performed or remain Unperformed. It can therefore be said that:

Politics decides which specific possibilities that are Performable are actually Performed or remain Unperformed

### 2.3 A (Standard) Structure of Thought Concerning The Possible

Taken together, these three series of assumptions make up what we can refer to as a standard structure of thought concerning the possible. To say that these series of assumptions make up a structure of thought concerning the possible (SSTCP), means that these assumptions govern our perception of the way in which things can be(come) Possible, Knowable and Performable for us. This structure, which has been deduced from the four different classes of belief about the ways in which we could be(come) able to stop the production of these crises, is depicted in figure 2.1 below.

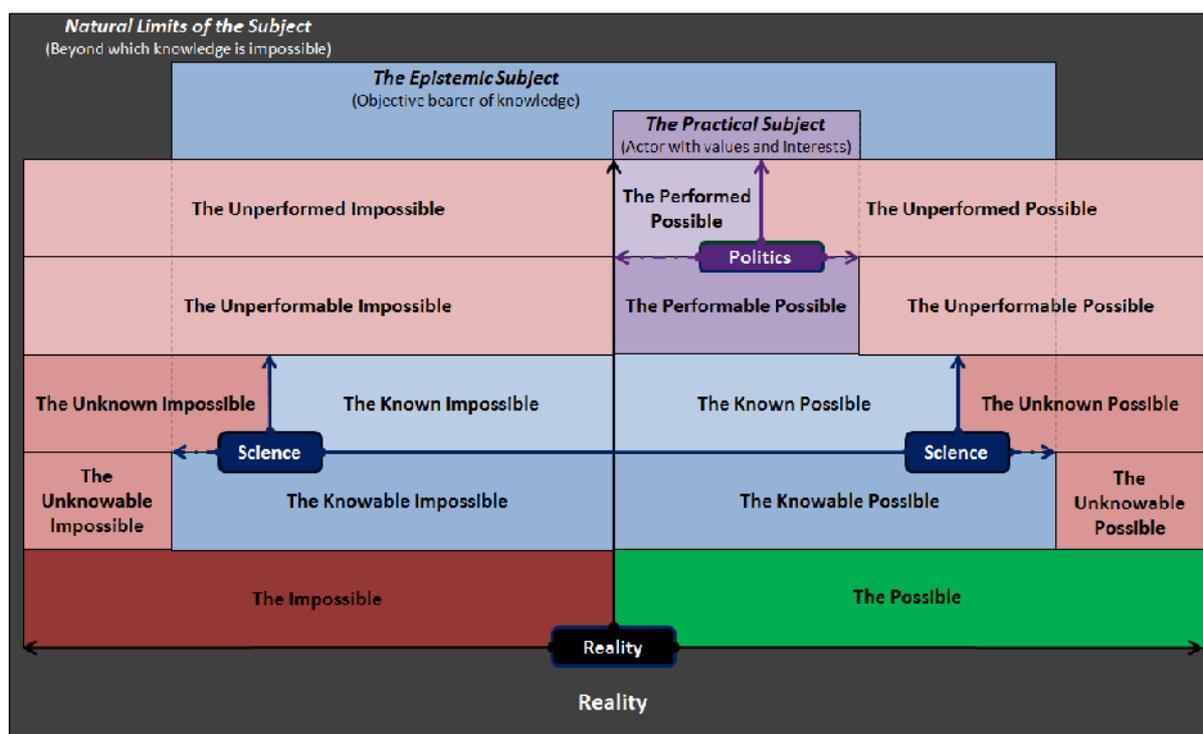


Figure 2.1: A Standard Structure of Thought Concerning the Possible, derived from our beliefs about the ways in which we could be(come) able to stop our ongoing production of economic, ecological and social crises.

Though this structure is derived from four beliefs about the specific possibility of stopping our tendency to produce these crises, it has a much broader hold on our perception of the ways in which something can be(come) Possible, Knowable and Performable for us.

## 2.4 How SSTCP Enables and Supports the Validation of the Four Beliefs

Having deduced SSTCP from the four types of beliefs, we can paraphrase each of these beliefs and plot them within this structure (see figure 2.2) in a way that reveals their formal claims about our ability to stop the production of the economic, ecological and social crises and the conditions for the validity of these claims.

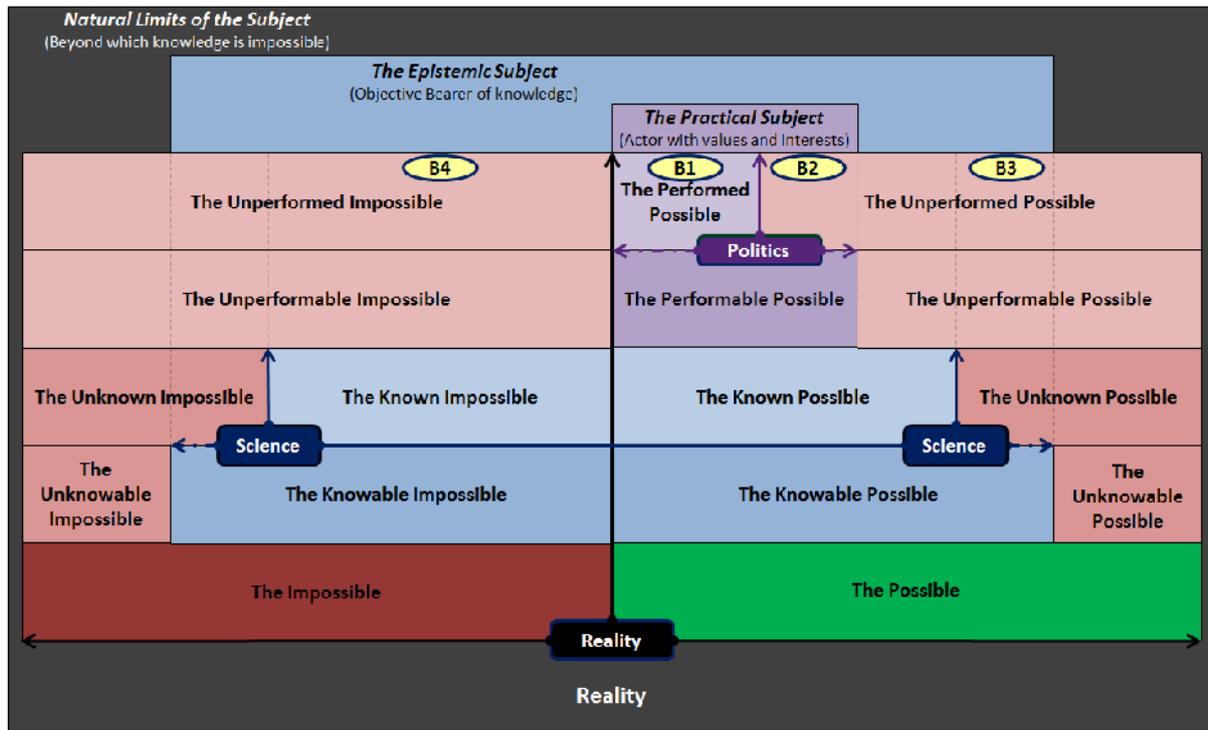


Figure 2.2: The Standard Structure of Thought Concerning the Possible from figure 2.1 with the position of the four beliefs discussed in section 2.1.

The first class of beliefs sites stopping our production of these crises in the range of the Performed Possible. As such, each of the beliefs in this class can be paraphrased as:

- B1 Stopping our production of the economic, ecological and social crises is Possible and Performed.

This position within SSTCP means that it is possible to stop our production of the crises and that the outcome of political processes (Politics) has already actualized or is in the process of actualizing this possibility. In order for B1 to hold true, there should be convincing evidence that our present response strategies have either stopped, or are in the process of stopping our production of these crises.

The second class of beliefs situates stopping our production of these crises in the range of the Performable Possible. As such, each of the beliefs in this class can be paraphrased as:

- B2 Stopping our production of the economic, ecological and social crises is Possible and Performable.

This position within SSTCP means that it is possible to stop our production of the crises, but that political processes (Politics) have not yet managed to actualize this possibility. In order for B2 to hold

true, there should be compelling arguments that our present responses strategies are capable of stopping our production of these crises if they were to receive sufficient political support.

The third class of beliefs situates stopping our production of these crises in the range of the Knowable Possible. As such, each of the beliefs in this class can be paraphrased as:

- B3      The possibility to stop our production of the economic, ecological and social crises is currently Unknown and therefore Unperformable, but Knowable and Performable.

This position within SSTCP means that it is possible to stop our production of the crises, but that the possibility of doing so is not yet Known to us in a way that makes it Performable. In order for B3 to hold true, two conditions have to be met.

The first is that the present state of scientific knowledge should not make it unlikely that Science will discover new ways to stop our production of these crises. Since we cannot Know what is Unknown but Knowable, there is no way to establish with certainty whether we will come to Know new ways to stop this tendency beforehand. But what *is* Known already can be taken as a measure for expectation. Preferably, that which is already known will indicate that the discovery of such possibilities can be expected. But in order for B3 to hold true, that which is already known should not provide compelling reasons to expect that Science will not discover possibilities to change our tendency to produce these crises sufficiently.

The second condition that would need to be met is that the present political landscape should not make it unlikely that new ways in which we could stop our production of these crises can be discovered by Science, but that they cannot be realized because of a lack of political support. Here, again, we cannot be sure about what is Unknown but Knowable beforehand. But we can take the current political landscape as a measure of expectation. In order for B3 to hold true, the current political landscape should not provide compelling reasons why newly discovered ways to change our tendency to produce these crises sufficiently cannot be Performed.

The fourth class of beliefs situates stopping our production of these crises in the range of the Impossible Unperformable. As such, each of the beliefs in this class can be paraphrased as:

- B4      Stopping our production of the economic, ecological and social crises is Impossible and therefore Unperformable.

This position within SSTCP means that it is impossible to stop our production of the crises and that this impossibility makes stopping our production of the crises Unperformable. In order for B4 to hold true, it should be Known that Reality somehow precludes the possibility of stopping these crises.

## **2.5 Conclusion**

When it comes to stopping our tendency to produce economic, ecological and social crisis, it is not just what we believe about our ability to do so that matters. More important than these beliefs themselves are the implicit assumptions that (1) enable and constrain what types of beliefs we can seriously maintain about the possibility of stopping these crises and (2) determine how these beliefs are validated. Taken together, these implicit assumptions constitute a structure (SSTCP) that governs the way we think about possibilities.

Uncovering this structure is important because it broadens our perception of the problem with these crises. When we are aware of this structure, the problem with these crises is no longer limited to the question whether or not one of the first three positive beliefs about our ability to stop the crises is true (and, if so, which one). It also becomes a problem of whether or not SSTCP supports our search for an effective response to these crises or that it precludes the possibility of such an effective response. The chapters in the second part of this thesis answer these questions.

## Part II

Imagine: the day we will have stopped our tendency to produce economic, ecologic and social crises. More impressive than our spectacular rise to dominance over the planet, we would have found a stable, sustainable, and inclusive way of living *with* our planet. History would be made by saving history. And all sentient life would pass assured of a future for its posterity. Alas, such a day seems nothing but a dream when we have to be realistic.

\* \*  
\*

Chapter two has shown that our ability to stop the production of economic, ecological and social crises depends on two things. The first is the validity of our beliefs about the possibility to stop our production of these crises. If B1, B2 or B3 were to hold true, then we are able to stop our production of these crises or even have stopped it already. But if B4 were to hold true, this would imply that we are unable to stop our production of these crises. Which of these beliefs holds true is determined by whether or not SSTCP's conditions for the validation of each of these beliefs actually obtain in the world as we know it today.

The second thing upon which our ability to stop the production of these crises depends is SSTCP itself. SSTCP does not only enable us to have and validate the four beliefs. It also constrains what we

*can* believe about our ability to stop these crises. In other words, SSTCP defines our perception of the problem in a way that the four beliefs appear to be the only serious options when it comes to stopping our production of the crises. This means that SSTCP would only enable us to stop the production of the three crises if one of the first three beliefs can be validated according to its conditions. If none of these beliefs can be validated, then SSTCP would work against us by rendering us powerless to stop our production of these crises. If this is the case, then we would have to problematize SSTCP itself.

But before we start to problematize SSTCP, we have to see whether or not we are able to stop our production of these crises within the constraints that SSTCP imposes on our perception of the ways in which we could be(come) able to do so. The question, then, is whether one of the first three beliefs can be validated under the conditions of SSTCP given the way things are today or that SSTCP would somehow validate the fourth belief.

The chapters in the second part of this thesis show that the way in which SSTCP governs our perception of the way in which things can be(come) Possible and Performable for us seems to preclude the specific possibility of stopping our tendency to produce economic, ecological and social crises as things stand today. Chapter three argues that it cannot be maintained that [B1] we have already stopped our production of these crises if we look at the effectiveness of our present response strategies. It shows that none of our present response strategies can even be said to address our tendency to produce these crises itself. After that, chapter four argues that it is unlikely that we will be [B2] able to stop our production of these crises through more support for our present response strategies given the current distribution of power between our major institutions. Chapter five argues that it appears to be impossible that we will be [B3] able to change our tendency to produce these crises itself, as the authoritative sciences of economics and business administration hold the driver behind this tendency to be immutable. Chapter six argues that it is in fact [B4] impossible to stop our tendency to produce these crises, as SSTCP presents the driver behind this tendency as a necessity that derives from the fixed and essential structures of Reality.

## Chapter Three

The [B1] belief that we are able to stop our production of economic, ecological and social crises and that we have done so already is probably the most comforting of the four beliefs. For if this belief were to hold true, nothing more would be required of us and we could pride ourselves on a job well done.

But is this belief right? Have we already stopped- or are we in the process of stopping our production of these crises? In order for this first belief to hold true, the specific possibility of stopping our production of these crises must have been Performed already. Under SSTCP, this would imply that political processes must have converted a real possibility to stop the production of these crises into one that is actualized. In practical terms this means that at least one of the responses- or a series of responses that have already been deployed against these crises must have successfully stopped the production of these crises or must be close to doing so.

This belief is not without any ground or merit. There are many examples where our responses to these crises have successfully prevented what could have been disastrous escalations of one the three crises. If governments had not bailed out financial institutions that were too big to fail in 2008, we would not only have plunged into the biggest economic crisis since the Great Depression, but the economy's societal support function also would have ground to a halt. If CFC-aerosols had not been successfully banned through government regulation, the ozone layer likely would have been destroyed beyond a point where life on Earth as we know it would still have been possible. Given these examples of successful responses to these crises, the first belief is not entirely without grounds. It is also not entirely without merit, as the promise that we are close to a solution may be indispensable to sustain the motivation and efforts of those who are working to prevent further escalations of these crises (even if they are not fully successful).

But in order for [B1] to be true under SSTCP, more is needed than specific examples of when our responses to these crises have been successful in averting specific escalations. There would have to be convincing evidence that at least one of our present response strategies has changed or is in the process of stopping our tendency to produce these crises sufficiently *itself*.

There are two ways in which our present response strategies could stop our production of these crises. The first is that they would somehow *intrinsically change* our tendency to produce these crises itself. This would require the driver behind the production of negative economic, ecological and social effects to be eliminated. The second way is that our response strategies would somehow have to *extrinsically contain* our tendency to produce these negative effects in a way that neutralizes its threat.

This chapter argues that, unfortunately enough, none of our present response strategies can be said to stop our production of these crises in either of these ways when their effectiveness is considered in relation to the actual driver behind the production of these crises.

### 3.1 Our Present Responses Strategies

There are many ways in which we have responded to our production of economic, ecological and social crises. The most significant of these responses can be divided into the following five categories of response strategies.

The response strategy of *government intervention* seeks to somehow absorb or compensate for the negative economic, ecological and social effects that create these crises. National governments have, for example, supplied massive bailouts to financial institutions and stimulus checks to consumers in order to prevent a further escalation of the 2008 financial crisis. They have also made substantial investments in renewable energies to off-set the green-house-gas emissions that are driving global warming. And finally, governments invest in security, social work and education or have even acted as an employer of last resort to prevent large scale socio-economic exclusions and social unrest as result of large scale unemployment.

The response strategy of *government regulation* seeks to prevent the production of negative economic, ecological and social effects through legal constraints. National governments have, for example, not only supplied bailouts in response to the 2008 financial crisis, but also sought to reduce the production of systemic economic risks in the future by imposing stricter capital requirements on financial institutions. Likewise, they have issued regulations and introduced tradable emission rights to cap green-house-gas emissions. And finally, governments also develop labor and public safety laws to counter unemployment and social unrest.

The response strategy of *conscious consumption* seeks to reduce negative economic, ecological and social effects by modifying consumption patterns. Consumers are, for example, encouraged to spend more, but keep household debts below affordable levels in order to prevent economic crises. They can also consume sustainable products and services in order to reduce negative ecological effects. And finally, they can purchase fair trade or locally produced products to support farmers and sustain local economies in less developed countries that would otherwise be cut off from global markets or be expropriated by aggressive international investments.

The response strategy of *innovation* seeks to develop technological solutions to control or replace products and processes that contribute to the production of these crises. This strategy is most salient, of course, as a response to the ecological crisis, where the development of renewable energy technologies and sustainable solutions is expected to replace fossil fuel technologies, reduce or end pollution and stop the depletion of natural resources. But innovation is also used as a response to the social crisis, where the discovery and commercialization of new technologies, as well as entrepreneurship, are seen as pre-emptive remedies that can counter large scale unemployment, or where new security technologies are used to prevent and combat crime and social unrest directly. Finally, but much less prominent than the other two, innovation is also seen as a response to the economic crisis where improvements in risk management methods are expected to prevent a recurrence of the financial disasters that we have witnessed in 2008. This strategy relies on human ingenuity, whether that is in an academic, commercial or private setting to develop solutions for these crises.

The response strategy of *corporate (social) responsibility* seeks to curb our tendency to produce these crises by stimulating more responsible decision-making by business(wo)men. This strategy

often takes the form of putting corporate social responsibility (CSR) and ecological themes on the corporate agenda and adding courses on business ethics, sustainability and corporate CSR to business school curricula. In response to the economic crisis, such responsible decision-making should, for example, prevent the development and sale of complex financial products that can be known to create unwarranted systemic risks or to be too difficult to comprehend by risk managers and regulatory bodies. In the case of the ecological crisis, such responsible decision-making is, for example, expected to lead to more sustainable business practices. And in the case of the social crises, such responsible decision-making can be expected to involve businesses in fighting social problems and preventing unemployment. In each of these cases, responsible decision-making is expected to involve businessmen and -women in changing our tendency to produce economic, ecological, and social crises.

### 3.2 Producing Crises: The Current Functioning of Economic Performance<sup>4</sup>

The first reason that these major response strategies are unlikely to have stopped- or to be in the process of stopping our production of economic, ecological and social crises already, is that none of them intrinsically change our tendency to produce these crises *itself*. Their focus even draws our attention away from it.

The five response strategies discussed in section 3.1 focus our attention on institutions and actors they hold responsible for controlling and compensating for our tendency to produce these crises. The economic crisis, for example, tends to be blamed on the laxity of government regulation and the irresponsible behavior of individual bankers and businessmen. The ecological crisis tends to be blamed on overconsumption and the complacency of governments in issuing tougher regulations. And although it is clear that the social crisis is driven by globalization and automation, its victims are often blamed for *their* lack of innovation when they fail to keep up.

Yet it is not the failure of these institutional and individual actors to control and compensate for negative economic, ecological and social effects that drives the production of these crises. Government regulation, the responsible behavior of individual businessmen and conscious consumption can control the production of these crises to some extent indeed. Calls for more of each are therefore more than justified. But it is not the absence or the insufficiency of these controls that *drives* our tendency to produce these crises. Governments, consumers, scientists and individual businessmen are not the ones who bring the negative effects that produce these crises into being *to begin with*. In this sense, blaming the institutional actors and mechanisms that are held responsible for controlling our tendency to produce these crises merely distracts us from addressing the actual driver behind the production of these crises itself.

In what, then, does our tendency to produce economic, ecological and social crises consist? When it comes to our tendency to produce economic, ecological and social crises, we should not be distracted. It must be clear that this tendency is driven by *the current functioning of organized forms of economic production in accordance to the principle of financial performance maximization*. That is, we should, first of all, understand that it are not governments, consumers or scientists, but organized forms of economic production – or, more simply, firms – that bring the negative economic, ecological

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<sup>4</sup> The figures in this section and an adapted version of the discussion have been published in a slightly modified form in my book section *Beyond Business Ethics and Corporate Social Responsibility Courses* (Gijsbertse, 2014)

and social effects into being *to begin with*. Governments may fail to regulate them, consumers may provide them with market demand, scientists may fail to provide them with solutions that lower negative economic, ecological and social effects, but it is the functioning of these organized forms of economic production that drives the production of these negative effects in the absence of such controls in the first place.

The second thing that we should understand about the actual drivers of our tendency to produce these crises, is that it are not so much the actions of individual businessmen, but the principles that govern their actions and decision-making within organized forms of economic production that produce these crises. To be sure, the negative effects of the current functioning of organized forms of economic production are brought about through the actions and decisions of the individuals who work there indeed. But for reasons that will become apparent in chapters five and six, it are not so much the free, moral choices of these individuals, but the principle of financial performance maximization that drives the current functioning of organized forms of economic production in the production of these crises.

This principle of financial performance maximization drives the production of negative economic, ecological and social (side-)effects by imposing financial performance maximization as the overriding objective on every organizational decision.

Every organizational decision has a range of possible effects that can be categorized and qualified along various dimensions. One of these dimensions is the extent in which a decision is expected to maximize financial performance for the individual firm. Another dimension would be the broader economic, ecological and social effects of the decision. In theory, these two dimensions would – if each is divided into five different categories – allow for 25 possible outcomes between the two of them (see figure 3.1).

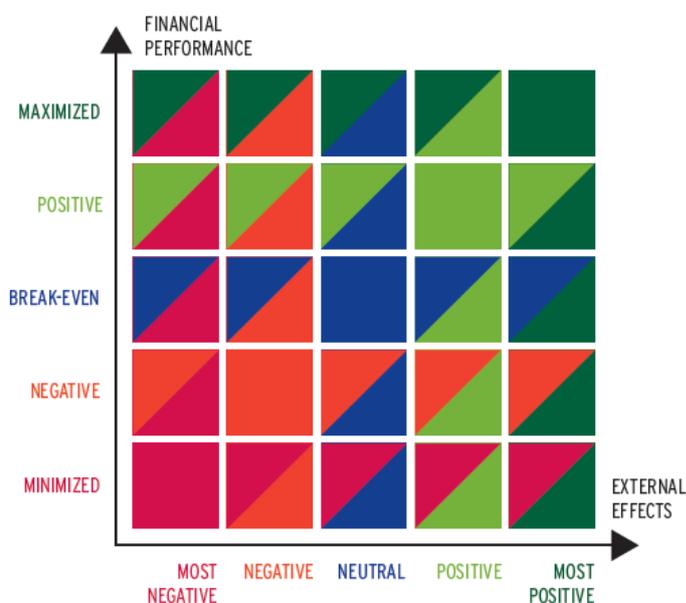


Figure 3.1 All the possible effects of organizational decisions in terms of financial performance and their broader external effects

The firm's individual financial performance runs from "minimized" to "maximized" across the vertical axis and is represented by the top-left triangular part of every possible outcome (with dark-red representing minimized financial performance and dark-green representing maximized financial performance). The broader economic, ecological and social (or external) effects run from "most negative" to "most positive" across the horizontal axis and are represented by the bottom-right triangular part of every possible outcome (with dark-red representing most negative external effects and dark-green representing most positive external effects).

When organizational actions and decisions are governed by the principle of financial performance maximization, however, there are only five possible outcomes that organizational decisions have to strive to achieve. Only those outcomes where the firm's individual financial performance is maximized (depicted in the top row of figure 3.2) will do. The rest are illegitimate.<sup>5</sup>

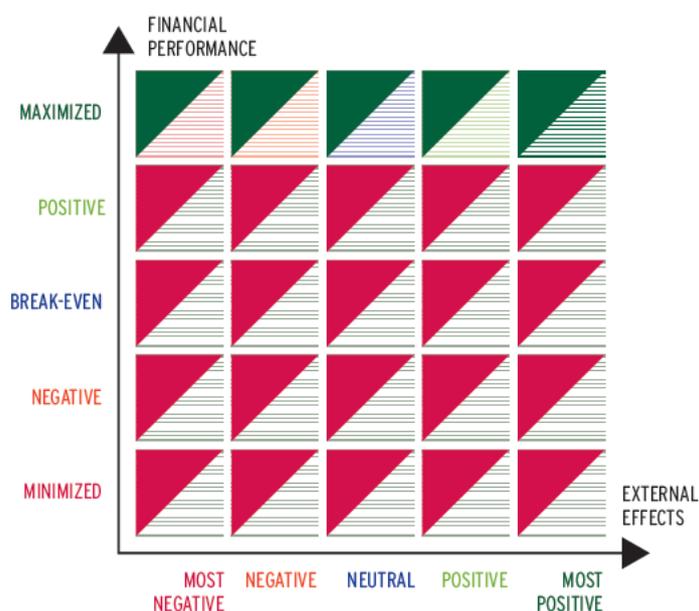


Figure 3.2 The valuation of all the possible effects of organizational decisions under the principle of financial performance maximization

What is more, which of the five legitimate outcomes a decision-maker will actually strive to achieve is determined only by the expected pay-off of the decision alternatives in terms of financial performance alone. If the decision alternative that is expected to maximize financial performance results in positive- or even maximally positive external effects, the decision-maker will have to select this alternative. But if the decision alternative that is expected to maximize financial performance also result in negative- or even maximally negative external effects, then the decision-maker will still have to select this alternative. Strictly speaking, the broader economic, ecological and social effects of each decision alternative are not even considered; they are relevant only to the extent that they have an effect on the firm's financial performance (e.g. when juridical penalties or damaged

<sup>5</sup> Another way of saying this is that, under economic performance, only maximum financial performance is acceptable as a viable outcome. Only the five possible outcomes on the top row of figure 3.2 (the top horizontal row of dark-green financial-performance triangles) will do. The other twelve options, which do not maximize financial performance, are unacceptable (as showed by the red financial-performance triangles in all the other rows in figure 3.2).

corporate reputation would have a negative- or when communicating responsible corporate behavior would have a positive expected effect on the bottom line). In other words, the broader economic, ecological and social effects are irrelevant in- and of themselves.

Because of its indifference to the external effects of organizational decisions, the principle of financial performance maximization does not only drive decision-making in a way that maximizes the firm's financial performance. It also drives the externalization of negative economic, ecological or social effects every time these effects happen to coincide with maximizing expected financial performance. As such, the principle of financial performance maximization also drives organizational decision-making according to an implicit *logic of externalization*:

*Wherever* profit- or shareholder value maximization functions as the overriding principle in organizing and managing economic production, negative economic, ecological and social effects *have* to be externalized *whenever* this is expected to maximize the financial performance of an individual firm.

In practice, this logic of externalization drives the production of negative economic, ecological and social effects in one of two ways. The first is that economic performance (i.e. economic production that is organized around the overriding objective of maximizing the individualized financial performance of single firms) can cause firms to ignore the broader economic, ecological and social effects of their functioning completely. Here, the managerial function is effectively indifferent or even blind to the broader external effects of organizational decision-making. All that matters is that the firm's individual financial performance outcomes are maximized. All the possible outcomes on the bottom five rows are ruled out, because they do not comply with the principle of profit maximization (as is illustrated by the grey striped external-effect triangles in the bottom four rows of figure 3.2). Even the position that organizational decision-making strives to achieve on the top row, will, under economic performance, not depend on the consideration of external effects, but on which of the five options happens to coincide with maximum financial performance. A bank that can profit from selling large amounts of complex financial products that they know are going to lose value in the near future to unwitting customers, *has* to do so if it will maximize their profits. An energy producer that can maximize their returns by seeing their investments in plants that operate on GHG emitting fossil fuels through to the very end of their economic life span, instead of switching to renewable energy technologies early on, *has* to do so under the principle of financial performance maximization. An industrial manufacturer that can cut costs by closing production plants by relocating its production to developing, low-wage countries and firing employees in more economically developed, high-wage countries, has to do so because it will maximize financial performance.

The second way in which the logic of externalization can drive the production of crises in practice is by having decision-makers consider external effects only in an instrumental and subordinate sense. Here, the same logic still applies, albeit in a more comprehensive and sophisticated way. The external effects of organizational decision-making *are* considered, but only to the extent that they affect the financial performance outcomes of the focal firm. A financial institution that operates under the principle of financial performance maximization can, for example, consider the broader external effects of the products they sell for the broader economic system. But it will do so only to the extent that these effects can be expected to affect their own financial performance: only if these products

will eventually hurt their own financial performance, they would have to refrain from selling them. But if they can profit from selling them in the short run and protect themselves against- or even profit from the expected negative, broader economic effects of these products in the long run, they will have to do so. An energy company may invest in renewable energy when subsidized, but switch back to fossil fuels when the subsidies are discontinued and fossil fuels offer better margins. A manufacturer of goods may create jobs in a specific region when unemployment is high and labor costs are low, but they will relocate once labor costs are significantly cheaper elsewhere.

The fact that none of our present response strategies intrinsically changes this current functioning of economic performance in the production of these crises (henceforth: *CFEPPC*) itself suggests that it is difficult to maintain the [B1] belief that our present response strategies have already stopped- or are in the process of stopping our tendency to produce the three crises. As long as the principle of financial performance maximization continues to drive organized forms of economic production to externalize negative economic, ecological and social effects whenever that maximizes financial performance, these response strategies cannot be said to have intrinsically *changed* our tendency to produce these crises. And as long as these response strategies have not intrinsically changed this tendency, it seems that it cannot be said that we have already stopped or that we are in the process of stopping our production of economic, ecological and social crises.

### **3.3 Extrinsic Containment & The Current Failure of Our Present Response Strategies**

Though none of our major response strategies changes the current functioning of economic performance itself, there is still a way in which B1 could hold true. Stopping the production of economic, ecological and social crises does not necessarily require an intrinsic change of the current functioning of economic performance. It can also be accomplished if the way in which it drives the production of negative external effects would be fully contained somehow. If one or more of these response strategies has succeeded or is succeeding in doing so, then B1 would still be correct in asserting that we have already stopped our production of these crises.

This second way of stopping our production of economic, ecological and social crises is also much more likely to validate B1. This is because each of our present response strategies is in fact intended to contain the current functioning of economic performance rather than to intrinsically change it. When governments intervene, they often do so to absorb and compensate for the negative economic, ecological and social effects that have been produced by economic performance. When governments regulate, they seek to curb the production of these negative effects. When consumers consume more consciously, they seek to pressure organized forms of economic production to reduce their negative external effects. When scientists innovate in response to these crises, they seek to substitute the processes and products of economic performance that produce negative economic, ecological and social effects with ones that do not or do so to a lesser extent. When business schools teach business ethics, corporate social responsibility (CSR) and sustainability courses, they do so in an attempt to control the production of negative effects in the current functioning of organized forms of economic production through more responsible managerial decision-making.

Many of these response strategies have proven themselves capable of preventing economic, ecological and social catastrophes. If governments had not intervened with bailouts, the 2008 crisis would probably have escalated into a financial meltdown that would not only have plunged the economy into the biggest economic downturn since the Great Depression, but also undermined the

economy's societal support function. Without minimum wage regulations, Western nations would probably not have been able to evolve into stable, oppression-free social orders with the rise of industrialization. If CFC-aerosols had not been successfully banned by regulations of most national governments, the ozone layer would likely have been destroyed beyond a point where life on Earth, as we know it, would still be possible.

There are also many occasions where these response strategies have succeeded in reducing some of the negative economic, ecological and social effects of the current functioning of economic performance. Conscious consumption of fair trade products has, for example, successfully supported farmers who were struggling and/or vulnerable to exploitation in less developed countries. Technological innovation has enabled the replacement of a portion of GHG-emitting energy sources with clean and renewable energies. Finally, more and more of the largest firms are now reporting on corporate social responsibility and sustainability issues and an increasing percentage of the world's leading business schools is teaching business and society issues as an integral part of their curricula.<sup>6</sup>

But although there is certainly some efficacy to these response strategies, there are also compelling arguments to claim that these our response strategies have not [B1] Performed the possibility of stopping our production of these crises. They may have managed to avert particular economic, ecological and social catastrophes and reduced specific negative economic, ecological and social effects, but they have not neutralized the overall threat of the three crises. Government bailouts may have saved the economy in 2008 and government regulations may have reduced the risk at another economic crisis by raising capital requirements for financial institutions, but the systemic risks that could trigger another financial crisis similar to that of 2008 continue to exist.<sup>7</sup> Similarly, government regulations and innovations may have successfully banned CFK-aerosol emissions, but the same response strategies have not managed to stop total anthropogenic GHG emissions to rise at an accelerating pace.<sup>8</sup> And finally, the expected rises in unemployment as a result globalization and automation (Frey & Osborne, 2013) is scarcely being addressed by any of the five response strategies. So although it is tempting to take the specific successes of our present response strategies as evidence that we can contain CFEPPC, the [B1] belief that our present response strategies have already stopped our tendency to produce these crises cannot be maintained.

### 3.4 Conclusion

Our production of economic, ecological and social crises is not primarily caused by lax government regulation, overconsumption, lagging innovation or a lack of responsibility in and of themselves. Rather, it is the current functioning of economic production in accordance to the principle of financial performance maximization (i.e. economic performance) that drives the externalization of the negative economic, ecological and social effects that creates these crises to begin with.

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<sup>6</sup> Where only 35% of the 250 largest companies in the world reported on corporate responsibility in 1999, 93% does so in 2013 (KPMG, 2013). And where only 34% of elite business schools had courses with social, ethical and ecological content in their programs in 2001, 79% did in 2011 (The Aspen Institute, 2011).

<sup>7</sup> Christine LaGarde (head of The International Monetary Fund) recently stated that problems with firms that are too big to fail still persist and that it would be much safer if capital requirements would be raised an additional 2,5 % beyond the Basel III agreements (LaGarde, 2014). In addition, shadow banking (which is not subject to government regulation and also a source of systemic risk) still makes up 25% of all financial intermediation (Financial Stability Board, 2013).

<sup>8</sup> '[A]nnual GHG emissions grew on average by 1.0 gigatonne carbon dioxide equivalent (GtCO<sub>2</sub>eq) (2.2 %) per year from 2000 to 2010 compared to 0.4 GtCO<sub>2</sub>eq (1.3 %) per year from 1970 to 2000' (IPCC, 2014, p. 6).

Stopping our production of these crises would therefore require us to either intrinsically change or extrinsically contain this current functioning of economic performance in the production of these crises (CFEPPC). Unfortunately enough, our present response strategies have not managed to do so yet. None of them addresses CFEPPC itself. Nor does one of them manage to successfully control or compensate for CFEPPC. Therefore the first [B1] belief in our ability to stop our production of these crises cannot be maintained under SSTCP. This means that, in order for it to be possible for us to stop our production of these crises under SSTCP, it should either be [B2] possible to render the response strategies that are already available to us effective through more support or to [B3] discover new response strategies that can be effective with enough support.



## Chapter Four

Though chapter three has shown that the [B1] belief that our present response strategies can and already have stopped our production of economic, ecological and social crises is untenable, it could still be that [B2] these response strategies could be able to stop the production of these crises if they were to receive more support. In other words, it could be that stopping our production of the three crises is Unperformed but Performable. In order for this to be the case, it should be possible to somehow render these response strategies effective to the point that they would be able to either intrinsically change or extrinsically contain the current functioning of economic performance in the production of these crises successfully.

Unfortunately, this is unlikely to be the case for two reasons. The first is that each of the response strategies tactically depends on the principle of financial performance maximization for whatever control they can exercise over CFEPPC (which effectively rules out their ability to intrinsically change economic performance). The second reason is that the institutional actors upon which each of these response strategies relies are powerless to extrinsically contain CFEPPC.

### 4.1 The Belief in More Political Support

The [B2] belief that more political support could render our present response strategies effective at stopping our production of economic, ecological and social crises takes a different form for each response strategy. Specified to the response strategy of government intervention, this belief holds that the negative economic, ecological and social effects produced by CFEPPC could be absorbed and compensated for, if only politicians would (be moved by voters to) commit more money to financial stability funds and economic recovery packages, to covering the costs of ecological disasters, investing more in clean energy and to making further investments in education, struggling local economies or to be prepared to act as an employer of last resort.

Specified to the response strategy of government regulation, this belief holds that a further escalation of the economic, ecologic and social crises could be contained, if only politicians would (be moved by voters to) agree to issue regulations that impose stricter capital requirements, allow for lower emission levels and tougher labor market laws.

Specified to the response strategy of conscious consumption, it holds that further escalations of the economic, ecologic and social crises could be avoided, if only consumers (and consuming parties) would manage their debts more responsibly and would “vote with their wallets” by buying more ecologically friendly products and services, clean energy and fair trade, local products more often.

Specified to the response strategy of innovation, the second belief holds that it is possible to replace the elements of economic performance that produce negative economic, ecologic and social effects, if only more funds and time would be allocated for research and projects on more advanced risk management methods, renewable energy- and sustainable manufacturing solutions and commercializable innovations and human capital development.

Specified to the response strategy of corporate (social) responsibility, this second belief holds that it would be possible to control CFEPPC, if only corporate boards would grant more support to

CSR and sustainability initiatives and business schools would teach more courses with business ethics and corporate social responsibility content.

Though some of these specified beliefs appear to be naive at face-value, others seem to be rather convincing. Why would political agreement about higher capital requirements to prevent future escalations of economic crisis, a switch to more ecological friendly consumption patterns to prevent further escalations of the ecological crisis and investments in education and struggling local economies to prevent future escalations of the social crises be unlikely?

#### **4.2 Tactical Dependence on Economic Performance**

The first reason why our present response strategies not only fail to [B1] intrinsically change CFEPPC sufficiently right now, but are also unlikely to [B2] stop CFEPPC if they were to receive more support, is that all of these response strategies except government intervention rely on the very principle of financial performance maximization for their effectiveness themselves. Instead of changing economic performance intrinsically, they tactically depend on the principle of financial performance maximization to control CFEPPC to the extent they can.

*Government regulation* relies on the principle of financial performance to enforce compliance from firms to regulations like capital requirements, emission levels and labor policy. Though regulations can be regarded as norms that ought not to be violated in principle, this is not how regulations manage to control economic performance. Under the principle of economic performance, firms can factor the financial consequences of breaching regulations into business decisions as just another trade-off in striving to maximize financial performance.<sup>9</sup> Government regulation, therefore, will only tend to succeed at controlling CFEPPC when it manages to rearrange the pay-off structure of financial performance in such a way that firms will maximize their financial performance in conjunction with neutral or positive external effects. As such, the response strategy of government regulation is unable to change CFEPPC intrinsically, because it depends on the very principle of financial performance maximization for its efficacy.

*Conscious consumption* also relies on the principle of financial performance for its positive effects. Where government regulation seeks to modify the financial pay-off structure by backing regulations with financial penalties, conscious consumption seeks to do the same by starving market demand for products and services that produce negative economic, ecologic and social effects and promoting it for products and services that produce neutral or positive external effects. As such, the response strategy of conscious consumption also cannot change CFEPPC intrinsically, as it, too, depends on the principle of financial performance maximization for its efficacy.

*Innovation* depends on the principle of financial performance maximization for its dissemination. Since organized forms of economic production produce the three crises to begin with, innovations can only reduce the production of these crises if organized forms of economic production adopt them. But in order to be adopted by organized forms of economic production that function according to the principle of financial performance maximization, innovations must manage to create more

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<sup>9</sup> See Bakan (2004, pp. 60–84) for examples of how the principle of financial performance maximization drives corporations to externalize negative ecologic and social effects in spite of breaching regulations and quotes from businessmen who confirm that ‘[i]f the chance of getting caught and the penalty are less than it costs to comply, our people think of it as being just a business decision’ (p. 80).

favorable pay-off structures first. Renewable and clean energy technologies could contribute greatly to the reduction of negative ecologic effects. But until they are commercially viable in the sense of maximizing financial performance maximization, they will not be developed and disseminated by firms. The response strategy of innovation therefore does not change CFEPPF, as it depends on a rearrangement of the pay-off structure and the principle of performance maximization to become effective.

Finally, *corporate responsibility* also seems to rely on the principle of financial performance maximizations for its success in much the same way as innovation. Where corporate responsibility has gained significant traction in changing CFEPPC, it has generally done so in the service of- and thanks to an enlightened application of the principle of financial performance maximization. In general, corporate social responsibility has been promoted and proliferated in business practice by selling “the business case” for corporate social responsibility. That is, by finding social responsibility or sustainable solutions that also maximize the financial performance of individual firms. In addition, scholars who have advocated the integration of corporate responsibility into business education (e.g. Willard, 2004) and business practice (Carroll & Shabana, 2010; Willard, 2002) have often made their case by arguing that it would increase financial performance. As such, the response strategy of corporate (social) responsibility does not change CFEPPC intrinsically either, as it also depends on its ability to rearrange the pay-off structure and the principle of financial performance maximization in order to become effective just like innovation.

#### **4.3 Relative Powerlessness of Institutional Actors against Economic Performance**

The second reason why our present response strategies not only fail to [B1] control or compensate for CFEPPC sufficiently right now, but are also unlikely to [B2] stop CFEPPC if they were to receive more support, is that all the institutional actors upon which these response strategies depend have become relatively powerless against economic performance. Though they are able to control economic performance to some extent, they are unable to exercise enough influence over it to stop its current functioning in the production of economic, ecological and social crises.

Governments only have a limited capacity to absorb or compensate for the negative economic, ecologic and social effects of the current functioning of economic performance through interventions. The bailouts in the wake of the 2008 financial crisis have raised government debts to levels where another crisis of a similar magnitude can no longer be absorbed by them. By the same token, governments also cannot absorb and compensate for all the costs of climate change and large scale unemployment. The economy has simply grown too big for governments to cover all the negative economic, ecologic and social effects produced by the current functioning of economic performance.

Governments are also constrained in their capacity to impose tougher regulations on CFEPPC due to two sets of limitations. The first is that the government’s span of regulatory control over economic performance is limited by a series of constraints. To begin with, there is the problem of jurisdiction. Whereas the production of crises by the current functioning of economic performance is increasingly becoming a global problem, national governments only have regulatory jurisdiction within their own national borders. A western government cannot impose ecological regulations on Chinese companies. Nor can the Chinese government impose regulations on the financial markets of London and New York. There is also a problem of enforcement. Because of the size of the private sector

relative to governments in general, and regulatory bodies in particular, governments often lack the capacity to fully check and enforce compliance to regulations. Finally, there is the problem of regulatory lag. Even if governments would have enough jurisdiction and enforcement to impose tougher regulations at one particular point in time, the principle of financial performance maximization will still drive economic performance to evolve new modes of externalization much faster than regulatory bodies are able to keep up with.

The second set of limitations that constrains governments in their capacity to impose tougher regulations on CFEPPC is that they depend on economic performance for their own income (through taxation) and political legitimacy (based on popular approval and democratic election). When the national economy suffers, governments will lose the tax revenues they need in order to cover their own expenses and the political legitimacy that is required to remain in office. These dependencies limit the capacity of governments to impose tougher regulations on CFEPPC; as such regulations often incur additional costs on domestic firms, decreasing their profits and competitive strength relative to other firms in the global economy. As a result, tougher regulations often diminish the performance of the national economy as a whole. Therefore governments will not – on pains of losing income and political legitimacy – impose regulations on domestic firms when this would substantially decrease the overall performance of their national economy – even if these regulations would successfully curb CFEPPC. Take, for example, the U.K.'s opposition to stricter EU financial regulations (see Masters, 2013); the U.S.'s and China's nonparticipation in- and Canada's later withdrawal from Kyoto; the poor labor market regulations and even poorer *de facto* protection of worker rights in low-wage countries. In each case, national governments refrain from stricter regulation, because it will hurt the profits and the competitive position of domestic firms, which would hurt their national economy in ways that will reduce their income and undermine their political legitimacy.

Consumers suffer from another form of powerlessness against CFEPPC. This particular form of powerlessness results from a number of asymmetries between organized forms of economic production or firms and consumers. The first are asymmetries in information.<sup>10</sup> In order for consumers to know which part of their consumption patterns to change in order to reduce the negative external effects of their consumption, it needs to be transparent what kind of economic, ecological or social effects the production and consumption of these products and services have. Whereas firms know all the activities that have been a part of their production process, consumers often have far less information to go on when they make their purchasing decisions.

The second asymmetry is time. Organized forms of economic production often have several employees, if not entire departments and business units that devote their full-time attention to the production and marketing of one particular product or service. Consumers, on the other hand, purchase hundreds (if not thousands) of different products and services in what are often the margins of their time-off (from work). As a result of these asymmetries in time and information, consumers will not be able to assess and incorporate the broader economic, ecological and social effects of the production and consumption of their purchased products and services sufficiently in the process of making purchasing decisions.

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<sup>10</sup> The notion of asymmetries in information derives from the pioneering work of Joseph Stiglitz in economics (see Stiglitz, 2002 for an overview), but is adapted and extended here in a number of ways to explain the relative powerlessness of consumers against CFEPPC.

Finally, there are also asymmetries in rational capacities. Psychologists and economists have acknowledged that human beings are characterized by bounded rationality for quite some time now. The absence of perfect rationality gives rise to various degrees and kinds of rationality that are exercised in decision-making. When it comes to purchasing decisions, consumers are losing ground to the institutionally supported, scientifically informed, and technologically aided rational capacities of firms to influence these decisions. Already suffering from a disadvantage in time and information, the often irrational and impulsive purchase-decisions of consumers are up against marketing departments with advanced processes for testing promotional strategies. These strategies are more and more often based on scientifically supported insights in consumer behavior and aided by technologies like neuromarketing research that bypass conscious thought to tap straight into unconscious triggers for purchasing decisions.

Innovation is powerless against CFEPPC in various ways. These ways depend on the institutional locus where innovation is expected. Academic institutions that develop innovations in response to the crises are relatively powerless against economic performance. To the extent that they are engaged and successful in discovering solutions for these crises, they cannot force these on organized forms of economic production. They depend on organized forms of economic production for their adoption. But academic institutions are also becoming to more and more dependent on economic performance for the very ways in which they can focus on innovations in response to these crises, as they are increasingly pressured to acquire their funding from third parties (see Gijsbertse, 2011 for a critical discussion). When, on the other hand, innovation takes place within organized forms of economic production, it can actually benefit from the institutional power of economic performance to speed up its dissemination. But in this case, it is not innovation itself as a response to the crises, but economic performance that determines the pace of its dissemination.

Finally, corporate responsibility is powerless against economic performance in much the same way as innovation. Business school faculty that research and teach corporate responsibility cannot impose their findings and teachings on organizational decision-making within organized forms of economic production. And when firms engage in corporate responsibility themselves, their institutional power may certainly boost its positive impact, but it will also tend to be the principle of financial performance maximization that informs and governs the limited search for CSR and sustainability initiatives rather than true corporate responsibility for the negative external effects of economic production.

#### **4.4 Conclusion**

The unlikelihood that our present response strategies would be able to stop our production of economic, ecological and social crises with more support seems to place the solution to these crises outside of what is Performable according to SSTCP. Where the first belief about our ability to stop the production of economic, ecological and social crises could be refuted, the second is more difficult to disprove. In theory, each of our present response strategies could potentially stop our production of these crises if they were to receive more support. But they are not able to do so by intrinsically changing economic performance, as all of them except government intervention rely on the very principle of financial performance for their efficacy. It could still be possible for these strategies to extrinsically contain CFEPPC. But this seems to be unlikely, as each of the institutional actors upon which these strategies depend is relatively powerless against the current functioning of organized

forms of economic production. This means that the only way in which it could still be likely to be possible for us to stop our production of these crises under SSTCP, is if we would be able to [B3] discover new response strategies that can change CFEPPC.

## Chapter Five

The discussions in the previous two chapters seem to leave us with only one more way in which we could stop our production of economic, ecological and social crises. If the [B1] belief that we have already stopped our production of economic, ecological and social crises cannot be maintained and if the [B2] belief that we could stop it if we would have more support for our present response strategies is unlikely to hold true, then we would have to be able to [B3] discover new response strategies that can be effective in order to stop the production of these crises. In other words, stopping our production of the economic, ecological and social crises must be currently Unknown and therefore Unperformable, but Knowable and Performable.

In order for this third belief to hold true under SSTCP, two conditions would have to be met. The first is that the present state of science should not imply that it is Impossible to discover novel response strategies that could successfully change or contain CFEPCC. The second is that, if this first condition is met, the present distribution of power should not suggest that this newly discovered response strategy is unlikely to be implemented (i.e. Performed) successfully in practice.

This chapter argues that, unfortunately, neither is likely to hold under SSTCP. It is unlikely that we will discover novel response strategies that are able to extrinsically contain CFEPCC, because of the relative powerlessness of other institutions against organized forms of economic production. And it seems impossible to discover response strategies that could successfully change CFEPCC intrinsically, based on what the authoritative sciences of economics and business administration present as Known about economic performance.

### 5.1 Discovering novel Ways of Extrinsic Containment and Institutional Powerlessness

It is certainly possible that Science discovers novel ways in which CFEPCC could be contained in theory. There are plenty of examples of new theoretical solutions to control or compensate for the production of negative economic, ecological and social effects that have been discovered in recent years. Shared responsibility mortgages,<sup>11</sup> for example, could contain the systemic economic risks produced by the current functioning of financial institutions. Geo-engineering could compensate for the negative ecological effects produced by the green-house-gas emissions of industry. Basic income could absorb the negative social effects produced by economic-performance-driven globalization and automation. These examples do not guarantee further discoveries, of course, but it is likely that there will be others like them.

Yet the problem with these novel responses that could extrinsically contain CFEPCC is that they still need to find sufficient support in order to be deployed effectively. Newly discovered possibilities to contain CFEPCC add to the Known by uncovering new possibilities that could work in theory. But in order for these possibilities to work, they still need to find sufficient support through Politics before they can be successfully Performed. Even if shared responsibility mortgages, geo-engineering, and basic income prove to be sound on paper,<sup>12</sup> it is unlikely that governments will support them through

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<sup>11</sup> Not a completely novel idea, but one that has been repropounded and defended more extensively by Mian and Sufi (2014, p. 169ff).

<sup>12</sup> This is stated as a hypothetical. A case could be made for each of these responses, but such an argument won't be developed here as the theoretical efficacy is not relevant for our current line of reasoning.

regulatory changes and investments in practice. When such discoveries are based on some sort of *extrinsic* containment of CFEPPC, they require an institution outside organized forms of economic production that is powerful enough to control or compensate for CFEPPC. Whether this is possible or not cannot be decided upfront for all the possible discoveries that Science could make [The Unknown Knowable] beforehand. But, it seems likely that newly discovered theoretical responses for the extrinsic containment of CFEPPC still bring us back to the problem of the relative powerlessness of other institutional actors against CFEPPC (see chapter four). So although the discovery of novel response strategies for the extrinsic containment of CFEPPC could stop our tendency to produce these crises in theory, it is unlikely that this will validate the third belief that we will be able to discover a novel response that actually enables us to successfully stop the production of these crises in practice.

## **5.2 Discovering Novel Responses for Intrinsic Change and the Authoritative Sciences**

The only way that the third belief could still be validated, then, is if it were possible to discover some novel way to change CFEPPC intrinsically. That is, if we are to prevent a further escalation of the economic, ecologic and social crises, it should be possible to discover a way to change the current functioning of organized forms of economic production in a way that it would no longer maximize individualized financial performance at the expense of externalizing negative economic, ecological and social effects.

Unfortunately enough, SSTCP seems to preclude the possibility of such a change. Changing the principles of economic performance is not just something we do not know how to do yet (Knowable Unknown). Rather, it is something that the authoritative sciences of economics and business administration appear to present as Known to be Impossible in two ways.

### *5.2.1. Intrinsic Change and The Argument from Human Nature*

One way in which Science may *seem* to support the notion that changing economic performance is Impossible, is the widespread but mistaken belief that economics shows us that human behavior is essentially self-interested in the narrow sense of the term. Tell the average person who has not studied mainstream economics that we should somehow change the current functioning of economic performance itself in order to stop our production of economic, ecological and social crises and he will respond that this is impossible because of the nature of human behavior. He will typically argue along the line that organized forms of economic production cannot but function as they currently do, because the principles of financial performance maximization is simply the invariable expression of man's self-interested nature. When pressed to support this claim, he or she is likely to say that this is what mainstream economics teaches us about human behavior and -to point to the reward schemes in large corporations and the behavior of top managers for empirical illustration.

Though this belief misrepresents contemporary economics, it is not that surprising considering the history of economic theory. Prominent economists have, in the not so distant past, summarized their research findings and theories about human behavior with rather sweeping statements about its self-interestedness. Nobel laureate George J. Stigler, for example, stated 'Let me predict the outcome of the systematic and comprehensive testing of behavior in situations where self-interest and ethical values with wide verbal allegiance are in conflict. Much of the time, most of the time in fact, the self-interest theory [...] will win' (1981). Likewise, Gordon Tullock, who was one of the pioneers in applying economic thought to political issues, claimed that 'the average human being is

about 95 percent selfish in the narrow sense of the term' (1976, p. 12). With a history of such statements by prominent economists, it is not surprising that people have come to believe that economic theory holds human behavior to be essentially self-interested.

But as widespread as the belief in the impossibility of changing economic performance based on this argument from human nature may have become, it is unsound and misrepresents contemporary economics. Have an economist respond to the average person's line of reasoning above, and she will, first of all, say that its conclusion does not follow from its premise. The argument is unsound, she will tell you, because it does not follow from the supposed rational, self-interest maximizing nature of human behavior that firms invariably function in accordance to the principle of profit maximization. To begin with, even if the intention of human behavior would be fixed as such, this could lead to a range of alternative outcomes. People cannot predict the future. Therefore they can only maximize expected returns, which, depending on contextual circumstances, could lead to sub-optimal or even negative financial performance outcomes. Furthermore, a substantial and prominent strand of literature on what is known as the 'principal-agent problem' tells us that managers and other organizational members without shares are likely to act in conflict with this goal whenever that maximizes their own self-interest. Instead of teaching that the maximization of a firm's financial performance inevitably results from man's self-interested nature, this approach teaches how to maximize the firm's financial performance in spite of the self-interested nature of non-shareholding organizational members.<sup>13</sup>

More importantly, the economist will also say that the first premise – although it may indeed have been advanced by Stigler and Tullock – has long been abandoned by mainstream economics. Of the many examples the literature provides to illustrate this discardment of the assumption of narrow self-interest,<sup>14</sup> the strongest is probably provided by Gary Becker. Receiving the Nobel prize in economics in 1992 'for having extended the domain of microeconomic analysis to a wide range of human behavior and interaction, including nonmarket behavior',<sup>15</sup> Becker often figures as the usual suspect for critical intellectuals and social scientists who seek to illustrate that economic theory assumes human behavior to be narrowly self-interested with the work of a prominent and popularly publicized economist.<sup>16</sup> Ironically, however, Becker explicitly distantiates his work from this assumption in his Nobel lecture titled *The Economic Approach to Human Behavior*: 'the economic approach I refer to does not assume that individuals are motivated solely by selfishness. [...] Behavior is driven by a much richer set of values and preferences' (1993, p. 385). So instead of supporting the belief that economic performance is immutable because of human nature, contemporary economics can serve to displace this outdated belief.

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<sup>13</sup> The literature and courses on corporate governance have for a long been- and still continue to be based on what Jensen & Meckling's (1976) have developed as "agency theory", which promotes the alignment of self-interests by, for example, granting stock options and shares to organizational members.

<sup>14</sup> Other examples can be found in Binmore (1994, p. 19), who, in commenting on the same quote, says that 'Stigler seems to me a windmill at which it is pointless to tilt. Not even in Chicago are such views given credence any more' and Coyle (2010).

<sup>15</sup> Quote from the Nobel prize committee.

<sup>16</sup> Becker is the usual suspect because much of his work has been dedicated to extending what he calls "the economic approach to human behavior" to areas commonly not associated with economics (e.g. crime and punishment, marriage, and terrorism). See Becker (1993) and Becker and Posner (2009) for examples of such analyses and Achterhuis (2010, pp. 107–109) for an example of the accusation to his address that human behavior is essentially driven by self-interest.

### 5.2.2. *Intrinsic Change and Milton Friedman's Support of Financial Performance Maximization*

Yet although economic theory no longer supports the argument from human nature, it still sticks with the conclusion that CFEPPC is immutable for another reason. Having corrected the average person's line of reasoning, the economist will quickly hurry to add that the current functioning of economic performance cannot be changed nevertheless. For, as she will continue to explain, economic behavior may very well be motivated by a much wider and nobler set of preferences than narrow self-interest (cf. Becker, 1993), but it will still have to maximize financial performance when it enters the sphere of economic production, lest – as mainstream economic theory holds – it will be selected out by the selection pressures of competition.

The economist's argument follows a shift in economic thought that has taken place most notably and influentially through the work of Milton Friedman. Also a Nobel laureate in economics and widely known for his popular works and influence on economic policy, Friedman's name has become close to synonymous with the principle of profit maximization – a reputation Friedman earned by supporting profit maximization as *the* principle for governing organized forms of economic production on many occasions and in a variety of ways. One of these ways replaces the argument from human nature with an argument based on natural selection.

But before we discuss this argument, it is instructive to see how the other arguments with which Friedman has supported the principle of profit maximization relate to the apparent immutability of economic performance. For it are mostly these other arguments that tend to be targeted by critiques on Friedman's support for the principle of profit maximization, while none of these other arguments render the current functioning of economic performance immutable in the same way (effectively making the critiques of these other arguments superfluous for the problem at hand).

Friedman is probably best known, or even notorious for supporting the principle of profit maximization with the normative claim that businesses and businessmen have a social responsibility *only* to maximize profits. This claim is based on moral arguments why businessmen *ought* to maximize profits. In *Capitalism and Freedom* (1962), which has been reprinted twice with twenty-year intervals, Friedman claims that there is 'one and only one social responsibility of business – to use its resources and to engage in activities designed to increase its profits so long as it stays within the rules of the game, which is, engages in open and free competition, without deception or fraud' (p. 133). According to Friedman, failing to do so – i.e. situations where corporate officials were to accept 'a social responsibility other than to make as much money as possible' – could thoroughly 'undermine the very foundation of our free society' (Friedman, 1962, p. 133). And in his influential New York Times Magazine article titled *The Social Responsibility of Business is to Increase its Profits* (1970), where Friedman repeats the exact same claim, he adds that 'a corporate executive [...] has a direct responsibility to his employers and to conduct business in accordance to their desires, which generally will be to make as much money as possible while conforming to the basic rules of society' (p. 122). These arguments imbue the current functioning of economic performance with normative necessity. That is, the financial performance of organized forms of economic production ought to be maximized, as this is the moral thing to do.

Unlike the argument from human nature, these moral arguments do not render the current functioning of economic performance immutable, however. Rather, if these arguments would be the only reason for its immutability, a compelling moral counter-argument would suffice to change it.

Indeed, in the context of corporate governance and business ethics debates, those critics who take a concern for the broader economic, ecologic and social environment of business typically pursue such a normative critique of Friedman and the profit maximization principle (Freeman et al., 2010, p. 222ff).

Another way that Friedman has supported the principle of profit maximization is as an empirically validated hypothesis. Here, Friedman does not make the normative claim that firms *ought* to maximize profits, but the positive claim that this *is* what firms actually do indeed. In *On The Methodology of Positive Economics* (1953a, pp. 3–43, henceforth F53), a text considered to be the twentieth century's most influential work on economic methodology (Mäki, 2009a, p. xvii), Friedman writes that:

An even more important body of evidence for the maximization-of-returns hypothesis is experience from countless applications of the hypothesis to specific problems and the repeated failure of its implications to be contradicted (F53, pp. 22–23).

The text stresses that this is the most important argument for the maximization of returns hypothesis. But like Friedman's normative arguments, this is not a decisive argument in support of the immutability of economic performance either. To say that empirical research has confirmed (or at least failed to refute) that firms actually maximize profits may seem to be a strong argument for the immutability of economic performance. For if this is what empirical study has found, it must be the way the world works. But in terms of the immutability of economic performance, such findings are far from decisive. No matter how many times firms have been found to act in accordance to the principle of profit maximization, it does not mean that their current functioning cannot be changed.

### 5.2.3. *Intrinsic Change and The Selection Argument in Economics*

The only way in which Friedman has supported the principle of profit maximization that actually renders the current functioning of economic performance immutable is based on his selection argument. Where his other arguments claimed that firms *ought* to maximize profits or that this *is* actually how they function, this argument concludes that firms *have* to maximize their profits, lest they will succumb to the selection pressures of competition.

This selection argument plays a crucial role in F53, as it grounds Friedman's illustration of his as-if methodology with the example of profit maximization and resolves one of the big debates in economics of the time. It is worthwhile to situate Friedman's selection argument in the context of this debate, as it is through this debate and the methodological twist with which F53 resolved it that economics has come to abandon the argument from human nature and reaffirmed the necessity of financial performance maximization in an entirely novel way.

Within the confines of the text, the hypothesis that firms maximize their profits seems to figure merely as an illustrative example of the methodology that Friedman advocates. What is more, the selection argument seems to be presented as an auxiliary argument to corroborate the much more important empirical argument of the 'countless applications of the [profit] maximization hypothesis (F53, pp. 22-23). In the broader context of the debates within economics at the time, however, this argument plays a decisive role in defending against the anti-marginalist critique of the marginalist theory of the firm (Vromen, 2009, p. 258). The marginalist theory of the firm held that firms maximize profits through rational calculations of marginal cost and marginal revenue based on the

relevant cost and demand functions in all business decisions (cf. F53, p. 21). Empirical studies by anti-marginalist, however, had found that businessmen did not literally behave like this in practice, but rather tended to follow rules of thumb. Based on these findings, the anti-marginalists called for discarding the profit maximizing theory of the firm. In effect, the anti-marginalists thus attacked the profit maximization assumption in a way that undermined its support from assumptions about the nature of human behavior. For our present purposes, it is important to note that this displaces the idea that the current functioning of economic performance is immutable because of the nature of human behavior. More generally, however, the anti-marginalist's findings posed a significant problem for economics, as they showed that many mainstream economic theories and policy recommendations were based on assumptions that were empirically incorrect.

Within the broader context of the debate, Friedman's methodology defends the profit maximization assumption against the anti-marginalists' charge with a profound and decisive shift in reasoning. Friedman does not attempt to salvage the profit maximization assumption by arguing against the findings of the anti-marginalists. In fact, he readily admits that businessmen do not actually and literally engage in the type of rational decision-making processes that the marginalist theory of the firm projects on them. Instead, he advances the argument that businesses act in accordance to the principle of profit maximization because they have to, given the natural selection pressures of competition:

[U]nless the behavior of businessmen in some way or other approximated behavior consistent with the maximization of returns, it seems unlikely that they would remain in business for long. Let the apparent immediate determinant of business behavior be anything at all – habitual reaction, random chance, or whatnot. Whenever this determinant happens to lead to behavior consistent with rational and informed maximization of returns, the business will prosper and acquire resources with which to expand; whenever it does not, the business will tend to lose resources and can be kept in existence only by the addition of resources from outside. The process of "natural selection" thus helps to validate the hypothesis – or, rather, given natural selection, acceptance of the hypothesis can be based largely on the judgment that it summarizes appropriately the conditions for survival (F53, p. 22).

The importance of this argument is hard to overestimate. First of all, it derails the anti-marginalist critique by rendering the actual determinants of firm behavior irrelevant to the question whether firms maximize profits or not. On the basis of Friedman's reasoning, one can remain agnostic about and even ignorant of the actual determinants of business behavior ('let the apparent immediate determinant of business behavior be anything at all [...]', *ibid.*) and still sustain the profit maximization assumption because, whatever the actual determinant may be, its outcome *has* to be consistent with profit maximization given natural selection. With that, Friedman provides a new support for the profit maximization assumption that secures its continued use in contemporary economics.

More importantly for our present problem, however, the selection argument ushers in a complete reversal of the Possible according to economic theory. *Whereas the argument from human nature fixes the causal determinant (the nature) of human behavior, but allows for a variety of possible outcomes, the selection argument allows for a variety of possible determinants, but fixes its necessary (profit maximizing) outcome.* Of all the ways to support the principle of profit maximization, this is the only one which effectively renders the current functioning of economic production in accordance to the principle of profit maximization necessary. In other words, the

selection argument presents economic performance as something that businessmen do not so much *naturally* do, nor as something that they *are* actually doing or *ought* to do for normative reasons, but something they *have* to do out of positive necessity to stay in business, as failing to so would result in their firms being selected out by the environmental selection pressures of competition.

This necessity of financial performance maximization makes it Impossible to intrinsically change CFEPPC under SSTCP. Because SSTCP assumes that the authoritative sciences determine what is positively Known to be Possible and Impossible, everything that is Impossible according to an authoritative science implies that it is precluded as possible by Reality. The fact that the authoritative science of economics holds it to be Impossible for us to change economic performance, thus makes us epistemically powerless to stop the current functioning of economic performance in the production of these crises through an intrinsic change of this current functioning of economic performance.

#### *5.2.4. Intrinsic Change and The Selection Argument in Business Administration*

This necessity of financial performance maximization based on the selection argument has been carried over into business administration. Several authors (e.g. Jensen, 2002; Jensen & Meckling, 1976; Rappaport, 1986) have adopted the logic of the selection argument to turn financial performance maximization into the overriding objective of organizational decision-making. This use of the selection argument is clearest in the Michael Jensen's (2001) article on corporate governance and enlightened stakeholder management. Here, Jensen argues that organizations that do not operate in accordance with the principle of shareholder value maximization will be handicapped in the competition for survival (pp. 10, 11) and selected out by an environment of competing firms that *are* aiming to maximize shareholder value (p. 14).

This adoption of the selection argument in business administration has come to govern the direction and opened up the space in which the applied social science of business administration has developed. On the one hand, adopting the principle of financial performance maximization provides business administration with the legitimating purpose that every applied social science requires. Based on the selection argument, the *raison d'être* of business administration has become helping individual firms survive in an environment that necessitates the maximization of financial performance as an outcome due to the natural selection pressures from competition. On the other hand, the openness and indifference of the selection argument to the actual determinants of firm-behavior has opened up the space where business administration could and should search for ways in which firm behavior *does* maximize profits. Abandoning the assumption that maximization-as-an-outcome is fixed from the end of human nature has given business studies the room to develop, test and teach evermore models, frameworks, analytical tools and practices that ensure that individual firms maximize their financial performance.

The adoption of the selection arguments in business administration also has led to a crucial shift in its function. In Friedman, the selection argument only serves to support the necessity of profit-maximization-as-an-outcome in a way that evades any reliance on maximization-as-a-motive when claiming that firms maximize their financial performance. In doing so, it creates an indifference to the actual drivers of firm behavior that is perfectly acceptable for economists and economics when analyzing phenomena at the level of industries. Business scholars and business administration, on the other hand, are far from indifferent to the actual determinants of firm behavior. In fact, they are all

about what these determinants should be. Their adoption of the selection argument therefore extends and translates the necessity of maximization-as-an-outcome (in)to the necessity of maximization-as-a-motive for business behavior and organizational decision-making within firms.

A paradigmatic example of this way in which the selection argument has been carried over into and come to function within business studies can be found in Robert Grant's (2008) widely used handbook on business strategy. In the beginning of this book, Grant states that 'in order to make progress in developing analytical tools for designing successful strategies' (p. 36), he will adopt the 'assumption that firms operate in the interest of their owners by seeking to maximize profits over the long term' (*ibid.*). This assumption is then justified with an extended version of the selection argument. First of all, and in line with the selection argument in F53, Grant argues that the reality of inter-firm competition necessitates profit maximization.<sup>17</sup> He then proceeds to extend this argument by adding another level of competition to the selection argument, stating that managers who fail to maximize shareholder value will be replaced by managers who do due to the competitive 'market for corporate control' (*ibid.*).

This example illustrates the decisive shift in the way in which the selection argument functions in business administration. Friedman's use of the selection argument in F53 is related to the question whether or not it *is* the case that firms maximize profits. This is a descriptive question (which, to Friedman, is strictly separated from the question whether or not firms ought to maximize profits, which he has addressed elsewhere). Grant's use of the selection argument, however, is related to the question what the objective of successful strategies should be. This is a *performative* question: it determines what the goal of business strategy (which is intended to guide business behavior) ought to be.

The latter question suggests that there is a normative question at stake, requiring ethical reflection. But it is precisely at this point, the point where a moral dimension would seem to open up where concerns about the broader economic, ecological and social effects of organizational decision-making might be raised, that the selection argument is introduced to impose its logic of necessity in a way that excludes such considerations. This becomes exceptionally clear from the way in which Grant presents the choice for the principle of profit maximization...

'The responsibilities of business to employees, customers, society and the natural environment remain central ethical and social concerns. Nevertheless, in order to make progress in developing analytical tools for designing successful strategies, I shall avoid these issues by adopting the simplifying assumption that companies operate in the interest of their owners' (Grant, 2008, p. 36).

... which is followed by Grant's extended version of the selection argument. As such, the selection argument renders the current functioning of economic performance immutable in a way that also immunizes it to the ethical questions that can be raised from a concern for the broader economic, ecological and social effects of economic performance than individualized profits.<sup>18</sup>

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<sup>17</sup> Spelling out that 'survival requires that, over the long term, the firm earns a rate of profit that covers its cost of capital' and that 'competition erodes profits', Grant concludes that few firms can afford 'the luxury of pursuing goals that diverge substantially from profit maximization' (Grant, 2008, p. 36).

<sup>18</sup> Also see Gijsbertse (2014, pp. 138–140) for a more elaborate discussion of how the function of the selection argument figures as an ought-implies-can card that trumps all ethical considerations in the problem-solving and decision-making approaches that are taught in business administration.

At this point, two objections might be raised against deriving the necessity of the principle of profit maximization from Friedman and its adoption in business administration as illustrated by Jensen and Grant. The first is that the field of business administration also provides other perspectives on corporate governance than financial performance maximization. In the literature, as well as most of the introductory textbooks used in business education, the principle of profit maximization (represented by Friedman) tends to be contrasted with stakeholder theory (represented by Freeman). In brief, stakeholder theory holds that businesses have a broader responsibility to *all* the firm's stakeholders (i.e. those groups and individuals who can affect or be affected by the firm's actions).<sup>19</sup> Addressing Friedman's (1970) and Jensen's (2002) positions, Freeman et al. (Freeman et al., 2010, pp. 10–14) even argue that stakeholder theory provides a superior approach for managing the firm. But they do so by arguing (1) that it is counterproductive to focus on profits and that businesses should therefore focus on value creation through stakeholder relations (*idem*, 11-12) and (2) by arguing against the normative support for the primacy of shareholder value (*idem*, 13). But throughout these critiques and the elaboration of their approach, *the selection argument remains unaddressed*. As such, stakeholder theory is still open to a wholesale subjection to the necessity of financial performance maximization based on the selection argument. This effectively leaves the immutability of the current functioning of economic performance untouched.

The second objection is that the current functioning of economic performance might be necessary given competition, but that competition itself is not a necessity. It can be argued that business would no longer have to maximize profits at the expense of negative external effects if we would choose not to have free market competition. The problem with this objection, however, is that this theoretical possibility suffers from the same practical constraints as the beliefs that more support or science will be able to render our present response strategies more effective (see sections 4.3 and 5.1). For which institutional actor would be willing and able to change the free market system itself? Governments are too dependent and lack the regulatory span of control to effect such a change and consumers suffer from too many asymmetries in power to unilaterally effect such changes.

### 5.3 Conclusion

The failure of the third belief seems to rob us completely of the possibility to stop our production of economic, ecological and social crises under SSTCP. Given that our production of these crises has not [B1] been stopped already (chapter 3), seems unlikely to be [B2] stoppable through more support for the responses that are already available to us (chapter 4), [B3] discovering novel responses would be the only way in which we could still be able to stop it under SSTCP.

But the two ways in which a novel response could enable us to stop CFEPCC are unlikely to be possible. Though it is possible to discover novel response strategies that would be able to contain CFEPCC extrinsically in theory, these responses would require the exercise of an amount of power that none of our major institutions has over CFEPCC. This leaves us with no other option to stop CFEPCC than to discover a way to intrinsically change CFEPCC itself. Doing so, however, is presented as impossible by the authoritative sciences of economics and business administration. According to

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<sup>19</sup> See Freeman (1984, p. 25; 2010, p. 9).

the selection argument, organized forms of economic production have to maximize financial performance above all else, lest they will succumb to the environmental selection pressures of competition.

Given that the [B3] belief of discovering novel responses cannot be validated either, it seems that there is no possibility of stopping our production of these crises under SSTCP. The only way in which it could still be possible, is if the sciences of economics and business administration would somehow be wrong in their presentation of what is Possible and Impossible.

## Chapter Six

The previous chapters in the second part of this thesis suggest that we are powerless to stop our production of economic, ecological and social crises for two reasons. The first is the failure to validate the three positive beliefs [B1, B2 and B3] about our ability to stop the production of these crises when it comes to extrinsically containing CFEPPC. Though it cannot be said that this is impossible for sure, these chapters have argued that is unlikely that we will succeed at stopping our production of these crises in this way. The second reason is that the only other way in which we could stop the production of these crises, which is by intrinsically changing CFEPPC, is presented as Impossible by the authoritative sciences of economics and business administration. As chapter five discussed, changing CFEPPC itself is held to be impossible based on the selection argument. According to the logic of this argument, organized forms of economic production have to maximize their individualized financial performance lest they succumb to the environmental selection pressures of competition. This means that wherever economic performance is changed in a way that it no longer maximizes individual financial performance above all else, it would be selected out by firms that do maximize individual financial performance. Intrinsically changing CFEPPC therefore cannot possibly stop our production of economic, ecological and social crises.

This leaves us with no more than two ways in which it could still be possible for us to stop our production of the crises. The first is that it is still possible to extrinsically contain CFEPPC. Though it is unlikely given the current arrangement of power relations, it could be that there is a way to contain the externalization of negative economic, ecological and social effects from the outside. If this is the case, we should be happy to accept this and focus our efforts to make this work. This would make the further argument of this thesis superfluous, as it would mean that it is possible to stop our production of these crises under SSTCP. Yet since such a possibility to extrinsically contain CFEPPC does not readily present itself and seems to be unlikely, it is important to explore the problems we encounter along the second way in which it could still be possible to stop our production of the crises.

The second way in which it could still be possible to stop our production of these crises is if the authoritative sciences are wrong in their assumption that organized forms of economic production have to maximize their individualized financial performance. This could be the case if this assumption would not be fully supported under SSTCP.

The problem, however, is that this assumption is fully supported under SSTCP. This is because SSTCP is ultimately based on the foundational assumption of (scientific) Realism, i.e. the philosophical assumption that everything that is positively Known through Science corresponds to the fixed and essential structures of Reality. If this is the case, then it would be [B4] truly Impossible to change CFEPPC, since its necessity would be an immutable feature of Reality. Unfortunately enough, such a grounding seems to be applicable to the selection argument.

### 6.1 The Epistemic Status of the Necessity of Financial Performance Maximization

Reading Friedman's selection argument in the context of the broader methodological text of F53, it may seem to be erroneous to say that it claims to reflect the fixed essential structure of Reality. The text does not explicitly make this claim. What is more, Friedman dedicates more than half of the text

to arguing that theories should not be tested based on the realism of their assumptions.<sup>20</sup> The only way to test a theory, according to Friedman, is on the basis of the empirical accuracy of their predictive implications, i.e. the failure of the predictions that a theory yields to be contradicted by the findings of empirical studies. The realism of the assumptions of a theory is, according to Friedman, irrelevant. Their unrealisticness is even a virtue when assuming that reality works *as if* they hold true allows us to explain much by little (F53, p. 14). As such, the assumption that business men act *as if* they were striving to maximize financial performance merely serves to explain that most firms do in fact maximize financial performance. Following this line of reasoning, it would seem that the countless-applications argument (i.e. the argument that the maximization-of-returns hypothesis has been tested and failed to be disproved countless of times) is Friedman's only serious support for the principle of financial performance maximization.

But although Friedman adamantly opposes the idea that theories should be tested based on- or committed to the realism of their assumptions, notable philosophers of science have commented that his methodology and the selection argument are not as free from realism as Friedman presents them to be. Amongst these commentators, Uskali Mäki (2009b) probably takes the strongest position, arguing that it is possible to reread Friedman's as-if methodology as being fully committed to realism in general. Mäki's argument is that Friedman may say that assumptions like profit maximization are descriptively false, but that this position is only tenable as long as these assumptions are taken literally in and of themselves -detached from their explanatory purposes: as-if assumptions may not be literally true in a realist sense when considered in isolation, but they must be true in a realist sense when it comes to their functional use of testing and validating (i.e. failing to refute) a causal factor in isolation if they are to be accepted as part of a theory. The assumption of zero air pressure, for example, may not be literally true about Earth in isolation, but it better hold true in the realistic sense of air pressure being negligible when testing the law of falling bodies empirically. Otherwise it would not make any sense to include it in a theory or hypothesis. From this, Mäki concludes that as-if assumptions should be paraphrasable always in terms of a realist commitment to the mechanism they serve to explain.

In line with this rereading of Friedman's as-if methodology, Mäki also seems to claim that F53's defense of the profit maximization assumption in particular should be read as a commitment to the realism or realisticness of profit maximization as one of- or the overriding motive(s) underlying firm behavior. This argument begins by observing that the maximization assumption does not seek to idealize one real causal factor in the as-if service of explaining another real causal factor in isolation, but to 'establish[...] profit maximization as a major motive of economically relevant behavior' itself (Mäki, 2009b, p. 100). Against the backdrop of Mäki's general point that an unrealistic assumption must at least serve to successfully explain another causal factor, this would make the profit maximization assumption meaningless. Therefore, Mäki appears to conclude that the profit maximization assumption should be read as being realistic about profit maximization being at least one of the motives driving firm behavior in order to make any sense.<sup>21</sup>

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<sup>20</sup> Friedman's rejection of this position is already being prepared in the last part of the second section of F53 (starting on p. 14), elaborated throughout the third section titled "Can a Hypothesis Be Tested by the Realism of Its Assumptions?" and continues and recurs throughout the following sections.

<sup>21</sup> This conclusion is hard to find explicitly in Mäki (2009b), but it does follow from his general claim about as-if reasoning. His argument is also interpreted along this line by Blaug (2009, p. 351) and Vromen (2013, p. 100).

Jack Vromen (2009; 2013) also finds realism in F53's as-if reasoning, but is more conservative about the extent in which this can be said to apply to Friedman's defense of the profit maximization assumption. Vromen agrees with Mäki and Blaug that there is a realist grounding to as-if reasoning in F53 (2013, p. 100). But he disagrees that such a realist grounding can be found for the assumption of profit maximization itself. His argument begins by pointing out that the term profit maximization is ambiguous, because it can be used equally to refer to a motive (or causal determinant) that drives firm behavior, as well as an outcome of firm behavior, and that the latter does not necessarily have to be a result of the former.<sup>22</sup> It then shows that Mäki's claim that the profit maximization assumption should be reread as a reference to a real causal factor relies on an interpretation of Friedman's use of the term profit maximization as a motive, for which there is no textual evidence in F53 (Vromen, 2013, p. 103). On this point, I side with Vromen. As far as Mäki can rightfully be interpreted to claim that Friedman defends the profit maximization assumption as a motive underlying firm behavior, he is plainly wrong. Friedman's defense against the anti-marginalist charge clearly rejects any commitment to profit-maximization-as-a-motive. As section 5.2.3 discussed, Friedman's defense against the anti-marginalists consists in *abandoning* profit-maximization-as-a-motive and *securing* profit-maximization-assumption-as-an-outcome.

For Vromen, the only realist grounding of Friedman's as-if reasoning about the principle of financial performance maximization comes from the selection argument and pertains only to maximization-as-an-outcome. Vromen reads Friedman's text to be committed to a conjunction of the following two beliefs: (1) 'that there is a selection mechanism [...] working in competitive markets' (Vromen, 2013, p. 104) and (2) 'that this mechanism progressively eliminates less profitable firm behavior and thereby results in something approaching maximum profits' (*ibid.*). He then concludes that the belief in the existence of such a mechanism is sufficient to establish that the selection argument is committed to realism (*idem*, p. 106). So although Friedman's defense of profit-maximization cannot be read as a realist grounding of profit-maximization-as-a-motive, it does rely on a realist grounding of selection as an ultimate cause of profit-maximization-as-an-outcome.

Vromen's reading of the realist grounding of the selection argument implies that it is impossible to intrinsically change CFEPCC under SSTCP. If selection is a realistic cause of profit-maximization-as-an-outcome, this would mean that Reality necessitates the current functioning of organized forms of economic production in accordance with the principle of financial performance maximization. As a result, there would not be a way to change CFEPCC under SSTCP, as SSTCP would support the selection argument by grounding the existence of a selection mechanism and its progressive elimination of firms that fail to maximize financial performance in Reality. Changing CFEPCC would simply be impossible.

Yet although Vromen's reading of F53 makes it very clear that the selection argument is supported by a realist grounding, F53 is not so clear as to what kind of ontological status this realist grounding assigns to the existence of the selection mechanism. Though the meaning of this realism concerning the effects of the selection mechanism are rather clear,<sup>23</sup> there is an inconclusiveness

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<sup>22</sup> Profit maximization as a motive, can fail to realize maximization as an outcome because of imperfect information, irrational and poor decision making, bad luck and a range of other factors, whereas profit maximization as an outcome may very well occur without profit maximization as a coincidence.

<sup>23</sup> As Vromen observes: 'this mechanism eliminates less profitable firm behavior and thereby results in something approaching maximum profits'

about the ontological status of this existence (i.e. that ‘there *is* a selection mechanism’, as Vromen puts it), which derives from the ambiguous use of the word “given” in the way in which the selection argument is phrased. When Friedman’s formulation of the selection argument concludes that ‘*given* natural selection, acceptance of the [profit maximization – DG] hypothesis can be based largely on the judgment that it summarizes appropriately the conditions for survival’ (F53, p. 22 – italics DG), there are two possible meanings of the word given. The first is “given” in the realist sense of being conditional. Here, the word “given” would mean that profit-maximization-as-an-outcome is necessary only *if* there *is* selection. The second is “given” in the realist sense of a fixed cause. Here, the word “given” would mean that profit-maximization-as-an-outcome is necessary *because* this selection mechanism *is* part of the fixed and essential structures of Reality.

This inconclusiveness regarding the ontological status of the selection argument seems to open the door to a final possibility of intrinsically changing CFEPPC. If the necessity of CFEPPC is conditional, then CFEPPC could still be changed if the conditions upon which this necessity depends were (to be) changed first.

Within the field of economics, this possibility seems promising. Economics does not assume that selection is given in the sense of being fixed. Instead, it is generally assumed to be contingent on the regulatory framework within which economic production functions. Change this framework, and it could become possible to change economic performance because its current functioning would lose its necessity.

Unfortunately enough this inconclusiveness about the ontological status of the realism of the selection argument is not settled in such a favorable way in the field of business administration. When the necessity of profit-maximization-as-an-outcome is translated into the necessity of profit-maximization-as-a-motive (see section 5.2.4), this ambiguity regarding the ontological status disappears. Here, the existence of a selection mechanism that weeds out firms that fail to maximize financial performance is simply assumed as given in the realist sense of being fixed. The ultimate reason why businessmen should maximize profits in an enlightened way in Jensen (2002), is because there *is* (exists) a selection mechanism to which they will succumb if they fail to maximize profits. Similarly, Grant (2008, p. 36) also assumes that firms have to maximize profits over the long term, because the ‘heat of international competition *is* such that few companies have the luxury of pursuing goals that diverge substantially from profit maximization’ and that there is a market for corporate control that replaces management teams that fail to maximize profits by teams that do. Remarks about the conditionality of the selection mechanism that necessitates profit-maximization-as-an-outcome are nowhere to be found where it is translated into the necessity of profit-maximization-as-a-motive in business administration. In other words, when it comes to rationalizing what business(wo)men should do, the necessity of profit maximization is presented as a natural and fixed condition that necessitates functioning in accordance to the principle of financial performance maximization. As such, the realism with regard to the selection argument in business administration still renders it Impossible to intrinsically change CFEPPC. And since it is business administration, not economics that has come to govern organizational decision-making within organized forms of economic production, this Impossibility is supported by Realism in a way that makes it impossible to change CFEPPC under SSTCP.

## 6.2 The Assumptions of Realism

Since it is Realism that ultimately supports the selection argument in a way that renders it Impossible to change CFEPCC under SSTCP, we need to find a way to displace SSTCP's foundational assumption of Realism if we are to condition the possibility of changing CFEPCC. Yet displacing this realist foundation requires us to understand it first. So wherein does the Realism that grounds the necessity of profit maximization consist? And what are its implications for what is Possible, Knowable and Performable?

For the purpose of our present argument we can discuss two possible formulations of Realism: a strong formulation of Realism based on Lee Braver's (2007) summary of Realism in analytical philosophy and the philosophy of science in general, and a weaker formulation of (scientific) Realism that has been tailored to economics by Uskali Mäki (1996, 2011)

Braver's strong formulation summarizes realism on the basis of the following five claims about the relations between reality and knowledge from analytical philosophy and (analytical) philosophy of science.

- |                      |  |
|----------------------|--|
| R1 – Independence:   | 'The world consists of some fixed totality of mind-independent objects'. <sup>24</sup>   |
| R2 – Correspondence: | 'Truth involves some kind of correspondence between [theoretical statements] and [those mind-independent objects]'. <sup>25</sup>  |
| R3 – Uniqueness:     | 'There is exactly one true and complete [theoretical] description of "the way the world is"'. <sup>26</sup>  |
| R4 – Bivalence:      | '[Theoretical statements are] determined as true or not true, independently of our knowledge, by some objective reality whose existence and constitution is, again, independent of our knowledge'. <sup>27</sup> |
| R5 – Passive Knower: | There is some way 'for the mind to access reality as it is'. <sup>28</sup>   |

Taken together, these five claims provide a picture of the world and the way in which we are able to relate to this world as epistemic subjects. With regard to the selection's argument's necessitating of economic performance, these conditions would mean the following: Maximization-as-an-outcome is

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<sup>24</sup> An exact quote of Hilary Putnam's (1981, p. 49) description of what he calls the externalist perspective.

<sup>25</sup> My rendering of '[t]ruth involves some kind of correspondence relation between words or thought-signs and external things and sets of things' (*ibid.*), also referred to by Putnam as 'the "copy" theory of truth' (*idem*, p. ix).

<sup>26</sup> Modified quote from Putnam (*idem*, p. 49, bracketed word added DG).

<sup>27</sup> My rendering of a quote from Michael Dummett with which Braver, in his description of the realist position, supplements Putnam's first three theses (*idem*, pp. 19–21): "'The primary tenet of realism, as applied to some given class of statements, is that each statement in the class is determined as true or not true, independently of our knowledge, by some objective reality whose existence and constitution is, again, independent of our knowledge'" (*idem*, p. xix).

<sup>28</sup> A condition that Braver (2007, pp. 21–23) adds to the realist position himself, arguing that in order for there to be any chance to attain (R2) correspondence truth about the world, this is a necessary condition. He attributes this notion, through quotation, to Descartes ('if, whenever I have to make a judgment, I restrain my will so that it extends to what the intellect clearly and distinctly reveals, and no further, then it is quite impossible for me to go wrong') (*idem*, p. xix) and, through reference, to Aristotle's discussion of Plato's image of a wax tablet on which sensory perception is inscribed (*idem*, p. 22).

necessary, since the selection argument [R2] corresponds to a selection mechanism that belongs to the [R1] fixed and essential structures of reality. We know this to be [R4] true independent of our knowledge, because Science provides us with an [R5] epistemic access that has described these structures in the one [again R4] true and [R3] unique way in which they exist in Reality.

Although this strong formulation explicates Realism in general, some of its particular assumption are formulated in such a strong way that they cannot be said to underpin the selection argument. As Uskali Mäki has argued on several occasions, strong formulations of Realism may serve as epistemological foundations in the natural science, but they are unsuitable for a social science like economics for several reasons. The most important reason is that the epistemic status of a science about things like money, business firms and markets cannot be founded upon the claim that its theories [R2] reflect [R1] mind-independent reality. If its theories and concepts would be measured against such a theory, its entire conceptual and theoretical framework would collapse. For money, businesses and markets cannot be said to exist independent of human minds.

Mäki therefore proposes a weaker, or, as he calls it, minimal formulation of scientific realism as a substitute for some of the stronger claims of Realism. Instead of R1, this minimal formulation of Realism is based on:

MR1 – Independence:           ‘there is a fact of the matter about whether Y exists or not’<sup>29</sup> that is not created or constituted by ‘putting forth or uttering an economic theory’.<sup>30</sup>

This differentiation between mind- and constitutive science-independence in Mäki (2011) accommodates the human and social sciences in two steps. First, it allows for ‘facts of mind and society’ (Mäki, 2011, p. 6) to be part of the subject matter of science while separating their existence from the epistemological functioning of these sciences itself. Second, the addition of constitutive science also differentiates it from causal science-dependence. This allows for “facts of the mind and society” to be causally influenced and shaped by scientific theories (*idem*, p. 7), but maintains that economic facts cannot be constituted by uttering or putting forth these theories. This latter differentiation is subtle, perhaps even too vague. But what it seems to say is that the specific way in which the fact exists can be influenced and changed by economic theories, but that the existence of these facts is not constituted when economic theories are uttered or put forth. At the least, in order to remain a variation of Realism, this commits itself to the existence of economic facts independent from and prior to their discovery by economics. The facts exist outside and independent of the theories about these facts.

Once this minimal reformulation of R1 into MR1 is accepted, it provides a basis for reformulating the strong version of Realism into a minimal version of Realism that saves (the possibility of a recourse to) the basic structure of Realism as a foundation for the epistemic status of economics and

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<sup>29</sup> Direct quote from Mäki (2011, p. 6).

<sup>30</sup> My rendering of: ‘constitutive science-independence [...]would be violated if it were the case that the very act of putting forth or uttering an economic theory would thereby create or constitute an economic fact represented by that theory’ (Mäki, 2011, p. 7).

Saying so makes it so – this is the principle of constitutive science-dependence that

business administration. MR1 Independence saves R2 Correspondence with only a slight modification as:

MR2 – Correspondence: ‘Truth involves some kind of correspondence between [theoretical statements] and those *constituting science-independent* objects’.<sup>31</sup>

It salvages the [R3] thesis of Uniqueness as it was, since the changeability of particular facts of mind and society does not entail that these facts can also be pluralistically accounted for. The R4 thesis of Bivalence can also be saved, and is indeed saved by Mäki as:

MR4 – Bivalence: ‘there is a fact of the matter about whether T is true or false’<sup>32</sup> that is determined independently of *Science*, by some objective reality whose existence and constitution is, again, independent of Science.<sup>33</sup>

And finally, the [R5] thesis of Passive Knower can also be maintained unchanged. R5 was formulated in minimalistic terms already, only requiring there to be *some* way to access reality as it is. This reality-as-it-is can just as well be a (MR1) constitutive-science independent reality.

It is this version of Minimal Realism that can be said to ground the necessity of financial performance maximization under SSTCP.

### 6.3 The Impossibility of SSTCP

The third part of this thesis has shown that it is unlikely that we will be able to extrinsically contain CFEPCC and that it is Impossible to intrinsically change it under SSTCP. It is unlikely that we are able to extrinsically contain CFEPCC for two reasons. On the one hand, none of our present response strategies have proven capable of doing so. Government intervention, government regulation, conscious consumption, innovation and corporate (social) responsibility have all failed to stop our ongoing production of economic, ecological and social crises so far. The second, much more important reason why it is unlikely that we are unable to extrinsically contain CFEPCC, is that none of the institutional actors upon whom our present response strategies rely are powerful enough to exercise sufficient influence over economic performance to contain its externalization of negative economic, ecological and social effects. This relative powerlessness is also unlikely to be cured by discovering novel response strategies, as such response strategies are also likely to require an institutional actor that is capable of controlling CFEPCC. As such, containing CFEPCC currently seems to be Unperformable to us under SSTCP.

On the other hand, it is Impossible to intrinsically change CFEPCC because of SSTCP’s support of the selection argument. Where the unlikelihood of extrinsically containing CFEPCC comes from the exclusion of all the ways in which this could be possible under SSTCP, the Impossibility of intrinsically changing CFEPCC is supported by SSTCP directly. The authoritative sciences of economics and business administration hold it to be Known that it is Impossible to change the current functioning of economic performance in accordance to the principle of profit maximization based on the selection argument. SSTCP supports the Impossibility of intrinsically changing CFEPCC directly in two steps. The

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<sup>31</sup> My rendering of ‘[t]ruth involves some kind of correspondence relation between words or thought-signs and external things and sets of things’ (*ibid.*), also referred to by Putnam as ‘the “copy” theory of truth’ (*idem*, p. ix).

<sup>32</sup> Direct quote from Mäki (2011, p. 6).

<sup>33</sup> My adaptation of Michael Dummett’s formulation of [R4] bivalence as quoted above from Braver

first is that every action that is positively Known to be Impossible cannot be Performable, as the Performability of an action is conditional upon positive Knowledge of its Possibility under SSTCP (see the second series of assumptions in section 2.2.2). The second is that this positive Knowledge of its Impossibility is grounded in the fixed and essential structures of Reality by the assumption of Realism. As a result of this second step, positive Knowledge about the Impossibility of this action is held to be absolutely certain. Therefore there is no way in which its Impossibility could suddenly become Possible, as SSTCP assumes this Impossibility to be grounded in Reality. It is thus, in effect, Impossible for us to stop our tendency to produce these crises under SSTCP.

## Part III

*Truth is a thing of this world*

– Michel Foucault

Imagine. Its paralyzing beauty. Clear as crystal. Freed from all the limitations of the naked eye. Obliterating Bacon's idols. Piercing straight through every fiction. Cleansed, even, of the smallest of subjective motivations. Just one glimpse would be enough. For it would instantaneously reveal the truth of everything it sees. If science can be said to hold thought under a spell, it is its promise of a "view from nowhere" that reveals the universal truth.

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The second part of this thesis has shown that it seems unlikely that we will be able to fully contain the current functioning of economic performance in the production of economic, ecological and social crises (CFEPPC) and that is Impossible to intrinsically change it under the conditions of the standard structure of thought concerning the possible (SSTCP) that was explicated in chapter two.

This leaves us with three options. The first is to remain hopeful that we will find a way to extrinsically contain CFEPPC, even though the current arrangement of institutional power relations makes it unlikely. The second is to accept our apparent powerless against CFEPPC under SSTCP. The

third is to problematize the ways in which SSTCP's assumptions constrain our perception of the ways in which we could be(come) possible for us to intrinsically change CFEPPC.

Though there is a chance that choosing the first option will eventually enable us to stop our production of the crises, this thesis opts for the third option. This is because the stakes are simply too high to take a chance.

The third part of this thesis therefore will pursue the problematization of the way which SSTCP constrains our perception of the ways in we could be(come) able to intrinsically change CFEPPC.

To that end, Michel Foucault's critico-historical approach will be developed into an instrument that is capable of such a problematization.

But showing how Foucault's critico-historical approach can be developed into such an instrument is not without difficulties. First of all, there are difficulties with explicating Foucault's critico-historical approach itself. Foucault does not, with the exception of one attempt that fails and is subsequently abandoned,<sup>34</sup> formalize his critico-historical approach. Nor does he discuss all the elements that are involved in it in relation to each other at one particular point in his work. Instead, he develops, refines and transforms his approach rather unsystematically within the context of his concrete historical studies – elucidating his advances in short pauses of "methodological" reflection that are dispersed across his major works, shorter texts and a series of interviews, or changing it implicitly, on the go in his analyses.

Secondly, there are difficulties with fully understanding Foucault's critico-historical approach and its implications even if it can be presented in a complete and coherent way. The reason for this difficulty is that the application of this approach undermines our basic assumptions about the way in which things can be(come) possible (SSTCP). These assumptions include our most basic understandings about the way in which things are knowable for- and validated as positively known by Science. Because it undermines these assumptions, Foucault's critico-historical approach conflicts with some of our most basic intuitions about the way we think about the epistemological status of knowledge and its relations to what is Possible.

Finally, this difficulty with understanding Foucault's critico-historical approach has led to many criticisms. As Gary Gutting (1989, p. xi) has observed, many readers and critics have read Foucault's work as 'a universal engine of relativism, undermining all pretensions of truth and objectivity in general'. One example of these criticisms is Hilary Putnam's (1981, p. 122) comment that Foucault's work robs us of the means to distinguish between thinking one is right and being right. In a similar vein, José Merquior (1985, p. 147) concludes that 'at bottom, Foucault's enterprise seems stuck on the horns of a huge methodological dilemma: if it tells the truth, then all knowledge is suspect in its pretence of objectivity; but in this case, how can [Foucault's own method] vouch for the truth'.

Because of these difficulties, the challenge is not so much to apply Foucault's critico-historical approach to the problem of economic performance, but to present it as an understandable and

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<sup>34</sup> At one stage in his career Foucault sought to formalize his critico-historical approach in *The Archaeology of Knowledge*. This book is helpful in understanding the early version of his critico-historical approach. But it also ends up in a number of impasses, as chapter seven will discuss in more detail.

legitimate instrument for problematizing our assumptions of the ways in which things can be(come) possible for us.

To that end, the chapters in the third part of this thesis will explain how Michel Foucault's critico-historical approach that enables us to redistribute specific possibilities and impossibilities in a way that overcomes these difficulties. That is, they will show how his approach can be used to undermine and displace the way in which SSTCP supports the present distribution of specific possibilities and impossibilities and constrains our perception of the way in which things can be(come) Possible for us. Chapter seven shows how the archeological version of Foucault's critico-historical approach can be used to detach specific distributions of the Possible from their fixed and essential grounding in Reality by problematizing SSTCP's foundational assumption of Realism. Chapter eight shows how the genealogical revisions of Foucault's critico-historical approach can be used to understand and explain how such redistributions of the Possible occur. Chapter nine shows how an elaboration of Foucault's concept of the struggle for truth provides us with a focus for practical action that could enable us to make such redistributions of the Possible occur.



## 7. Archeological Detachments

The biggest problem with SSTCP's support for the necessity of economic performance is that it precludes the possibility of changing CFEPCC from the distribution the possible. As chapter five and six discussed, the authoritative sciences of economics and business administration present the necessity of economic performance as grounded in the fixed and essential structures of Reality. This appears to render it Impossible for us to change CFEPCC under SSTCP.

If we want to change CFEPCC, the first challenge therefore is to show that redistributions of specific possibilities and impossibilities are Possible. In other words, we will have to find a way to undermine how SSTCP's foundational assumption of Realism supports the presentation of specific possibilities and impossibilities according to specific domains of positive knowledge as permanently fixed.

This chapter discusses how the early, archeological version of Foucault's critico-historical approach can be used to show that redistributions of specific possibilities and impossibilities *are* possible. It will do so by showing how Foucault's own application of this approach has revealed that what is presented as positively Known in specific domains of knowledge does not always correspond to the fixed and essential structures of Reality. But that it can be shown to be conditional upon the way in which the Knowable is conditioned by a radical and historically contingent layer of interpretation.

However, this ability to show that redistributions of specific possibilities and impossibilities are possible is difficult to comprehend for a number of reasons. The most important of these difficulties is that it undermines SSTCP's foundational assumption of Realism as *the* universal touchstone for the validity of knowledge. Doing so appears paradoxical and self-defeating under SSTCP. For how could one possibly succeed at undermining the way in which specific knowledge claims are validated in general without somehow relying on the same type of validation?

But these difficulties with comprehending Foucault's critico-historical approach derive from a misunderstanding that is caused by SSTCP. Foucault's critico-historical approach is not after a universal refutation of the way in which the assumptions of Realism validate positive knowledge in general. Nonetheless, it is what Foucault's critico-historical approach is perceived to do when its application is interpreted against the backdrop of SSTCP. And the problem is that common, scientific and even most philosophical perceptions of what is possible are governed by SSTCP.

The ability of Foucault's critico-historical approach to show that redistributions of the Possible and the impossible are possible therefore has to be explained in a way that it is understandable if one starts from a position within SSTCP.

This chapter therefore explains how the early, archeological version of Foucault's critico-historical approach can be seen to escape SSTCP's foundational assumption of Realism from the inside. This move is traced by explicating how SSTCP's support for distributions of specific possibilities and impossibilities relies on Realism in section 8.1 first. After that it will be discussed how these assumptions have been problematized on their own terms in the French tradition of History and Philosophy of Science in section 8.2. This discussion serves as a backdrop to illustrate how Foucault's critico-historical approach can be seen to escape and undermine SSTCP's

foundational assumption of Realism by extending and radicalizing these internal problematizations in sections 8.3 and 8.4.

### 7.1 Correspondence and Realism

Though SSTCP's support for positive knowledge claims that have implications for the distribution of specific possibilities and impossibilities is assumed to be based on Reality, this support does not – strictly speaking – come directly from Reality itself. The objects of these claims and their validation are assumed to reside at the level of Reality. But the claims themselves are made and validated through Science from the idealized position of an- or *the* Epistemic Subject. It is not Reality that speaks about itself, but the Epistemic Subject who makes specific claims based on what he comes to Know about Reality through Science. Nor is it Reality that validates (these claims about) itself, but the Epistemic Subject that seeks to validate them. Yet the epistemic subject cannot reach this Reality in a way that is not *his* knowing of Reality. SSTCP's support for specific scientific claims, therefore, comes from the way in which the Epistemic Subject *knows* Reality, instead of Reality itself.

The fact that SSTCP's support for scientific claims actually comes from the way in which the Epistemic Subject *knows* Reality, does not imply that positive knowledge claims cannot be supported by Reality. It means that such support by Reality requires and relies on the SSTCP's foundational assumption of some version of Realism in order to hold true. That is, in order for SSTCP's fundamental support for positive knowledge claims to hold true, what is Known through Science must somehow [R2/MR2] correspond to the [R3] fixed and [R1/MR1] essential structures of Reality, which requires Science to be capable of somehow [R5] accessing [R1] Reality as it is in order to [R4/MR4] validate this knowledge in a way that is independent of Science.

### 7.2 Bachelard & Canguilhem

The way in which Foucault's critico-historical approach problematizes and undermines SSTCP's support for distributions of specific possibilities and impossibilities can be seen to develop from a number of epistemological problems for Realism that arose in the work of Bachelard and Canguilhem. In an excellent study of Foucault's early works, Garry Gutting has shown that Foucault's critico-historical approach is not an isolated method, but that 'it is rooted in the French tradition of history and philosophy of science' (Gutting, 1989, p. x). Gutting's work shows how Bachelard and Canguilhem, as exponents of this tradition, have raised a number of epistemological problems that prefigure Foucault's critico-historical approach in important ways.

Reading these epistemological problems in relation to SSTCP's support for the validity of positive knowledge claims enables us to identify two initial, internal breaches in the foundational assumptions of SSTCP and show how Foucault's critico-historical approach can be understood to escape and undermine SSTCP's support for the distribution of specific possibilities and impossibilities through these breaches from a starting point inside SSTCP.

#### 7.2.1 Problem of History

The first epistemological problem that makes Foucault's escape from SSTCP's foundational assumption of Realism understandable is the *problem of historical discontinuity*. This problem, which is raised by Bachelard, challenges the realist assumption of [R2/MR2] correspondence by showing that what is Known through Science cannot be said to always reflect the [R3] *fixed* and essential

structures of Reality in a historically stable way. Bachelard's studies of the history of the natural sciences show that Science does not develop through discoveries that simply add to- and progressively extend the pre-existing theoretical framework, but through discontinuous epistemological breaks that revise this framework so profoundly that it has led to radical revisions of our conception of Reality. The paradigmatic example of such a discontinuous historical change, for Bachelard, is provided by the innovations that relativity theory and quantum theory brought to the field of physics. These theories did not simply add to the pre-existing body of knowledge, but radically revised the architecture of its theoretical framework to the point that they constituted an entirely novel conception of the nature of Reality (Gutting, 1989, p. 26).

Though an example like Bachelard's history of the natural sciences does not mean that historical discontinuities undermine Realism in general, it does mean that positive knowledge does not always reflect the fixed and essential structures of Reality in a historically stable way. Bachelard's example of a radical revision in our conception of nature does not refute the realist assumption that there is [R3] one true and complete description of the [R1/MR1] fixed and essential structures of Reality in general. Nor does it prove that other specific forms of positive knowledge fail to provide such a [R3] unique description of [R1/MR1] Reality because every form of knowledge can be said to have its own historical or discontinuous breaks. It does mean, however, that a historical approach can show that not all forms of positive knowledge are based on a progressive discovery of what is Knowable in stable [R2] correspondence to the [R1/MR1] fixed and essential structures of Reality. This is because at least some forms of positive knowledge can be shown to have offered something else than the [R2] correspondence to [R1/MR1] Reality that is assumed under SSTCP by analyzing the process of their historical formation. It also means that when a historical account of the formation of a specific form of positive knowledge can be used to reveal discontinuities in its basic representation of Reality, this would make its current representation of Reality suspect. And if the way in which a specific form of knowledge represent Reality is suspect, this also means and the way in which it presents the distribution of specific possibilities and impossibilities as fixed is questionable in light of this history.

### *7.2.2. Problem of Interpretation*

The problem of history raises an unsettling question for the way in which specific forms of positive knowledge (and their implications for the distribution of specific possibilities and impossibilities) are supported by SSTCP's foundational assumption of Realism: If a specific form of positive knowledge can be shown not to correspond to the fixed and essential structures of Reality, on what, then, is it or has it been based?

Bachelard and Canguilhem's histories of science do not problematize SSTCP's support for specific the distribution of specific possibilities and impossibilities according to specific forms of knowledge based on the problem of history alone. The problem of history opens the door to the second and more profound epistemological *problem of interpretation*. This problem of interpretation emerges from Bachelard and Canguilhem's observation that it is possible for historical discontinuities in the way in which specific forms of positive knowledge represent Reality to occur, because Science cannot [R5] access this [R1/MR1] Reality as it is without interpreting it first.

This problem of interpretation was first raised by Bachelard. Based on his study of the historical discontinuities in the natural sciences, Bachelard observes that it is possible for these discontinuities to occur because Science does not simply abstract from- and theorize on the basis of a [R5] pure and

immediate experiences or understandings of the world and its objects as they [R1/MR1] are.<sup>35</sup> Instead, it always already interprets its objects of study based on theoretical pre-understandings *prior* to such abstractions and theorizing. He illustrates his point by discussing the difference between what Descartes and a modern scientist would take to be such a [R5] pure and primary experience or understanding of the world as it is. Where Descartes, in his Second Meditation, takes such an [R5] initial understanding of a piece of wax in its natural state as “just being taken from the hive”, the modern scientist, in contrast, would begin by chemically purifying the piece of wax first, proceed to run a series of experiments on it and only arrive at this [R5] initial understanding of the piece of wax by interpreting the outcome of these experiments in light of previously accepted theories. This difference raises the problem for Realism, that neither Descartes nor the modern scientist can be said to be (more) right or wrong about their initial understandings *apart* from the rational methods and theoretical preunderstandings that are involved respectively in arriving at these initial understandings. This leads Bachelard to conclude that ‘the qualities of reality are functions of our rational methods’.<sup>36</sup> In other words, our initial experience and understanding of the world and its objects are shaped by interpretation in a way that undermines the assumption that we have [R5] passive access to [R1/MR1] Reality as it is.

This problem of interpretation is further exacerbated by Canguilhem. Accepting Bachelard’s notion of the interpretative role of theories, his work calls attention to the separate, prior and even more fundamental interpretative role of concepts in shaping our [R5] initial understandings of the world. This more fundamental role is illustrated by Canguilhem through a historical study of the concept of the bodily reflex. Though the *phenomenon* of an instant withdrawal of a hand from fire was known, Canguilhem insists that the *concept* of the reflex (an involuntary movement that does not proceed from a central seat like the heart or the brain) was not developed until the seventeenth century.<sup>37</sup> After this concept had been formed, however, it proceeded to function as the initial, conceptual preunderstanding of the phenomenon that was to be explained, which it has fulfilled in a wide variety of theoretical contexts (Gutting, 1989, p. 37). This, according to Canguilhem, goes to show that, even before theories begin to explain or interpret observational data, there already is a prior conceptual pre-understanding of the elements that these theories seek to explain and relate. In addition to theoretical preunderstandings, Realism’s assumption of a [R5] passive knower is thus further undermined by a “deeper” level of conceptual preunderstanding that shapes Science’s access to the world.

Taken together, the problems of history and interpretation can be seen to problematize SSTCP’s support for specific forms of positive knowledge in a way that is understandable from inside SSTCP. SSTCP assumes that positive knowledge progressively accumulates in [R3] stable [R2/MR2] correspondence to the [R1/MR1] fixed and essential structures of Reality. Yet the problem of history shows that this is not the case for specific forms of positive knowledge that can be shown to have been subject to historical discontinuities. SSTCP also assumes that positive knowledge results from [R5] immediate epistemic access to [R1/MR1] Reality as it is. Yet historical accounts of the formation of knowledge reveal that this “access”, too, is conditional upon theoretical and conceptual levels of

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<sup>35</sup> My discussion of Bachelard is based on a reading of Gary Gutting’s discussion of Bachelard (1989, pp. 12–32), but centers on the implications of Bachelard’s work for the specific assumptions of Realism as these have been formulated by Braver (2007, p. xix).

<sup>36</sup> Quoted from Gutting (1989, p. 29)

<sup>37</sup> See Gutting (1989, pp. 34–37) for a discussion of Canguilhem’s history of the concept of the reflex

preunderstanding that are subject to these historical discontinuities. The work of Bachelard and Canguilhem thus shows that the way in which SSTCP is assumed to support specific forms of positive knowledge can, at least in some cases, be at odds with SSTCP's own assumptions when it is confronted with the problems of history and interpretation.

### 7.3 Foucault's Extension and Radicalization of Interpretation

Foucault's critico-historical approach extends and radicalizes the problems of history and interpretation in a way that enables us to undermine SSTCP's support for the distribution of specific possibilities and impossibilities according to specific domains of positive knowledge.

At first glance, the historical studies from the early, archeological period of Foucault's work can be read as extensions of the problem of interpretation. Each of these studies is at pains to explicate even deeper levels of preunderstanding that shape our initial experience of the world than the theoretical and conceptual preunderstandings uncovered by Bachelard and Canguilhem. In *The History of Madness*, this level of preunderstanding is found in the still somewhat vague notion of the 'structure of the experience that a culture has of insanity' (HM, p. 634, n33). In *The Birth of the Clinic*, it develops into the more specified notion of a 'coherent, unitary model for the formation of medical objects, perceptions, and concepts' (BC, p. 51). In *The Order of Things*, this level of preunderstanding expands into Foucault's famous and all-encompassing notion of the *epistèmè*, which denotes the experience of order, or the way in which things are seen in connection to each other in an entire epoch (Gutting, 1989, p. 139). And finally, concluding the early period of Foucault's work, *The Archeology of Knowledge* tempers the temporally confined, but universal pretensions of the *epistèmè* by introducing the notion of discursive formations, which are constituted by rules and regularities that govern the formation of objects, types of statements, concepts and theoretical choices for specific domains of knowledge (AK, pp. 38, 181). Each of these studies excavates a level of interpretation that precedes the theoretical and conceptual preunderstandings of Bachelard and Canguilhem, as these layers of interpretation are shown to condition the formation of theories and concepts for specific domains of knowledge.

But Foucault's archaeological excavation of these deeper levels of preunderstanding does not merely extend, but also radicalizes the problem of interpretation. In Foucault's work, the problem of interpretation no longer occurs *between* the Epistemic Subject and Reality in a way that interferes with the Epistemic Subject's [R5] access to this [R1/MR1] Reality as it is. Rather, his archeological studies push the function of this layer of preunderstanding beyond it, to a point where it is shown to be prior to- and constitutive of the objects of knowledge and the epistemic subjects who know them for particular domains of knowledge. They show that, for these domains of knowledge, it is the layer of interpretation itself that gives rise to *a* Reality that can be Known and *a* "epistemic" subject who knows them by conditioning what is Knowable for that subject. That is, the archaeological level of preunderstanding itself, not Reality or the Epistemic Subject, simultaneously enables and constrains the ways in which objects can be experienced and Known by subjects. Without this preunderstanding, there would neither be objects that could be experienced and Known *nor* subjects who would be in a position where they could experience and Know these objects.

Towards the object-side of what is Knowable, this radicalization takes place by showing how the objects of knowledge are so completely constituted by this archeological level of preunderstanding in a particular field of knowledge that it undermines Realism's assumption of their [R1] mind- and

[MR1] constitutive science-independent existence. In *The History of Madness*, Foucault shows that it is *because* of the structure of the experience that a culture has of insanity that it becomes possible to single out the phenomenon of madness as an object of study and to form the science of psychiatry. *The Birth of the Clinic* undermines the assumption of modern medicine that the objects it studies simply [R5] give themselves to observation as they [R1] are, by showing how their observation is actually made possible by a complexly structured interpretative grid that governs perceptions and the formation of concepts about bodily illness (Gutting, 1989, p. 136). And in *The Order of Things*, Foucault shows how different *epistèmè's* have prestructured the entire experience of order in an epoch in a way that problematizes the [R1/MR1] notion of objective reality in a much more encompassing way by revealing how this experience of order grounds and limits the possibility of all positive knowledge for an entire epoch.

When Foucault formalizes his archeological approach in *The Archeology of Knowledge*, it becomes clear that this constitution of things, not by [R1/MR1] Reality, but the ways in which a prior level of interpretative preunderstanding enables and constrains the ways in which they are Knowable, is precisely what his notion of *discourse* denotes.<sup>38</sup> As he puts it, analyzing discourse is

‘to dispense with ‘things’. [...] To substitute for the enigmatic treasure anterior to discourse, the regular formation of objects that emerge only in discourse. To define these objects without reference to the ground, the foundation of things, but by relating them to the body of rules that enable them to form as objects of a discourse and thus constitute the conditions of their historical appearance’ (AK, pp. 47–48).

In stark contrast with SSTCP, this means that what is Known in specific domains of knowledge can be detached from its [R2] correspondence to [R1/MR1] Reality. The Knowable is so radically determined by discourse (i.e. the archeological layer of radical interpretation) that it is no longer grounded in and constrained by the [R1/MR1] fixed and essential structures of Reality. It is the other way around: Reality, in so far as it is Knowable for- and Known to subjects, is constituted by discourse. Wherever this can be shown to be the case, this makes the constitution of the objects of knowledge so complete that positive knowledge can no longer be assumed to provide a stable and fixed representation of the way in which particular possibilities and impossibilities are distributed.

Towards the subject side of what is Knowable, Foucault pushes the problem of interpretation beyond Bachelard and Canguilhem’s problematization of the subject’s [R5] immediate access to [R1/MR1] Reality to undermine the assumption of a [R6] timeless and universal structure of experience that is common to all subjects<sup>39</sup> as well.

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<sup>38</sup> For Foucault, discourse consists of- and is constituted by the rules and regularities that are defined by the way in which condition and limit the possibilities for subjects to experience, know, talk and think about objects in a serious capacity.

<sup>39</sup> Even if the [R5] notion of epistemic access is abandoned, it is possible to maintain the knowing subject itself as a fixed point in the epistemological relation. This is in fact what Kant and logical positivism did. Abstaining from claims about Reality as it is in itself, Kant sought to ground knowledge in the unchanging and timeless structures of experience that were common to all rational human beings. Positivism can be seen to follow this move. It replaces the realist grounding of knowledge with a model of science that limits itself to organizing sense-data as they give themselves in experience on the basis of mathematics and logic, which are believed to be rooted in a [R6] fixed rationality on the part of the subject.

This radicalization of the problem of interpretation towards the side of the subject can be seen to take place in *The Order of Things*. Here, Foucault shows that the subject, instead of being an [R5] empty and passive recipient that experiences the world directly as it is, or an active but still [R6] universal and transhistorically stable organizer of experience, has undergone fundamental transformations in its epistemological function. In an elaborate study, Foucault shows that the modern notion of a Kantian subject that [R6] organizes experience according to universal and necessary structures is ‘an invention of recent date’ (OT, p. 422). It was preceded by a cogito, in the Classical *epistèmè*, that was constituted by [R5] immediate and transparent representational access to a [R1] reality that ordered itself into [R3] categorical tables (Braver, 2007, p. 365). And it is giving way, as Foucault finds, to a subjectivity that is no longer [R6] stable and self-constituting but externally constituted and determined by language instead (*idem*, p. 369). As such, the most famous of Foucault’s early critico-historical studies shows that the way in which the epistemic subject experiences Reality does not match the [R5] assumption of a passive knower, but is constituted and structured by the *epistèmè* to which it belongs.

*The Archeology of Knowledge* formalizes this idea that the subject is constituted through the notion of enunciative modalities that, like the objects of experience and knowledge, are also constituted by the rules and regularities of a particular discursive formation. More precisely, enunciative modalities are the positions that a discursive formation allows and disallows a subject to take. As Braver (2007, p. 369) puts it:

‘the subject must take up a position that is set out in structures which it has not and could not have created [itself], structures which necessarily precede and even enable its very subjectivity. To be a speaker means to use an inherited grammar and vocabulary; to be a scientist means to set up experiments and write papers in a certain accepted way, even if one introduces innovations’.

Like the objects of knowledge, the epistemic subject, too, can thus be shown to be so constituted by the *epistèmè* or the discursive formation in which it finds itself that its experience of Reality does not offer a [R5 or R6] stable point for securing the realist assumption that the positive knowledge it accumulates [R2] corresponds to the [R1/MR1] fixed and essential structures of Reality. The Knowable also defines and exhausts the Epistemic Subject, there is no Epistemic Subject outside what is Known and what can be Known. Therefore, the interpretative layer, in conditioning the Knowable, also constitutes the subject.

#### **7.4 Foucault’s Radicalization of Historical Discontinuity**

The archeological version of Foucault’s critico-historical approach can also be read to extend the problem of historical discontinuity to the deeper layers of interpretation that condition what is Knowable for “epistemic” subjects in specific domains of knowledge at a particular point in time. *The History of Madness* shows how the common experience that a culture has of madness underwent two radical transformations during the middle of the seventeenth century and at the end of the eighteenth century. *The Birth of the Clinic* shows how the interpretative grid that structured the perceptions and the formation of concepts in modern medicine arose through a sharp break with the classical conception of disease. *The Order of Things* is organized entirely around two fundamental transformations in the experience of order between the Renaissance, the Classical and the Modern *epistèmè*. And *The Archeology of Knowledge* seeks to formalize this notion of discontinuous historical

transformations in particular domains of knowledge by situating them at the level of the rules and regularities that govern the way in which objects, concepts and enunciative modalities can be related to each other within this domain of knowledge. This does not mean that all the objects, concepts or types of enunciation from a previous period disappear after a discontinuous change in the regime of discursive rules and regularities. It means that the rules of their formation, their principle of dispersion has changed (AK, p. 173). With that, the [R2] claim of correspondence becomes even harder to maintain than with Bachelard, as it is not just the theories that can rapidly change but the entire grid of intelligibility in which they occur.

But just as- and deeply related to his push of the problem of interpretation, Foucault does not only extend the problem of historical discontinuity. He also radicalizes it in conjunction to this radicalization of the problem of interpretation. Like the layer of interpretation, the historical discontinuities that are revealed do not have a strictly negative role of interfering with pure [R2] knowledge relations between an [R5, R6] Epistemic Subject and [R1/MR1] Reality as it is. Because these historical discontinuities occur at the level of interpretation that Foucault's critico-historical approach uncovers, it are these historical transformations that fulfill the positive and negative role of enabling and constraining what is Knowable for a specific domain of knowledge. It are the shifts of these discursive transformations themselves that, time and again, will serve as the new foundations. Outside and apart from the structure of experience of madness of *The History of Madness*-, the model for the formation of medical objects, concepts and perceptions of *The Birth of the Clinic*-, the *epistèmè* of *The Order of Things*- or the discursive formations of *The Archeology of Knowledge*, positive knowledge is simply impossible for the specific domains of knowledge that are supported by these radical and historically contingent layers of interpretation. As Foucault puts it, 'the problem is no longer one [...] of lasting foundations, but one of transformations that serve as new foundations' (AK, p. 5). Where Foucault's critico-historical can be applied successfully, it thus shows that there is no stable ground, no fundamental level of continuity, but only these discontinuities themselves that ground what is Knowable for- and Known by us.

### 7.5 Archeological Detachments

The archeological version of Foucault's critico-historical approach thus can be understood to radicalize the epistemological problems of interpretation and historical discontinuity in a way that shows that redistributions of particular possibilities have occurred and can occur. Foucault's own historical studies reveal that some domains of positive knowledge have not developed based on a [R3] fixed and stable [R2/MR2] correspondence to the [R1/MR1] fixed and essential structures of Reality, but that their positivity was at once enabled and constrained by a radical level of interpretation that has been subject to discontinuous historical transformations. This implies that the distributions of specific possibilities and impossibilities that these domains of knowledge presented as fixed have, at least in some cases, been subject to the same transformations. The application of Foucault's critico-historical approach thus shows that redistributions of specific possibilities and impossibilities have occurred in some cases. More importantly, this approach can be applied to other specific domains of knowledge to uncover wither or not such transformations and the corollary redistributions in their representation of specific possibilities and impossibilities have occurred in these domains as well. This can reveal that the present distribution is much more contingent than a specific domain of positive knowledge presents it to be under SSTCP.

## 8. Genealogical Unsettlements

Though the archeological version of Foucault's critico-historical approach can help us to fight our apparent powerlessness against CFEPPC, it is not enough. Chapter seven has discussed how the archeological approach enables us to show that redistributions of particular possibilities and impossibilities have occurred and can occur. But knowing that such redistributions can occur is not enough. We must be able to *make* these redistributions occur if we want to change CFEPPC. This means that we must understand *how* these transformations occur as well.

When it comes to explaining how redistributions of particular possibilities and impossibilities occur, the archeological version of Foucault's critico-historical approach suffers from an important shortcoming and a related problem. The shortcoming is that it still puts the occurrence of redistribution of particular possibilities and impossibilities outside of our reach. The problem is that it fails to provide a coherent account as to how the transformations that it uncovers can occur.

The genealogical version of the critico-historical approach that Foucault developed in his work during the 1970's overcomes this shortcoming and resolves this problem. This approach *is* able to explain *how* redistributions of particular possibilities and impossibilities occur and *can* be seen to put these redistributions *within* our reach through the power/knowledge perspective that it adopts.

But this revised, genealogical version of Foucault's critico-historical approach is even more difficult to understand than the archeological version. Its power/knowledge perspective undermines most of SSTCP's remaining assumptions by unsettling SSTCP's second series of assumptions about the hierarchical and order of conditional relations between what is Knowable, Known, Performable and Performed (section 2.2.2).

This chapter explains how the genealogical version of Foucault's critico-historical approach accounts for the way in which redistributions of specific possibilities and impossibilities occur in a way that it is understandable and that places them within our reach. To that end, section 8.1 first discusses how SSTCP's second series of assumptions places these redistributions outside of our reach, even after an archeological account has shown us that present distributions can be detached from their fixed and essential grounding in Reality. Section 8.2 makes the way in which the genealogical version of Foucault's critico-historical approach escapes and undermines these further assumptions understandable by showing how it is prefigured by a third line of epistemological problematization that also can be seen to have emerged from inside SSTCP within the French tradition of Philosophy of Science. After that, section 8.3 discusses how Foucault's reading of Nietzsche enabled him to extricate his account of discontinuous historical transformations of the radical layer interpretation from the problems in which his attempt to formalize the archeological approach stranded. This opens the door to an explanation of how the power/knowledge perspective, which underpins the genealogical version of Foucault's critico-historical approach, accounts for redistributions of specific possibilities and impossibilities in particular domains of knowledge and social practice.

### 8.1 Archaeology and SSTCP's Remaining Assumptions

The biggest shortcoming of the archeological version of Foucault's critico-historical approach is that it still places redistributions of particular possibilities and impossibilities outside of our reach. This is because the archaeological approach only helps us to overcome one of the obstacles that SSTCP presents when it comes to redistributing the possible.

The archaeological approach helps us to overcome the obstacle of SSTCP's foundational assumption of Realism. Chapter seven discussed how the application of this archeological approach is able to detach the way in which particular domains of positive knowledge present the distributions of particular possibilities and impossibilities from their apparent grounding in the fixed and essential structures of Reality. By showing that what is Knowable for- and Known in a particular domain of positive knowledge can be conditional upon a radical layer of interpretation that is subject to discontinuous historical transformations, instead of grounded in the fixed and essential structures of Reality, it reveals that redistributions of our perception of particular possibilities can be possible.

But the archaeological approach does not help to overcome a second obstacle with which SSTCP places redistributions of particular possibilities and impossibilities outside of our reach. This obstacle results from the conjunction of SSTCP's remaining assumptions and a problem in the archeological approach's account of the discontinuous historical transformation that make the layer of radical interpretation contingent.

Though the archaeological approach undermines SSTCP's foundational assumption of Realism, it still leaves most of its other assumptions intact. In fact, SSTCP's second series of assumptions (section 2.2.2) about the hierarchical order of conditional relations between what is Knowable, Known, Performable and Performed remain unscathed. These assumptions maintain that everything that is Performable by us must be Knowable and positively Known by us first.<sup>40</sup> Though the archeological approach reveals that the Knowable is conditioned by regimes of discursive rules and regularities that constitute a radical layer of interpretation, instead of the [R1/MR1] fixed and essential structures of Reality, this hierarchical order of conditional relation is still maintained. Under an archeological account, we are still able to Perform only what the applicable regime of discursive rules and regularities discloses as Knowable for us.

The problem with the archaeological account is that it only reveals *that* discontinuous historical transformations of regimes of discursive rules and regularities have occurred, but fails to explain *how* they occur in a coherent way. When Foucault attempts to formalize his archeological approach in *The Archaeology of Knowledge*, he situates the occurrence of these discontinuous historical transformations at the level of discursive rules and regularities to which it grants an autonomous status. As Dreyfus and Rabinow have argued convincingly, This leads to 'the strange notion of rules and regularities which regulate themselves' (1983, p. 84). An archeological account of discontinuous

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<sup>40</sup> This conditional relation is part of the larger chain of conditional relations that in order for something (1) to be Performed, it has to be Performable, (2) that in order for something to be Performable, it has to be Known to be Performable, (3) that in order for something to be Known, it has to be Knowable and (4) that in order for something to be Knowable, it has to be Possible.

historical changes in the layer of radical interpretation is therefore not only unclear as to what would trigger these transformations, it also seems to undermine the very plausibility of their occurrence.

Taken together, SSTCP's remaining assumptions and the archeology's explanatory problem create the following obstacle: The archaeological approach is able to place the occurrence of redistributions of particular possibilities and impossibilities in the range of what is Known to be Possible, but it does not manage to place them in the range of what is Possible and Performable for us. This is because the archeological approach is merely capable of showing *that* such redistributions have occurred and can occur. But it does not explain *how* they occur, which is a condition for being able to *make* them occur, as SSTCP's second series of assumptions requires us to positively know *how* something can be Performed in order for it to be Performable.

## 8.2 The Problem of Norms in Bachelard and Canguilhem

The genealogical revision of Foucault's critico-historical approach helps us to overcome this second obstacle. Yet as with the archeological approach, it is difficult to understand how it does so from a position where SSTCP governs the way we think about what is Possible. Where the archaeological approach ran into problems by explaining the discontinuous historical transformations at the level of discursive rules and regularities (which disclose the Knowable for a particular domain of positive knowledge) by referring back to the same rules and regularities, the genealogical approach explains these transformations by showing how they are conditioned by shifts and transformations in correlated domains of social practices. This unsettles and upsets SSTCP's second series of assumptions, as it shows what is Knowable to be conditional upon what is Performed in social practice rather than unidirectionality determined by what is Possible. Because these further blows to the assumptions of SSTCP are difficult to understand from a position where SSTCP still governs the way we think about the Possible, it is important to carefully prepare the way to understand this perspective.

The genealogical approach becomes more understandable when it is explained as an extension and a radicalization of a third line of epistemological problematization that developed from the work of Bachelard and Canguilhem. Their problematization of the function of (epistemic) norms in the historical development of particular domains of knowledge can be read to prefigure the much more radical power/knowledge perspective that underpins the genealogical version of Foucault's critico-historical approach. This problem of norms is connected to the way in which the problem of interpretation undermines SSTCP's foundational assumption of Realism. But where the problem of interpretation merely undermines the [R5] assumption that the epistemic subject of Science can access the world as it [R1/MR1] is (see chapter 7), the problem of norms also undermines the strict positive|normative distinction that ensures the assumption of unidirectionality in the conditional relations between what is Knowable, Known, Performable and Performed under SSTCP. For if what is presented as objectively Known by a particular domain of positive knowledge would somehow be influenced or conditioned by something as subjective as norms, which is of the order of the Practical Subject, this would upset the hierarchical order of SSTCP.

As it appears in Bachelard, the problem of norms is raised as a purely epistemic problem. Bachelard's work can be read to present the problem of epistemic norms as a further challenges to the [R2/MR2] correspondence relation that grounds positive knowledge in the [R1/MR1] fixed and essential structures of Reality. Epistemic norms are indispensable to the functioning of Science,

because they determine when and how a theory is acceptable. As such, these norms would have to be stable in order to assure the [R5] assumption that the Epistemic Subject has immediate access to [R1/MR1] Reality. This means that, in order for what is Known to be stable, these norms would have to coincide with the [R6] fixed and universal principles of reason (see note 39). Bachelard's reflections on his historical studies of the development of the natural sciences problematize this assumption, because they show that these norms and the principles of reason they are assumed to reflect are not fixed and universal, but formed in- and as a part of the process of discontinuous historical development of science as well. Descartes' "clear and distinct intuitions" of the essential properties of matter, for example, have been refuted by descriptions of matter by twentieth-century chemistry and physics that, as results of hypothetico-deductive inferences from data that are collected through the mediation of complex instruments, are no longer validated by such clear and distinct intuitions (Gutting, 1989, p. 13). Another example is provided by Kant's *a priori* principles of reason, of which the permanency of matter has been refuted by the breakthroughs of relativity theory and quantum mechanics (Gutting, 1989, p. 13). These discontinuous historical changes of epistemic norms further undermine the assumption that positive knowledge is based on [R2/MR2] correspondence to [R1/MR1] Reality in virtue of the Epistemic Subject's [R5] immediate access to this [R1/MR1] Reality.

Canguilhem's work extends the problem of norms by showing that the positive|normative distinction that ensures the unidirectionality that is implied by SSTCP's second series of assumptions cannot be maintained for specific domains of scientific knowledge. His philosophical reflections on the historical development of the life sciences show that norms are not only indispensable to arrive at the methods by which Science is to validate its theories, but also to arrive at the formulation of some of the foundational concepts that these theories explain themselves. His doctoral thesis *On the Normal and the Pathological* (1978) shows that healthy and pathological states (the foundational conceptual distinctions of medicine) can only be distinguished through a recourse to norms and values from the organism's point of view. Instead of being based on strictly objective facts about [R1] physiological states, the concepts of health and pathology have to be applied to physiological states based on the meaning these states have for the organism in question. The concept of pathology, which in many ways is constitutive for the science of medicine, therefore 'cannot be reduced to an objective concept determinable by scientific methods' (*idem*, p. 138). For they are, as Gutting puts it, 'defined independent and prior to objective scientific analysis' (1989, p. 48).

This third line of problematization in Bachelard and Canguilhem does not only offer an additional angle to undermine SSTCP's foundational assumption of Realism. It also problematizes SSTCP's hierarchical order of conditional relations by showing that what is Knowable for and Known in particular domains of positive knowledge is conditioned by norms. Besides a further problematization of R5 and R6 (in Bachelard) and R1 (in Canguilhem), the problem of norms thus unsettles the strict positive|normative split that supports SSTCP's hierarchical order. It may be possible to defend the historical contingency of epistemic norms and their formation as part of the process of scientific development as a purely epistemic matter. But it cannot be maintained that a body of scientific knowledge is strictly positive and completely objective (i.e. emptied of normative considerations and value judgments) when its objects cannot, as Canguilhem shows, be defined without a recourse to non-epistemic norms and values. When non-epistemic norms and values are involved in-, or even indispensable to the constitution of the objects of a science, the theoretical

body of knowledge of that science [The Known] simply cannot be presented as a strictly separate, positive account of Reality that conditions the Performable in a unidirectional way.

### 8.3 From Norms to Social Practices in the Archaeology

At points, the historical studies from Foucault's archaeological period pick up and extend this third line of problematization. Though the studies in the early period of Foucault's work are not predicated on the radical power/knowledge perspective of his later works, some of them extend the problem of norms by connecting it to social practices. These studies show how particular sets of social practices, that are shot through with moral and political factors, played a decisive part in making discontinuous historical transformations occur at the level of the discursive rules and regularities that, as the archaeological approach revealed, constitute what is Knowable for- and support what is Known in particular domains of positive knowledge.

This connection is strongest in *The History of Madness*, where Foucault shows that it was not so much a change of mind(s) that constituted the new experience of madness in the classical age, but the practices of confinement that followed a large scale state program of incarcerating the mad.<sup>41</sup> As Foucault puts it, 'confinement did not simply play the negative role of exclusion, but also had a positive organizing role. Its practices and regulations constituted a domain of experience that had unity, coherence and function' (HM, p. 82). It is only after and because the mad were somehow preselected and confined in an institutional setting that "madness" could become an object of study. The constitution of madness as an object of knowledge for sciences like psychology and psychiatry was therefore conditional upon the social practices of confinement and the moral and political factors that were involved in them. Foucault thus shows that the Knowable does not only depend on a level of discursive rules and regularities that operate on an autonomous plain, before anything and everything else, but upon the way in which social practices interact with and transform how these discursive rules and regularities delimit the range of what is Knowable. With that, *The History of Madness* extends and radicalizes the problem of norms in a way that shows how transformations of the Knowable and its corollary redistributions of specific possibilities and impossibilities could occur through shifts and changes in nondiscursive social practices.

After *The History of Madness*, however, this line of problematization subsides in the archeological period of Foucault's work. At the outset, *The Birth of the Clinic* still appears to pursue an account of the ways in which nondiscursive social practices have been involved in the constitution of a new scientific knowledge – connecting the radical transformation in medical thought at the turn of the eighteenth century (which takes central stage in the book) to the appearance of the institution of the clinic. But as the book progresses, the role of the nondiscursive social practices in the constitution of modern medicine gives way to a purely epistemological critique of the supposed neutrality of observation in modern medicine (Gutting, 1989, p. 136). Foucault's attention for non-discursive social factors then disappears entirely in *The Order of Things*, which focuses purely on the fundamental orders of experience in the renaissance, classical and modern *epistèmès*. And where Foucault addresses 'the relations between discursive and non-discursive domains' in *The Archeology*

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<sup>41</sup> See Foucault's discussions of the Great Confinement in chapter two of *The History of Madness*.

of *Knowledge* (AK, 162-164), he prioritizes the analysis of discursive rules and regularities over the consideration of factors external to discourse.<sup>42</sup>

So although the role of social practices had been granted a conditioning function in relation to the archaeological levels of pre-understanding in *The History of Madness*, this role was increasingly pushed to the background by Foucault's prioritization of discourse during the remainder of the archeological period of his work.

#### **8.4 A Nietzschean Escape**

The third line of problematization that is abandoned over the course of Foucault's early work returns and is radicalized in the middle period of Foucault's work. After the *Archeology of Knowledge*, Foucault does not publish any major works for a number of years, but reconsiders and revises his approach in a number of shorter texts. During this period, Foucault's reading of Nietzsche had a decisive effect on the direction that the further development of his critico-historical approach took during the 1970's.

Nietzsche offered Foucault a way to extricate his critico-historical approach from the trap in which the archaeology had ended when it tried to account for discontinuous historical transformations in the radical layer of interpretation. Like Foucault's archaeological approach, Nietzsche's perspectivism reveals that knowledge and reason are conditional upon a radical layer of interpretation [problem of interpretation]. And like Foucault's archaeological approach, Nietzsche's genealogy draws on history to expose the contingency of this interpretative layer [problem of history]. But where Foucault's archeological approach refers back to regimes of autonomous discursive rules and regularities to explain how transformations of this layer of interpretation occur, Nietzsche's genealogical approach explains and analyzes the shifts and transformations in this layer of interpretation as the outcome of power struggles. It treats interpretation as 'the violent and surreptitious appropriation of a system of rules, which in itself has no meaning, in order to impose a direction to bend it to a new will, to force its participation in a different game, and to subject it to secondary rules' (NGH, p. 378). In reading Nietzsche, Foucault thus finds a way to explain shifts and transformations in the radical layer of interpretation by something other and outside the rules and regularities that constitute this layer under his archeological account. This Nietzschean account of radical interpretation as the outcome of power struggles extends and radicalizes the problem of norms by showing that the interactions between subjective motives (i.e. micro-political processes) determine and shape how the layer of interpretation delimits what is Knowable. As such, it puts Foucault on the track of a genealogical account of redistributions of specific possibilities and impossibilities based on the way in which power functions in (particular domains of) social practice.

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<sup>42</sup> As Foucault states in concluding a section on the relation between discursive and non-discursive practices that takes *The Birth of Clinic* as an example: 'It is not a question, then, of showing how the political practice of a given society constituted or modified the medical concepts and theoretical structure of pathology; but how medical discourse as a practice concerned with a particular field of objects, finding itself in the hands of a certain number of statutorily designated individuals, and having certain functions to exercise in society, is articulated on practices that are external to it, and which are not themselves of a discursive order' (AK, p. 164). At this point the direction of the conditional relation runs only from discourse to non-discursive practices, not the other way around.

### 8.5 Foucault's Reconceptualization of Power

Though the genealogical turn in Foucault's work is inspired by Nietzsche, Foucault develops a much richer and sophisticated genealogical version of his critico-historical approach himself. This approach enables us to explain how redistributions of specific possibilities and impossibilities occur. It shows that what is Performable in a particular domain of social practice is not only conditioned by the Known within the chain of unidirectional and hierarchically ordered conditional relations of SSTCP's second series of assumptions (see figure 8.1).<sup>43</sup> It shows that what is Performable is also indirectly conditioned by how what is actually Performed in that (and related) domain(s) of social practice conditions what is Knowable for the correlated domains of Knowledge (see figure 8.2). This genealogical account gives us a cross- circular account of the conditional relations between what is Knowable, Known, Performable and Performed (see figure 8.3) that, building on the archaeological approach, is detached from any fixed and permanent grounding in a R1/MR1 Reality.

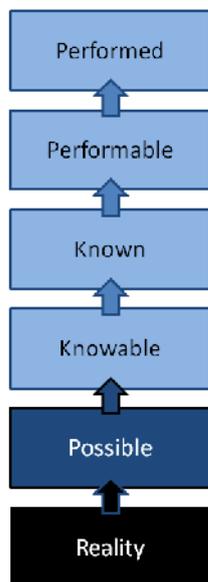


Figure 8.1

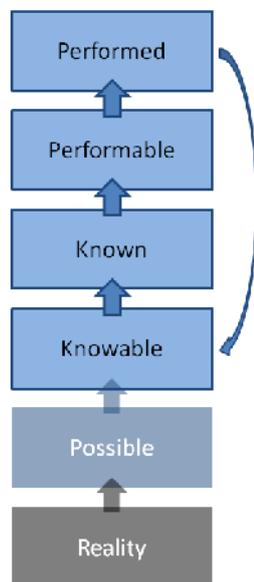


Figure 8.2

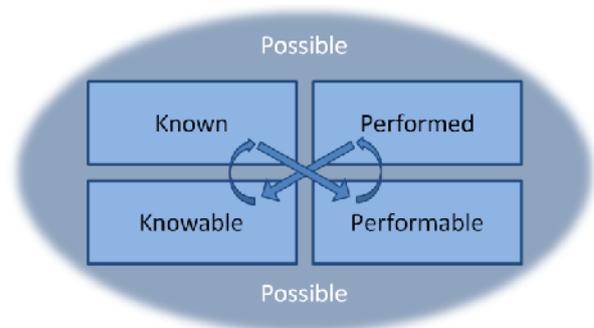


Figure 8.3

Central to (understanding) this account of how redistributions of specific possibilities and impossibilities occur is the power/knowledge perspective that underpins the genealogical version of Foucault's critico-historical approach. Foucault develops this perspective by reconceptualizing our perception of power in three ways. Each of these reconceptualizations dissolves an implicit assumption about power in a way that undermines SSTCP's support for the hierarchical order of conditional relations between what is Knowable, Known, Performable and Performed.

Before we discuss how Foucault develops his account of power through these three reconceptualizations, it is important to note that this account does not pretend to offer a theory of what power [R1] is. In discussing his account of power, Foucault stresses that he is not in any way

<sup>43</sup> This chain of conditional relations implies that in order for something (1) to be Performed, it has to be Performable, (2) that in order for something to be Performable, it has to be Known to be Performable, (3) that in order for something to be Known, it has to be Knowable and (4) that in order for something to be Knowable, it has to be Possible.

after a general theory of what power [R1] is (STP, pp. 1–2; SP, pp. 777–778; CF, p. 199). His genealogical accounts are aware that an approach that shows the contingency of what is Knowable and Performable in particular domains of knowledge and social practice upon a radical layer of interpretation, also has to be an interpretation itself.

#### 8.5.1. *The Decentralization of Power*

That being said, the first way in which Foucault reconceptualizes power is to decentralize and distribute its functioning.

SSTCP implicitly assumes that the exercise of power is confined in two ways. The first is that power is always exercised by an individual or institutional actor who possesses power. Power is exercised by presidents and governments, CEO's and corporations – by those who *have* power. It is not exercised independent of such actors. Nor does power manifest or operate by itself, independent of an actor. When natural phenomenon are said to be powerful, we are, strictly speaking, talking about forces under SSTCP. This translates into the second implicit assumption that power is exercised only over- and at the conversion points between what is Performable and what is actually Performed. So because the exercise of power is assumed to be confined to individual and institutional actors, it is an activity on the part of Practical Subjects. In addition, since the exercise of power is assumed to be confined to the conversion of what is Performable into the Performed, it only conditions the range of what is actually being Performed.

Foucault dissolves these assumptions by situating the exercise and functioning of power at a much more radical level. Like Nietzsche, Foucault presupposes that there is an endless dynamic of struggle and confrontation behind the way things appear. But Foucault divorces this struggle from any intentions or properties that originate from or belong to individual and institutional actors. Instead, he asserts that power should be perceived as the conditioning effects of an all-pervasive field of interacting and mobile force relations that runs through and between things, subjects and actors.<sup>44</sup>

This perspective is predicated on two presuppositions that dissolve SSTCP's implicit assumptions about the exercise of power. The first is that there is an ever-active ontological substrate of force relations before there are any individual or institutional actors who possess power in the common sense. In Foucault's own words: power refers to 'a network of relations, constantly in tension, rather than a privilege that one might possess' (DP, p. 26). As such, the locus whence power comes from is a 'moving substrate of force relations which, by virtue of their inequality, constantly engender states of

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<sup>44</sup> Where this substrate should be situated depends on the viewpoint from which one departs. In the first volume of *The History of Sexuality* Foucault explicitly states that 'power comes from below' (HS1, 94) – a very unfortunate choice of words, as it maintains and inverts the vertical relationship that is present in the common conception of power as something that is held at the top. This is at risk of being misinterpreted along the same line that Martin Heidegger took Nietzsche's inversion of Platonism as another metaphysical position. In my view, Foucault's remark about power coming from below should be read only in the context and as a rather careless way of distinguishing his own conception of power from the top-down view of the centralized notion of power: it is accurate only as a negative distancing from this common view. There is no essential power at bottom of things and Foucault's power-knowledge perspective is not a theory of power. Rather, a positive description of Foucault's own conception of power, from the point of view that it is after, this substrate functions prior to and in between things. It is at once a principle of intelligibility and explanation for a world that is constantly on the move, without metaphysical essences, finalities or any other fixed meta-historical points of reference.

power' (HS1, p. 93). This presupposition dissolves the assumption that the exercise of power is a privilege that is confined to individual or institutional actors.

The second presupposition is that power is a conditioning effect that must be understood as immanent to- and to have its conditioning effects on the same field of force relations whence it arises first. When power is considered in itself, it is simply the conditioning effect of force relations on their own arrangement: 'power must be understood in the first instance as the multiplicity of force relations immanent in the sphere in which they operate and which constitute their own organization' (HS1, p. 92).

Yet because this field of interacting and mobile force relations runs through and between things, subjects and actors, it also conditions the way in which we can and actually do perceive and act in the world. Power is not an independent sphere. On the contrary, the power/knowledge perspective presupposes that everything that is Knowable for particular domains of knowledge and Performable in particular, correlated domains of social practice is conditioned as Knowable and Performable by the self-organizing effects that are immanent to this sphere of force relations. Foucault calls this the *rule of immanence*, which comes down to the presupposition that an object of knowledge such as sexuality, for example, was only 'constituted as an area of investigation, [...] because relationships of power had established it as a possible object'. This situates the functioning of power at a much more radical level than under SSTCP's implicit assumption that the exercise of power is confined to the level of what is Performed and Performable. It also situates it prior to the regimes of discursive rules and regularities that a purely archeological version of Foucault's critico-historical approach uncovered.

#### 8.5.2. Productivity of power

Foucault's second reconceptualization makes power productive. He shows that power does not, as SSTCP implicitly assumes, merely have a negative or limiting effect on what range of the actions that are Performable are actually Performed, but that it can be productive in the sense of constituting and supporting what is Knowable for us in particular domains of knowledge and what is Performable in particular domains of social practice.

Foucault contrasts his perspective on the productive functioning of power with what he refers to as a negative conception of power. He derives this notion of power from the "repressive hypothesis", which, in the context of *The History of Sexuality*, is the idea that our natural sexual drives were long repressed and silenced under a Victorian regime from which we only recently began to liberate ourselves (HS1, p. 10). Foucault then proceeds to argue that this specific and contextualized idea of repression derives from what he calls a much broader "juridico-discursive" representation of power (HS1, p. 82), which is modeled on the purely negative relation of 'the rule' that instantiates prohibitions and censorships (HS1, pp. 83–84). Here, power is essentially negative, because it 'can "do" nothing but say no' (HS1, p. 83): it is capable only of restriction and constraint, of posting limits – which, in the case of sexuality, comes down to 'dictating its law to sex' by placing it under a binary system of 'licit and illicit, permitted and forbidden' (*ibid.*). Though Foucault discerns this juridico-discursive representation of power in his historical analysis of the sexuality, he stresses that it is not just a peculiar way of thinking about power that belongs to the subject of sexuality, but that it 'is much more general; one frequently encounters it in political analyses of power, and it is deeply rooted in the history of the West' (*ibid.*).

As I see it, Foucault's own use of the juridico-discursive conception of power does not (or no longer) serve as the most accurate or helpful contrast when it comes to bringing out the distinctive features of his reconceptualization of power as productive. For, on a strict reading, this would imply that our common understanding of power would limit us to either thinking that the pyramids were built *without* the exercise of any power whatsoever, or that the pyramids were built by prohibiting every type of behavior that would distract Egyptian slaves from their natural and innate pyramid-building-drives.

A better contrast to Foucault's reconceptualization of power as productive is that power is commonly assumed to be exercised in negative and positive ways, but that this exercise is only capable of *rarifying* what was already determined as Performable beforehand. That is to say: SSTCP implicitly assumes that power can be exercised to ensure that particular actions remain Unperformed (e.g. crossing a red light, insider trading or murder) as well as to promote or enforce that particular actions *are* Performed (e.g. satisfactory job performance or the construction of a skyscraper). But that it can only do so within the range of what is already Performable. Power does not, under the common conception of SSTCP – and here lies the crucial difference with Foucault's reconceptualization of power – condition what is Performable prior to its delimitation by what Reality determines as Possible and what Science has discovered to be Performable. Power merely has a rarifying function of determining which of the things that are Known to be Possible can and will actually be Performed *after* the Performable is delimited by what is Possible and Known.

Contrary to this rarifying function under the common conception of power, Foucault's genealogical approach reconceptualizes power in a way that makes it radically productive in the sense that it does condition what is Performable.

In general, Foucault's radicalization of the productivity of power presupposes that the field of mobile and interacting force relations conditions the way in which the world appears to us. At its root, this appearance derives its sense of order and stability from temporal consistencies in the meso- and macro-level outcomes of the micro-level interactions in this all-pervasive field of force relations. These temporal consistencies result from the way in which these interacting force relations work themselves out and organize themselves in meso-level patterns and macro-level systems of arrangement by baring on the trajectory of other and further micro-level interactions.

From a genealogical point of view, these patterns can be interpreted and perceived as rituals-, mechanisms- and technologies of power that develop more or less stable arrangements which condition how particular social practices are performed at a particular point in time. These social practices, in turn can be interpreted to condition how the radical layer of interpretation delimits what is Knowable for- and supports what is Known in particular domains of knowledge. As such, the conditioning effects of power shape the way in which the world appears to us as place that can be known and in which we can act.<sup>45</sup>

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<sup>45</sup> Although the effects of the perpetual play of force relations that generates microscopic states of power are unstable at the most local level, they can be seen to generate temporal consistencies from further up. the most local level, there Nonetheless, this perpetual play of force relations does generate temporal consistencies, as the interactions between them do not merely send them of in random directions, but also transform, strengthen or reverse their directions and 'bring about redistributions, realignments, homogenizations, serial

In more specific terms, Foucault's radicalization of the productivity of power presupposes and shows how power, as the conditioning effects of the interactions between force relations, constitute what is Knowable and the subjects who are able to Know this for particular domains of knowledge and what is Performable and the actors who can Perform it for particular domains of social practice.

The first way in which this radicalization shows how power conditions what is Performable is by delimiting what is Knowable for and supporting what is Known to be Performable in particular domains of knowledge. Where the archeological approach had shown how particular regimes of discursive rules and regularities make particular domains of knowledge (e.g. psychiatry and medicine) Knowable, Foucault's genealogical approach shows how power relations have conditioned the way in which a radical layer of interpretation delimits what is Knowable for particular domains of knowledge.

On the one hand, this is illustrated by Foucault's own historical studies that uncover how particular forms of positive knowledge are conditioned and enabled by particular historical fields of social practices (i.e. the arrangements and transformations in the patterns according to which local force relations work themselves out at particular sites). *The History of Madness* shows that changes in the practices of confinement were indispensable for madness becoming a possible object of study. *Discipline and Punish* shows how the substitution of practices of imprisonment for practices of torture made it possible for "delinquency" to become an object of study. *The History of Sexuality vol. I* shows how the practices of confession were indispensable to constituting sexuality and sex as objects of scientific knowledge. And in *Security, Territory, Population*, Foucault shows how the administrative practices of the state made it possible for the "population" to emerge as an object of knowledge: 'A constant interplay between techniques of power and their object gradually carves out in reality, as a field of reality, population and its specific phenomena' (STP, p. 79).

On the other hand, this interpretative account is supported by Foucault's own decentralized pre-understanding of how power produces knowledge. Here, Foucault modifies and extends the archaeological notion that the objects of knowledge and the subjects who know them are constituted and exhausted by the range of possible knowledge relations that can obtain between them under a particular discursive formation. Where the archaeological approach sought to account for this layer of interpretation only in terms of discursive rules and regularities, the genealogical approach explains it as conditioned by the ontological substrate of force relations that engenders states of power. As Foucault puts it, 'the subject who knows, the objects to be known and the modalities of knowledge must be regarded as so many effects' of the power relations that shape, run through and issue from these social practices (DP, pp. 27–28). '[I]t is not the activity of the subject of knowledge that produces a corpus of knowledge, but [this field], the processes and struggles that traverse it and of which it is made up, that *determines the forms and possible domains of knowledge*' (*ibid.* – *my italics*). Towards the end of the middle period of his work, this productivity of power in the constitution of possible domains of knowledge becomes even more pronounced when Foucault says that the functioning of power marks out in reality that which did not exist (see BB, p. 19).

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arrangements and convergences' that 'form a general line of force that traverses the local oppositions and links them together' (HS1, p. 94).

The second radicalization of the way in which the exercise of power conditions what is Performable, is that it constitutes the range of actions that can be performed [The Performable] by actors [Practical Subjects] in a way that is prior to and constitutive of these actions and actors. Where the archeological approach shows how the rules and regularities of discursive formations set up the space for subjects to appear as subjects who can know and speak about objects, the genealogical approach shows how power relations set up the space where actors can appear as actors who can perform a specific range of actions and who have specific values, norms and interests.

Towards the end of the actions in the relation between actions and actors, this is not so hard to understand. The implication of Foucault's decentralized account of power is that the range of possible actions that is open to an actor is not conditional upon some segment of the [R3] fixed and [R1] essential structures of Reality, but upon the constellation of the field of interacting and mobile force relations in which the actor finds himself at a particular point in time. That is to say, the conditioning effects of the network of force relations in which the actor finds himself simultaneously enable and constrain the range of possible actions that is open to the actor as an actor who can act. As Foucault puts it *The Subject and Power*, a shorter article that is intended to elucidate the genealogical account of power that he elaborates in the middle period of his work:

'[W]hat defines a relationship of power is that it is a mode of action which does not act directly and immediately on others. Instead, it acts upon their actions: an action upon an action, on existing actions or on those which may arise in the present or the future [...] faced with a relationship of power, a whole field of responses, reactions, results, and possible inventions may open up' (SP, p. 789).

One way to read this, is that *when* there is a power relation, this particular power relation *could* open up *a* possible range of actions, in which case this range would not necessarily be exhaustive. But against the backdrop of Foucault's presuppositions about power as an all-encompassing and all-pervasive field of force relations, this should be taken to mean that the field of possible actions is at once enabled and constrained by all the relationships of power that act upon a particular actor at a particular point in time.

It is perhaps harder to understand how power relations can be constitutive of the actor as a practical subject. Here, the *History of Sexuality* provides an instructive example. Under the common conception of power there would be an actor with certain sexual desires proper to him first, and a configuration of power relations that determines the extent in which he can or cannot satisfy them (e.g. the law that prevents him to act on these desires as he wishes in a negative sense and his ability to seduce or coerce the object of his sexual interest in a positive sense) second. But as Foucault sees it, (t)his sexuality is not an innate characteristic that belongs to the subject prior to power, but a property that is produced and shaped by the complex strategic situation, or *dispositif*, in which power was exercised over his body and subjectivity as well as that of others. As he puts it, 'sexuality must not be described as a stubborn drive', but 'rather as an especially dense transfer point for relations of power' (HS1, p. 103), that was produced as an effect of the complex strategic constellation of power relations. It is 'not a furtive reality that is difficult to grasp, but a great surface network in which the stimulation of bodies, the intensification of pleasures, the incitement to discourse, the formation of special knowledges, the strengthening of controls and resistances are linked to one another, in accordance to a few major strategies of knowledge and power' (HS1, pp. 103–105). This can be said to be constitutive of an actor and his subjectivity as a practical actor with certain interests and desires, because 'it is through sex – in fact, an imaginary point determined by

the deployment of sexuality – that each individual has to pass in order to have access to his own intelligibility’ (HS1, p. 155).

Finally, Foucault’s reconceptualization of power as productive also provides an alternative account of the constitution of institutions. Where institutions like governments and corporations are commonly perceived as entities with their own identity and structural integrity, Foucault’s reconceptualization of power presupposes and shows how these institutions emerge as crystallized macro-level organizations in the constellation of the field of mobile and interacting micro-level force relations. In fact, governments are “essentially” nothing more, nothing less than the ‘incarnation’ of the most minute force relations into higher order patterns of consistency and the more or less stable set of social practices that emerge from them that are institutionalized in and by our interpretations. It also implies that these institutions do not manage a particular set of social practices as institutional actors, but that they are constituted and made-up by the social practices that they are commonly thought to perform. An institution like the state does not have an essence. It is nothing more or less than the mobile effect of power relations (BB, p. 77).

Through each of these reconceptualization of power as productive, Foucault shows that power relations condition the Performable in a much more radical way than is commonly assumed under SSTCP. When it comes to conditioning what is Performable, SSTCP assumes that power only comes in to play as a further rarification of what Reality delimits as Possible and Science has already discovered as Known to be Possible. The archeological approach made the way in which what is Known to be Possible conditions the Performable historically contingent by detaching what is Knowable from the fixed and essential structures of Reality. After that, the genealogical approach goes a step further by presupposing and showing that both the Knowable and the Performable are delimited by the conditioning effects of the endless dynamic of interactions between force relations. This presupposition thus further dissolves SSTCP’s second series of assumptions about the hierarchical order of conditional relations.

#### *8.4.3. Power/Knowledge*

The Foucauldian notion of the productivity of power already upsets SSTCP’s hierarchical ordering of knowledge over power by showing how Power conditions what is Knowable in a radical way. The biggest innovation of Foucault’s reconceptualization of power in his work during the 1970’s, however, is that it also dissolves the strict separation of knowledge and power altogether. This reconceptualization of the relation between power and knowledge enables Foucault to show how particular forms of knowledge emerge and function *within* an economy of power relations.

Foucault’s own contrast to this power-knowledge perspective is the notion that positive knowledge can only be attained in the absence of power. In his own words and that of his commentators, this contrast consists in ‘a whole tradition that allows us to imagine that knowledge can exist only where the power relations are suspended and that knowledge can develop only outside its injunctions, its demands and its interests’ (DP, p. 27), which conceives of truth as outside (TP, p. 131) and intrinsically opposed to power (Dreyfus & Rabinow, 1983, p. 133).

This “whole tradition” is reflected by the implicit assumptions about the relations between knowledge and power under SSTCP. In order to attain positive knowledge, one must either consult what Science says or become a scientist in the sense of emptying oneself of every personal interest

and freeing oneself from the power that individuals and institutions exercise over you to become an Epistemic Subject that can [R5] discover the way the world [R1/MR1] *is*. Only when one succeeds in doing so, can one provide the impartial accounts of the fixed and essential structures of Reality that are accepted as positive knowledge under SSTCP. Once such an impartial account is established, it provides an insight into *the* fundamental distribution of specific possibilities and impossibilities that is prior to any exercise of power and to which every power play is subjected. In this sense, what is discovered and Known through Science can merely expand what is Performable by discovering and getting to Know what was already there in Reality, as an Unknown possibility that was not yet unlocked for us by Knowing it. All knowledge can do according to this implicit assumption, therefore, is to have a positive effect on what is Performable, within the range of what the fixed and essential structures of Reality priorly determine to be Possible.

The power/knowledge perspective that underpins the genealogical version of Foucault's critico-historical approach dissolves this implicit assumption of the strict separation of power and knowledge. It contains the view that power produces knowledge (section 8.5.2), but also goes beyond it. Contrary to the tradition that assumes power and knowledge to be strictly separated, Foucault's critico-historical approach shows that:

'[...] power and knowledge directly imply one another; that there is no power relation without the correlative constitution of a field of knowledge, nor any knowledge that does not presuppose and constitute at the same time power relations' (DP, p. 27).

That is to say that the power/knowledge perspective implies that knowledge and power are completely entangled, that they condition each other in a correlative and circular movement.

This complete and circular entanglement of power and knowledge under the power-knowledge perspective can be specified as consisting of three presuppositions that are implied by three segments from the phrase that was quoted above. First of all, the segment 'there is no [...] knowledge that does not presuppose [...] power relations'. This implies (a) that power relations enable and constrain what forms of knowledge are possible (i.e. what is Knowable) and (b) that there cannot be any knowledge without power relationships. This corresponds to what has been discussed in section 7.5.2.

Then there is the second (perhaps somewhat more puzzling) segment that 'there is no power relation without the correlative constitution of a field of knowledge'. In other words, there is no power without knowledge. This seems to be self-defeating. If knowledge is conditional upon power relations, and power relations can only exist if there is a correlative constitution of a field of knowledge, then how could either of them be? But this apparent problem does not apply, as power is interpreted as the arrangement of force relations that are prior to it. There are force relations that condition each other first. The conditioning effects of these force relations become power relations once they are interpreted as such, and since such interpretation establishes a knowledge relation, power requires knowledge to become power. The study of power-knowledge relations thus asserts itself as an interpretative and modifying act within the sphere of force relations.

Third and finally, the power-knowledge perspective presupposes that knowledge acts upon and conditions power relationships. This last presupposition is implied by the segment that 'there is no [...] knowledge that does not [...] constitute at the same time power relations'. Knowledge

relationships do not exist or obtain on a different plane than power relations. Nor are they the terminal states or effects that power relations ultimately take. Rather, knowledge relations obtain in ways that issue further conditional effects in the field of force relations, which, if analyzed, can be interpreted as power relations. This is because knowledge relations themselves are shot through with power: 'relationships of power are not in a position of exteriority with respect to [...] knowledge relationships [...], but immanent in the latter' (HS1, p. 94). Power is an intrinsic part of all relations, including knowledge relations, so that, in a circular way, it becomes both their effect and cause (STP, p. 2). Knowledge relations can thus be seen to exercise power through their conditioning effects on the overall arrangement of force relations that generate states of power.

This presupposition about the power effects that issue from knowledge relations are illustrated at length in the historical studies from the middle period of Foucault's work. The power mechanisms involved in the practices of imprisonment, for example, did not merely constitute delinquency as an object of study, but the knowledge that developed around delinquency also functioned and transformed the way in which the body was invested by power relations (DP, p. 24). Sexuality and sex are not only constituted by the practices of confession, but serve as 'an especially dense transfer point for relations of power' (HS1, p. 103) once it is marked out reality. Population is not only constituted as an object of knowledge and a quintessential concept to the formation of a modern science like political economy by the way in which particular mechanisms and techniques of power are exercised, but becomes the correlate of these and other mechanisms in a way that affects how power is exercised (STP, p. 79).

This third reconceptualization results in the Foucauldian notion of a *regime of truth*, which designates the way in which a particular domain of knowledge conditions what is Performable in a particular domain of social practice. Foucault describes this function of the regime of truth as 'the articulation of a particular type of discourse on a set of practices, a discourse that, on the one hand, constitutes these practices as a set bound together by an intelligible connection and, on the other hand, legislates and can legislate on these practices in terms of true and false' (BB, p. 18). In other words, a regime of truth is the functioning of a discourse in terms of its conditional effects on what is Performable within the overall economy of power.<sup>46</sup> This means that what is Known can still be seen to condition what is Performable, but in an entirely different way than SSTCP assumes.

Besides the notion of a regime of truth, Foucault also uses the more specific concept of governmentality to denote the conditioning effect of particular domains of knowledge on what is actually being Performed in correlated domains of social practice. Following Dean (2009, p. 3), the best way to describe the more general function of this concept in the genealogical version of Foucault's critico-historical approach,<sup>47</sup> is a seemingly unconnected quote from Foucault in a roundtable discussion. Here, Foucault talks about how regimes of practices 'possess up to a point their own specific regularities, logic, strategy, self-evidence and reason', which govern conduct both

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<sup>46</sup> Here, discourse returns in a way that it connects and selects the formation and functioning of certain practices by providing an objectivity that is both an objective and the measure of objectivity in the sense of offering a standard of truth.

<sup>47</sup> The concept of governmentality also has a more particular and historically specified meaning, which Foucault develops in *Security, Territory, Population* (STP, pp. 108-109). Yet the latter meaning is more important when it comes to applying Foucault's critico-historical approach, as will be discussed in paragraph 11.1.1.

'through prescriptive effects regarding what is to be done [...], and codifying effects regarding what is to be known' (QM, p. 75).

## 8.6 Conclusion

The preceding discussions have shown how the genealogical version of Foucault's critico-historical approach thus brings us closer to being able to make redistributions of particular possibilities and impossibilities occur by showing and explaining *how* they occur.

The archeological approach merely showed that redistributions of particular possibilities and impossibilities *can* occur. Its concrete application reveals how the distribution of specific possibilities and impossibilities according to a specific domain of knowledge can be seen as based on a historically contingent layer of radical interpretation that is constituted by a regime of autonomous discursive rules and regularities, instead of grounded in the [R1/MR1] fixed and essential structures of Reality as SSTCP assumes. But the archeological approach ran into a dead end when it attempted to explain the discontinuous historical transformations of this layer of interpretation in terms of the discursive rules and regularities that constituted it.

The genealogical approach does enable us to explain *how* distributions of transformations occur based on its power/knowledge perspective. This power/knowledge perspective is based on a reconceptualization of power as the decentralized and productive conditioning effects of a mobile field of force relations on the way in which the radical layer of interpretation (that is uncovered by the archeological approach) delimits what is Knowable for a particular domain of knowledge and what is Performable in a particular domain of social practice. As such, its concrete application is able to explain the discontinuous historical transformations that engender redistributions particular possibilities and impossibilities as the result of shifts and transformations in the general economy of power/knowledge relations that are immanent to this mobile field of force relations.

This means that we could make a redistribution of particular possibilities and impossibilities occur if we were able to trigger the right kind of shift or transformation in this general economy of power/knowledge relations.

## 9. Critico-Historical Redistributions

The previous two chapters have discussed how Foucault's critico-historical approach is able to show that and explain how critico-historical distributions of the Possible occur. But showing *that* and explaining *how* these redistributions can occur is not enough. If we want to overcome our practical and epistemic powerlessness on a particular front, then we must be able to *make* a purposeful redistribution of specific impossibilities occur. Does Foucault's critico-historical approach *enable us to make* redistributions of specific (im)possibilities occur as well?

This question brings us before what we could call the *problem of transformability* in Foucault's work. The power-knowledge perspective explains that redistributions of specific possibilities and impossibilities result from transformations in the overall arrangement of power-knowledge relations. Therefore, purposeful redistributions of specific possibilities and impossibilities would require a purposeful transformation of the current arrangement of power-knowledge relations. Yet the possibility of such an active and purposeful transformation, the transform-*ability* of this current arrangement, presents the most challenging, difficult and criticized aspect of Foucault's work.

On the one hand, this problem of transformability is the most challenging aspect of Foucault's work in a positive sense. His studies provoke the pursuit of such transformations. Foucault's history's of the present, in the form of genealogies of the regimes of practices and truth that have come to govern what we are able to think, say and do today all seem to be written to open up and pursue the possibility of their transformation.

On the other hand, the problem of transformability is the most challenging aspect of Foucault's work in the negative sense that it does not tell us how transformations could and should be realized in the domains of knowledge and social practice that he studied. None of his books contain any concrete advice on what should and could be done in order to change the regimes of practices and truth that they describe in the present day. So although Foucault's genealogical studies bring us before the problem of transformability, they leave us empty handed when it comes to solving it.

The problem of transformability also presents the most criticized aspects of Foucault's work, because it seems to be the point where his presuppositions of the power-knowledge turn against the (implicit) project of his studies to transform specific regimes of practices and truth. The most prominent of Foucault's critics – amongst whom we can count such eminent philosophers as Richard Rorty, Charles Taylor and Michael Walzer – and the(ir) strongest lines of critique have taken the uneasy tensions between-, or what some of them have claimed to be the self-defeating contradictions of these presuppositions when it comes to the question of transformability as their target.

These challenges and criticisms regarding the problem of transformability present us with a difficulty indeed. But they do not undermine the usefulness and legitimacy of Foucault's critico-historical approach. On the contrary, they serve as instructive points for a sharper explanation of the critical potential of Foucault's as an instrument that enables us to make purposeful redistributions of specific possibilities and impossibilities occur.

This chapter discusses the challenges and criticisms of the problem of transformability to show that and how Foucault's critico-historical approach can be used to make purposeful redistributions of

the possible occur. To that end, section 9.1 will define the problem of transformability and the quadrant of correlated sub-problems that constitute it. After that, section 9.2 discusses how the shorter texts, lectures and interviews from the end of the middle period and the late period of his work can be read to provide clues for dealing with the problem of transformability. Sections 9.3 to 9.6 will discuss how Foucault's critico-historical approach can be seen to tackle each of the sub-problems one by one. Section 9.7 then concludes the chapter with an overview of the tactical steps that are required to apply Foucault's critico-historical approach in a way that can make purposeful redistributions of specific possibilities and impossibilities occur.

### **9.1 Foucault's Critics and The Problem of Transformability**

The major criticisms of Foucault's work all can be said to have the same basic concern: the ability of the critico-historical approach to reveal that- and explain how transformations of particular regimes of practices and truth (and, with that, the corollary redistributions of particular possibilities and impossibilities) occur, seems to come at the cost of an inability to make such transformations (and these corollary redistributions) occur ourselves.

The root of this problem is the position of the subject in Foucault's power-knowledge perspective. Where SSTCP assumes that the subject is able to progressively expand the range of what is Known (as an epistemic subject) and influence the range of what is Performed (as a practical subject), the power-knowledge perspective is interpreted by critics to imply that the subject is completely subjected to and therefore powerless to transform the regime of power-knowledge relations in which it is entangled.

This apparent powerlessness on the part of the subject results from the presuppositions that (a) the power-knowledge relations operate anterior to subjects and (b) delimit the range of what is Knowable and Performable to the subject, prior to the subject, in a way that exhausts the subject in terms of its epistemic and practical capacities. The conjunction between these two presuppositions has led critics to question (1) how a subject could go beyond the limits of a dominant regime of practices and truth in order to transform them and (2) where the impetus for such a transformation could come from. This basic structure, can (if it is paraphrased in terms of the previous discussions of Foucault's critico-historical approach in contrast to SSTCP) be seen to give rise to a quadrant of correlated sub-problems in four different areas that together constitute the general problem of transformability:

#### *The problem of performability:*

- (1) If the current arrangement of power-knowledge relations delimits what is Performable, how, then, could something possibly be done to displace these limitations?
- (2) If the current arrangement of power-knowledge relations supports everything that is Performable, where, then, could the actions that transform this arrangement come from?

#### *The problem of conceivability:*

- (1) If the current arrangement of power-knowledge relations delimits what is Knowable, how, then, could we come to know a way to displace these limitations?
- (2) If the current arrangement of power-knowledge relations supports everything that is Known, where, then, could the knowledge we need to transform these preconditions come from?

*The problem of justifiability:*

- (1) If the power-knowledge perspective rules out the possibility of attaining universal truth and absolute freedom; how, then, could one justify the displacement of specific regimes of practices and truth?
- (2) If the power-knowledge perspective presupposes that dominant regimes of practices and truth produce truths; where, then, would the justification for a transformation of the power-knowledge relations come from.

*The problem of desirability:*

- (1) If dominant regimes of practices and truth produce the desires and needs of practical subject, how, then, could the subject want to transform the regimes to which it is subject?
- (2) If dominant regimes of practices and truth produce the desires and needs of practical subject, where, then, would the motivation to actively transform these power-knowledge relations come from?

If we want to use Foucault's critico-historical approach as an instrument that can make purposeful redistributions of particular possibilities occur, than we must show how it overcomes each of these problems.

## **9.2 Clues for Dealing with the Problem of Transformability**

Though all of Foucault's major books from the middle period of his work circle the question of transformability without engaging it, this certainly does not mean that Foucault leaves the problem entirely untouched.

In a sense, the late period of Foucault's work can be read as an attempt to answer precisely this question of transformability. After the first volume of *The History of Sexuality* and *The Birth of Biopolitics*, Foucault abandons the project of his middle period. He breaks off his genealogical studies of the regimes of practices and truth through which power has come to be exercised in modern society and reorients his work on the relations between subjectivity and truth until his death in 1984. His books and lectures from this period<sup>48</sup> turn to a form of ethics or, as Foucault would describe it, "practices of the self" in Antiquity which he reads as a radically different way of constituting the self in its relationship to truth.<sup>49</sup> Through the process of this reorientation, Foucault – in the end – comes to specify his critico-historical approach as an instrument that enables us to carry out the ethical project of what he calls a 'historical ontology of ourselves' (WE, p. 316; GE, p. 237) or a 'critical ontology of ourselves' (WE, p. 316). In short, this critico-historical ontology of ourselves is a 'work

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<sup>48</sup> The last books that Foucault publishes during this period are *The History of Sexuality vol. II (1984) & vol. III (1984)*. His lectures series are *The Hermeneutics of the Subject (1981-1982)*, *The Government of the Self and Others (1982-1983)* and *The Courage of Truth (1983-1984)*.

<sup>49</sup> This making of the self and the relationships between self and truth that are peculiar to it, have been transformed, as Foucault sees it, with Christianity, where the self 'was no longer something to be made but something to be renounced and deciphered' (GE, p. 248), and the "Cartesian moment", after which 'knowledge itself and knowledge alone gives access to the truth'; that is, when 'the philosopher (or the scientist, or simply someone who seeks the truth) can recognize the truth and have access to it in himself and solely through this activity of knowing, without anything else being demanded of him and without him having to change or alter his being' (HSJ, p. 17).

done at the limits of ourselves' (*ibid.*); a work that must be conceived, in its most specific formulation, 'as an attitude, an ethos, a philosophical life in which the critique of what we are is at one and the same time the historical analysis of the limits imposed on us and an experiment with the possibility of going beyond them' (WE, p. 319). This final specification of his critico-historical approach Foucault, can, in a sense, be seen to provide an answer to the problem of transformability.

But the critico-historical ontology of ourselves only provides an answer to the question of transformability *in a sense*. There is a decisive difference in direction between the transformability of the subject *through* a regime of practices and truth and the transformability of a regime of practices and truth *by* the subject. The late period of Foucault's work offers us an answer to the problem of transformability in the direction of the former. A *critico-historical ontology of ourselves* effectively functions as an elaborate and complex (post-)modern practice of the self that transforms the subject in accordance to the ethos of a 'limit-attitude' (WE, p. 315). Its questions all point in the direction of the subject: 'How are we constituted as subjects of our own knowledge? How are we constituted as subjects who exercise or submit to power relations? How are we constituted as moral subjects of our own actions?' (WE, p. 318).

Yet an active and purposeful redistribution of particular possibilities and impossibilities requires a movement in the opposite direction. In order to redistribute particular possibilities and impossibilities to tackle problems on a much broader, social scale, a practical subject or a collective of practical subjects would have to transform the dominant regimes of practices and truth that support and constrain the present distribution of the Possible rather than themselves. The question that is relevant for our present purposes therefore points in the other direction than the critico-historical ontology of ourselves.

But the critico-historical ontology of ourselves is not the only way in which Foucault addresses the problem of transformability. Nor is the late period of his work the only place where he addresses it. Though the books of the middle period of his work avoid the question of transformability, Foucault does comment on it in some of the interviews, shorter texts and lectures that stem from the end of the middle period of his work.<sup>50</sup> At these points, Foucault does not describe the stakes of his critico-historical approach as a historical ontology of ourselves yet, but as a '*politics of truth*' (STP, p. 3).<sup>51</sup> What is more, he even talks about 'the possibility of constituting a new politics of truth' (TP, p. 133). With these comments about the politics of truth, Foucault *does* move towards an answer about the transformability of regimes of practices and truth by and from the end of the practical subject. In fact, it is precisely this type of movement that defines what is critical about Foucault's approach according to him: 'critique is the movement by which the subject gives himself the right to question truth on its effects of power and question power on its discourses of truth' (WC, p. 32).

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<sup>50</sup> Comments related to the question appear in the interviews *Confessions of the Flesh* (CF), *On the Genealogy of Ethics* (GE), *Power and Strategies* (PS) *Questions on Method* (QM), *The Subject and Power* (SP), *Truth and Power* (TP), *What is Critique?* (WC) and at points in his lecture series *Security, Territory and Population* (STP, pp. 1-3) and *Two Lectures* (TL).

<sup>51</sup> Though this notion figures most prominently in an interview titled *Truth and Power* and only makes another appearance at the outset of Foucault's lecture series *Security, Territory and Population* (STP, 1-3), other discussions of struggle against power such as the one in *Questions on Method* are – as I will show clearly – related to it.

Unfortunately enough, Foucault's comments about his critico-historical approach in connection to this possibility of constituting a new politics of truth suffer from some shortcomings. They are not nearly as elaborate, clear and programmatic as his comments and writings in connection to the historical ontology of ourselves. Furthermore, these comments appear precisely in connection to elaborations of the presuppositions of the power/knowledge perspective that his critics have found most problematic. As such, his work still remains short of an explicit, workable answer to the problem of the transformability of dominant regimes of practices and truth *by* the subject.

But although Foucault's explicit answer to the question of transformability remains incomplete in the direction of a transformability *by* the subject, they leave us enough to go on when they are read in connection to his other work. First of all, Foucault's specific comments about the politics of truth provide some precautions and clues about the possibility of transforming regimes of practices and truth. Secondly, we can supplement these precautions and clues with some of the principles from Foucault's more elaborate comments and writings about the critico-historical ontology of ourselves. For although the two move in opposite directions and have different aims, they share the same background presuppositions about power-knowledge and a commonality in that they are both self-consciously a part of what Foucault calls 'the circle of struggle and truth' (STP, p. 3). Thirdly, we can build on these clues and precautions in connection to his power-knowledge perspective to develop a more complete answer to the problem of transformability and the set of correlated sub-problems that constitute it.

### 9.3 The Problem of Performability

The first problem to be tackled is the problem of performability. Eventually, the transformation of a particular regime of practices and truth is an action that has to be Performed. If it would be Impossible to perform such a transformation, Foucault's critico-historical approach would be useless.

As stated above, the performability of a transformation of current regimes of practices and truth *by* the subject seems to be problematic for two reasons: (1) If the current arrangement of power-knowledge relations delimits what is Knowable, how, then, could we come to know a way to displace these limitations? (2) If the current arrangement of power-knowledge relations supports everything that is Known, where, then, could the knowledge we need to transform these preconditions come from?

This formulation of the problem can be found in various criticisms of Foucault's work. One of the more notable ones is expressed by one of Charles Taylor's comment on Foucault's work:

'To give an absolute priority to the structure makes exactly as little sense as the equal and opposite error of subjectivism, which gave absolute priority to the action, as a kind of total beginning' (Taylor, 1984, p. 172).

This comment implies that there is no way, under Foucault's power/knowledge perspective, in which a subject can go beyond the limits that the structure of a dominant regime of practices and truth imposes on our actions. Another formulation of the problem of performability can be found in an interview titled *Questions of Method*, where the interlocutors put the problem to Foucault that his genealogical histories (with *Discipline and Punish* figuring as the prime example in the discussion) have had an anaesthetizing or paralyzing effect on those who are entangled in the practices and regimes of truth themselves. Allegedly, these people had read his critico-historical studies and would

want to resist the way that power is exercised, but could not because it seemed to put them up against insurmountable constraints: ‘social workers in the prisons [...] felt your critique had an implacable logic which left them no possible room for initiative’ (QM, p. 82). In both cases (Taylor’s critique and the anaestheticizing effect), the criticism is based on the idea that the application of Foucault’s critico-historical approach describes the regimes of practices and truth in such a way that it precludes the performability of their transformation.

These criticisms are understandable when they are viewed as predicated upon the assumptions of SSTCP. But they misrepresent the implications of Foucault’s critico-historical approach for the performability of a transformation of particular regimes of practices and truth. Looking at some of Foucault’s precautionary notes and clues that touch upon the problem, we can conclude that such transformations could be Performable from the position of the subject indeed.

First of all, Foucault’s own comments connected to this problem of performability provide us with some cautionary remarks that ensure that his position with regard to the transformability of regimes of practices and truth is not misunderstood. On the one hand, he tempers the expectations about the transformative potential of his work: ‘I don’t feel myself capable of effecting the “subversion of all codes”, [the] “dislocation of all orders of knowledge”, [... the] “overturning of all contemporary culture” (QM, pp. 82–83). Moreover, in connection to the project of a critico-historical ontology of ourselves, he cautions against the revolutionary dream of new beginnings: a ‘historical ontology of ourselves must turn away from all projects that claim to be global or radical’ and promise an ‘escape from the system of contemporary reality so as to produce the overall programs of another society’ (WE, p. 316).

But on the other hand, Foucault also warns us not to give in to the idea that one should- and may engage in critique only when one is capable of proposing executable reforms: ‘The necessity of reform mustn’t be allowed to become a form of blackmail serving to limit, reduce or halt the exercise of criticism. Under no circumstances should one pay attention to those who tell one: “Don’t criticize, since you’re not capable of carrying out a reform.” That’s ministerial cabinet talk. Critique doesn’t have to be the premise of a deduction which concludes: this then is what needs to be done’ (QM, p. 84). We should not refrain from trying to transform the way things are just because we do not have a fully functional alternative.

Beyond these cautionary remarks, other comments provide us with clues about the possibility to make a transformation of regimes of practices and truth occur and where it should be sought. Foucault insists that the possibility of a transformation of regimes of practices resides in the actions of the subject: It is ‘the subject who acts – the subject of action through which the real is transformed’ (QM, p. 84). Strikingly enough, however, this performability by the subject should not initially be sought in his capacity to engage in a series of subversive actions. As Foucault sees it, the transformative potential on the part of the subject resides in the tensions that can be created within the general economy of power-knowledge relations through his or her inaction first. Or at least, this is what Foucault himself proclaimed to be after with the genealogical studies from the middle period of his work, before he refocused his studies on a critico-historical ontology of ourselves. In response to the problem of the social workers that the interviewers put to him, he says: ‘my project is precisely to bring it about that they “no longer know what to do”, so that the acts, gestures, discourses which up until then had seemed to go without saying become problematic, difficult,

dangerous' (*ibid.*). For '[i]f prisons and punitive mechanisms are transformed' [...] it will be when those who have to do with that penal reality [...] run into dead-ends, problems and impossibilities' (*ibid.*).

After such inaction, however, the realization of the transformation comes from struggles and conflicts. The previous quote continues: 'If prisons and punitive mechanisms are transformed' [...] it will be when those who have to do with that penal reality [...] run into dead-ends, problems and impossibilities, *been through conflicts and confrontations*; when critique has been played out in the real' (QM, pp. 84–85 – italics DG). An example of such conflict and confrontations in Foucault's historical studies are the counter-conducts that Foucault discusses in *Security, Territory and Population*, which are movements of conduct against the way in which a particular regime of practices and truth seeks to govern conduct (STP, pp. 194–195).

Now, how do these comments help us to deal with the problem of the performability of transformations of the regime of practices and truth by the subject? Can inaction, conflict and struggle transform the way in which particular regimes of practices and truth limit our actions? Or do these dependencies and constraints preclude such transformations as the problem of performability suggests? When these comments about inaction, conflict and struggle are connected to a more careful and complete reading of Foucault's presuppositions about power, a transformation of the regime of practices seems to be Performable indeed. The criticisms regarding the problem of performability fail to take the full implications of Foucault's rule of double conditioning (HS1, pp. 99–100) into account: actions and possible actions are not only conditioned by a regime of practices and truth, actions also support the regimes of practices of which they are apart and have conditioning effects on the regime of practices and truth themselves. The constraints that certain regimes of practices and truth impose upon actions are also sustained and supported by and dependent on the these actions. Consequentially, actions that fail to be performed- or conflicts and struggles that successfully resist the conditioning effects a dominant regime of practices and truth could potentially transform the constraining and conditioning effects on other, future actions that would be subject to this regime. This could lead to a transformation of that regime of practices and truth if such local inactions, confrontations and struggles find resonance at other points and spread into broader disturbances, find coherence in more stable patterns of dissonance and are able eventually to reverse, redirect or even dissolve the general line of force that conditions and supports the dominant regime of practices and truth in question.

But this answer brings us to the second question. Where could such inactions, confrontations and struggles that could eventually transform regimes of practices and truth come from? Are these actions not precluded from the range of the Performable by the presupposition that the possibility of every thought, word and action is enabled and constrained by the current arrangement of power-knowledge relations?

This problem can be answered based on Foucault's comments in connection to his presuppositions about power as well. The dependency of performability is only a problem for the transformation of a dominant regime of practices and truth if this regime would be total. And this is, strictly speaking, not the case. Indeed, the power-knowledge perspective presupposes that the range of possible actions is exhausted by the overall arrangement of power-knowledge arrangements. But the overall arrangement of these power-knowledge relations and a dominant regime of practices and

truth are not the same. The former consists of the general field of force relations where multiple strategies and strategic alignments are active and in tension with each other at the same time. The latter is but one of these strategies or strategic alignments amongst many. And although it is dominant in its exercise of power over one particular domain of knowledge and practice (madness and psychiatry, health and the clinic, delinquency and prisons, sexuality and psychology), they are not without resistance. These points of resistance, which are always already there in some shape or form 'as the underside or counter-stroke of power' (PS, p. 138) could provide the preconditions, the "whence" where the performability of a transformation of the dominant regime of truth comes from.

The preconditions of the performability of an active and purposeful transformation thus reside in the capacity of the subject not to act in certain ways and to struggle from the points of resistance that are always already there in the general economy of power and knowledge relations in which it finds itself. Yet this answer to the problem of performability, by itself, does not solve the problem of transformability. For it raises a series of questions that point to the other three components. The first of these questions is how the subject would know what actions he should no longer Perform and where he should struggle [problem of knowability].

#### **9.4 The Problem of Knowability**

The problem of knowability is the epistemological equivalent of the problem of performability. As stated in the introduction of this chapter, it presents itself in the following two questions: (1) if the current arrangement of power-knowledge relations delimits what is Knowable, how, then, could we come to know a way to displace these limitations? (2) If the current arrangement of power-knowledge relations supports everything that is Known, where, then, could the knowledge we need to transform these preconditions come from?

This problem of knowability can be found in another of Taylor's criticisms of Foucault's work:

'The reality of history is mixed and messy. The problem is that Foucault tidies it up too much, makes it into a series of hermetically sealed, monolithic truth-regimes' (Taylor, 1984, p. 179).

This critique implies that the limitations of a particular regime of truth on what is Knowable at a particular point time are in placeable.

Again, this criticism is understandable when it is viewed as predicated upon the assumptions of SSTCP. But it also misrepresents the presuppositions of Foucault's critico-historical approach. Foucault's precautionary notes and clues about this problem of knowability can be used to develop an answer to this problem.

The first precautionary note concerns the status of the intellectual from the point of view of Foucault's power-knowledge perspective. In a direct connection to the idea of 'constituting the possibility of a new politics of truth' (TP, p. 133), Foucault rejects the view of the intellectual as someone who opposes power from a sovereign position of speaking the truth (the universal intellectual): 'It seems to me that what must now be taken into account in the intellectual is not the 'right of speaking, in the capacity of master of truth and justice' (TP, p. 126)]. Rather, it's the person occupying a specific position [the specific intellectual] —but whose specificity is linked, in a society like ours, to the general functioning of an apparatus of truth' (TP, p. 131). This implies that the intellectual or someone who applies Foucault's critico-historical approach cannot come to know how

things could be different from a position outside the current arrangement of power-knowledge relations. Or, as Foucault states in connection to the project of a critico-historical ontology of ourselves, we do not have access to or are able to approach the limits of what we can and cannot do or know from the outside: '[W]e have to give up the hope of ever acceding to a point of view that could give us access to any complete and definitive knowledge of what may constitute our historical limits (WE, p. 316). Instead, '[w]e have to be beyond the inside-outside alternative; we have to be at the frontiers' (WE, p. 315). These comments acknowledge that we cannot fully escape the regimes of truth in which we are entangled.

Besides these precautions, Foucault's comments in connection to the notions of constituting a new politics of truth and the critico-historical ontology of ourselves do contain some clues as to how we might come to know the ways in which we can transform a dominant regime of practices and truth from the inside. First of all, there are some more general comments in relation to the critico-historical ontology of ourselves that point to historical inquiry in response to the problem of the limitations of what is Knowable for us. Most notably, Foucault states that the 'work done at the limits of ourselves must [...] open up a realm of historical inquiry' (WE, 316). Knowledge about these limits can thus be found in history. This, obviously, refers to the use of the critico-historical approach as a means to knowing these limits,

More detailed clues on how his critico-historical approach can be used to make a transformation of a particular regime of practices and truth possible can be found in his lectures that address the 'local character of criticism' (TL, p. 81). Here, Foucault talks about 'an insurrection of subjugated knowledges' (*ibid.*) that is able to inform us about the key points for struggle through 'a *historical knowledge of struggles*' (TL, p. 82) that can be written by tapping into two sources. One source is the 'historical contents that have been buried and disguised in a functional coherence or formal systemization' by scientific discourse. Uncovering this content 'allows us to rediscover the ruptural effects of conflicts and struggle that the order imposed by functionalist or systematizing thought is designed to mask' (TL, p. 82). The other source, is to be found, perhaps somewhat surprisingly, in 'knowledges that have been disqualified as inadequate to their task or insufficiently elaborated: naive knowledges, located low down in the hierarchy, beneath the required level of cognition or scientificity', which also contain 'the memory of hostile encounters' with 'the centralising powers [...] of an organized scientific discourse' (TL, p. 84).

Connecting these precautionary notes and clues with the more general presuppositions of Foucault's power-knowledge perspective enables us to develop an answer to the problem of knowability. First of all, we must remember that the limitations on what is Knowable and Performable cannot be circumvented or transgressed through a loophole or a smooth passage point that allows us to step outside the dominant regime of practices and truth. We cannot accede to a point of view that reveals our limits, as we are always enmeshed in the power-knowledge relations that are involved in the formation of- and issue from the functioning of a regime of truth. But neither are we completely stuck on the inside, as Taylor's criticism seems to suggest. The power-knowledge perspective presupposes that actors and their actions are situated in the in-between: we are acted upon and act upon the overall arrangement of power-knowledge relations, *subject to* and *subjects of* the rule of double conditioning. As such, we can serve as reliable relay points for the dominant regimes of truth. Or we can act upon and struggle against their limits.

Yet to perform the latter, we must be able to find these limits or be brought before them first. This brings us to the problem whence our knowledge of these limits and how to struggle against them comes from. Here, the answer lies in writing critical, genealogical histories of the struggles that have historically been involved in the formation of the dominant regimes of practices and truth of today. On the one hand, these knowledges serve as contrasts that help to uncover the processes and contingencies of the struggles through which limitations that are imposed by a dominant regime of practices and truth have been formed and whose outcomes have been stabilized and are still sustained today. On the other hand, these critical histories have the capacity to uncover subjugated knowledges and use these knowledges as leverage points against the dominant regime of practices and truth. These leverage points can support struggles that could destabilize, displace dissolve or even reverse the general line of force that has formed and still supports the dominant regimes of practices and truth. The preconditions for knowing how an active and purposeful transformation of a dominant regime of practices and truth can be performed thus reside in the capacity of the subject to discover subjugated knowledges through the application of the critico-historical approach.

But this answer to the problem of knowability does not solve the problem of transformability yet. For it brings us to the next question: how would a subject be able to legitimate his inactions and struggles [problem of justifiability]?

### **9.5 Problem of Justifiability**

If we are able to perform redistributions of the possible through a struggle for truth and know where to struggle through critico-historical analysis, this still presents us with the problem how such a struggle and the focus of these analyses could be justified.

This presents us with the problem of justifiability, which, as the introduction of this chapter has stated, consists of the following two questions. (1) If the power-knowledge perspective rules out the possibility of attaining universal truth and absolute freedom, how, then, could one justify the displacement of specific regimes of practices and truth? (2) If the power-knowledge perspective presupposes that dominant regimes of practices and truth produce truths, where, then, would the justification for a transformation of the power-knowledge relations come from?

This problem of justification also surfaces in the Taylor's critical reading of Foucault's work, where it is phrased in the following terms:

'This regime-relativity of truth means that we cannot raise the banner of truth against our own regime. There can be no such thing as a truth independent of it, unless it be that of another regime. So that liberation in the name of "truth" could only be the substitution of another system of power for this one' (Taylor, 1984, p. 176).

Though it is rarely addressed explicitly, this problem of justifiability is implicitly dealt with in a very cautious way throughout Foucault's work. Although each of his critico-historical studies can be tied to the practical struggles in which Foucault found himself at the time of writing, none of them pretends to provide a justification for specific solutions to the problems that gave rise to these studies. Foucault merely teases out the possibility to transform what appears to be possible in particular domains of knowledge and social practice without dictating what transformations should be performed or justifying the reasons why one should be performed at all. This is perhaps clearest in the first lecture of *Security, Territory and Population*. Here, Foucault notes that he does 'not think

that there is any theoretical or analytical discourse which is not permeated and underpinned in one way or another by something like an imperative discourse'. But when he self-consciously applies this to his own study and his own discourse, he is careful not to impose a directive imperative on his readers, stating that:

'I would like [the imperative] underpinning the analysis we are attempting to be quite simply a conditional imperative of the kind: If you want to struggle, here are some key points, here are some lines of force, here are some constrictions and blockages' (STP, p. 3).

So although he admits that there is an imperative behind his discourse, he keeps it conditional upon the reasons that his readers would have to justify a struggle and refuses to argue what outcome such struggles should have according to him.

Yet although Foucault is careful not to justify any particular struggles, he does give a clue as to how one could go about justifying such struggles. In the first volume of the History of Sexuality, Foucault states that:

'the possibility exists for fiction to function in truth, for a fictional discourse to induce effects of truth, and for bringing it about that a true discourse engenders or "manufactures" something that does not as yet exist, that is, 'fictions' it. One 'fictions' history on the basis of a political reality that makes it true, one 'fictions' a politics not yet in existence on the basis of a historical truth' (HS1, p. 193).

This statement acknowledges that there is no absolute legitimacy in truth, but also explains where legitimacy can then be found. As with the problem of knowability, it is by uncovering historical regimes of truth that one can find support and leverage in the struggle for truth against the legitimacy of the dominant regime of practices and truth in which one finds oneself today.

Against the backdrop of a thorough understanding of Foucault's power-knowledge perspective, these precautionary remarks and clues from Foucault's own work can be developed into an answer to the problem of justifiability. Foucault's work does imply that dominant regimes of practices and truth define the rules for justification and that there is no impartial ground to justify a struggle for truth outside of regimes of practices and truth. But as with the problem of knowability, these regimes of practices and truth are not hermetically sealed. Critico-historical analyses of past regimes of truth can evoke a contrast to the operant regimes of practices and truth that can serve as supports and leverage points to justify the struggle against the dominant regime of truth of today.

## **9.6 Problem of Desirability**

If Foucault's critico-historical approach is able to justify a struggle for truth, the only challenge that still remains is the problem of desirability. As stated in section 9.1, the desirability of a transformation of current regimes of practices and truth by the subject seems to be problematic for two reasons: (1) If dominant regimes of practices and truth produce the desires and needs of practical subject, how, then, could the subject want to transform the regimes to which it is subject? (2) If dominant regimes of practices and truth produce the desires and needs of practical subject, where, then, would the motivation to actively transform these power-knowledge relations come from?

One way in which this problem of desirability has been raised by critics, is to accuse Foucault's critico-historical approach of resulting in a completely relativistic and indifferent point of view

regarding the practical problems that its histories of the present address. Such a criticism can be found in Richard Rorty, who describes this point of view as:

[a] remoteness which reminds one of the conservative who pours cold water on hopes for reform, who affects to look at the problem of his fellow citizens with the eye of the future historian ... rather than suggest[ing] how our children might inhabit a better world for the future' (Rorty, 1985, p. 41).

Another way to frame this criticism is to assert, as Michael Walzer (1986, p. 61) has, that the application of Foucault's critico-historical approach amounts to a position of nihilism in political terms.

Where Foucault remains silent when it comes to the justification of particular struggles, but does still indicate how they can be undertaken, he remains silent altogether as to why we should undertake them. As such, Foucault's work is most precautionary when it comes to the problem of desirability. He does not even touch it.

Nonetheless his more general discussions of the power-knowledge perspective that underpins his critico-historical analysis provides us with enough material to develop an answer.

When it comes to the desirability of transforming a dominant regime of practices and truth in order to redistribute particular possibilities and impossibilities, the criticisms of Rorty and Walzer could not be more wrong. Their reading of Foucault's critico-historical approach as standing indifferently and nihilistically outside the concrete historical practices that are the object of its analysis misunderstands the immanence of its application to the same economy of power-knowledge relations. Instead of being remote and distant, it is completely engaged in the practical problems of today, so much so that it does not stop at the limits of what is possible in addressing them or the eminent stature of the sciences who present us with those limits. If it seems detached, it is because it turns the game of objectivity against the dominant regimes of truth. But the main motivation to do so does not come from the adherence to the goal of objectivity, but from the practical ends that are called forward by the ethico-political situation of today.

The desire to transform the dominant regimes of practices and truth does not come from these regimes itself, but emerges at the point of resistance that their exercise of power encounters. These points of resistance exist and emerge before the application of the critico-historical approach. That is to say that there is something in the way in which the constellation of the general economy of power/knowledge relations has developed and been transformed over time that creates tensions and conflicts with the values, norms and interests that the dominant regime of practices and truth cultivates in us as practical subjects.

From a power-knowledge perspective it would therefore be better to say that it is not so much a problem for the critico-historical approach to find the desirability for a transformation, but that the points of resistance, tensions and conflicts in our practical understanding of ourselves, the world and what is possible – the points of resistance that are already there – can find the critico-historical approach as an instrument that enables them to articulate their desire to transform the dominant regime of truth. In other words, the critico-historical approach latches on to the points of resistance, the conflicts and the struggles that are already there to grant them with an emancipatory self-understanding based on an understanding of other historical regimes of practices and truth. As such,

it enables them to develop into counter-conducts, counter-practices and overarching counter-strategies against the way in which the dominant regime of practices and truth.

### **9.7 The Tactics of Critico-Historical Redistributions**

Having discussed the answer to the problem of transformability's sub-problems we can summarize how Foucault's critico-historical approach would enable us to *make* redistribution of specific possibilities and impossibilities occur through a series of tactics that are based on these answers. These tactics can be considered as steps. But these steps will have to be undertaken in the reversed order as the problems were discussed. This is because the problems were discussed to lead us from our powerlessness against the limits of what is possible under SSTCP to an understanding of our ability to displace these limits when we adopt a power-knowledge perspective and apply Foucault's critico-historical approach. When we want to make a redistribution of specific possibilities occur, we have to move in the other direction. We have to start from the power-knowledge perspective and apply Foucault's critico-historical approach to the way in which SSTCP supports the limitations of a particular regime of practices and truth imposes on what is Knowable and Performable for us.

#### *Step 1: Articulating the Desirability of Redistributions*

To start, then, the adoption of a power-knowledge perspective and the application of Foucault's critico-historical approach should help to articulate the desirability of a transformation of the dominant regime of practices and truth and its corollary distribution of the possible.

Our common understanding of what is Possible (as governed by SSTCP) forces us to accept that the way in which particular domains of positive knowledge present something as Possible or Impossible. No matter how uncomfortable we feel with their delimitation of what we can and cannot do and all the freedoms and necessities that are implied by them, we simply have to accept them as given, as they reflect the [R1/MR1] fixed and essential structures of Reality. There is no way around them as their grounding in Reality renders them inreplaceable.

The power-knowledge perspective, on the other hand, enables us to approach these limits in a different way. It presupposes that these limits are (1) conditional upon the complex strategical arrangement of power-knowledge relations that supports the regime of practices and truth that constitutes them, (2) that this strategical arrangement is historically contingent and susceptible to transformations and (3) that every regime of practices and truth encounters points of resistance in the way that its power is exercised. These presuppositions thus put us in a position whence these limits appear as potentially displaceable. More importantly, it also puts us in a position where the uneasy tensions that we experience when we are subject to or witness of the way in which a dominant regime of practices and truth exercises its power and imposes limits on what we can and cannot do, to interpret this as one of the points of resistance whence a transformation of this regime of truth and its limitations might arise. In short, it enables us to articulate the uneasy tensions that we experience as a desire to redistribute the possible that *can* possibly be fulfilled.

#### *Step 2: Finding Ways to Justify Redistributions*

Once there is a desire to make a redistribution of the possible occur, the next step is to justify that desire.

Under SSTCP, every desire to change something requires justification in two ways. At a more superficial level one has to justify the desire to change something in terms of values, norms and interests. This process of justification is political in nature. At a more fundamental level, one has to justify the desire to change something as possible. This process of justification is epistemological in nature and involves the validation of a plan based on what is Known or what is Knowable and can become Known through Science.

The problem with these requirements is that they make justification dependent on the dominant regime of truth. The values, norms and interests that would have to justify a change politically are produced and tied to the dominant regime of practices and truth. More problematically, the whole epistemological process that would have to justify the validity of the plans for such a change is also conditional upon the dominant regime of truth. As such, SSTCP supports the dominant regime of practices and truth in a way that rules out and precludes the possibility of justifying its transformation.

Foucault's critico-historical approach and the power-knowledge perspective that underpins it enable us to overcome these constraints in two ways. At the fundamental level, it enables us to justify the possibility of such a change by dissolving the ways in which SSTCP's assumptions support the dominant regime of practices and truth. At the more superficial level, the application of the critico-historical approach can uncover the values, norms and interests that were related to radically different arrangements of the general economy of power-knowledge relations in the past and mobilize them against the values, norms and interests that support the dominant regime of practices and truth. Under the power/knowledge perspective, justification thus consists in introducing counter-values, counter-norms and counter-interests in order to generate resonance in-, gather support from and cultivate alignments with other points of resistance against the dominant regime of practices and truth. Foucault's critico-historical approach and the power-knowledge perspective thus approach justification as something that has to won.

### *Step 3: Knowing where to Struggle*

When the desire to redistribute the possible has been articulated and it is understood that the justification for such redistribution has to be won, the next step is to identify where the struggle against the limitations on the present distribution of the Possible should take place.

SSTCP gives us a fairly straightforward notion of the limitations on what is Performable. At the most basic level these limitations are assumed to be fixed and constituted by the essential structures of Reality. This means that we can fully know a specific limitation on what is Performable and how it is constituted through Science. It also means that once a limitation is positively Known, it is fixed based on our knowledge of how the essential structures of Reality constitute it.

The power-knowledge perspective provides a more challenging account. On the one hand, it presupposes that these limitations are not fixed, but historically contingent and displaceable because they are the effects of a complex strategical arrangement of power-knowledge relations. But this presupposition also makes the constitution of these limitations much more complex, obscure and difficult to grasp. Because our interpretation of things as they are today and the actions we can and cannot perform is an effect of this complex strategical arrangement, we cannot neatly discern how the limits are constituted from the inside.

This is problematic, because we have to struggle against these limits at the level where they are constituted in the economy of power-knowledge relations to make a redistribution of the possible occur. In order to grasp the constitution of these limits and the points where we can struggle against them, we therefore need a critico-historical account of the processes of their formation. Such an account would use an archeological analysis to uncover contrasting delimitations of the Knowable and the Performable based on historical texts and a genealogical account of the shifts and changes in the domain of social practices that were involved in transforming the layer of radical interpretation into one that constitutes these limitations in the dominant regime of practices and truth of today. As such, the application of the critico-historical approach teases out the historical contingencies in the constitution of the dominant regime of truth as the most promising points to struggle against it.

#### *Step 4: Performing a Distribution*

Once we know where we have to struggle against the present distribution of what is possible, we have to engage in such a struggle.

SSTCP frames struggles for change as political processes that are confined to the point where what is already Performable is or is not converted into what is Performed. As such, it situates this struggle in houses of parliament, boardrooms and the media and frames its outcome as decided by a vote count, an executive decision or public opinion.

The critico-historical approach has a much more decentralized and radical approach. It seeks to dissolve specific limitations of the possible by counter-acting and undermining the functioning of the dominant regimes of practices and truth. On one end, it has to pursue the problematizations of the actions of those who sustain the regimes of practices with their daily routines and their execution of rationalized procedures by bringing it about, as Foucault says, 'that they "no longer know what to do", so that the acts, gestures, discourses which up until then had seemed to go without saying become problematic, difficult, dangerous' (QM, p. 84). It even seeks to provoke that these actors 'run into dead-ends, problems and impossibilities' and put them 'through conflicts and confrontations' in order to destabilize the way in which the present regime of practices supports the delimitation of what is Performable.

On the other end, it has to infiltrate the processes that have a decisive function in the production and circulation of truth. Here, it is the task for the specific intellectual to operate and struggle at the level of the regime of truth. [...] The problem is not changing people's consciousness – or what's in their heads – but the political, economic and institutional regime of the production of truth' (TP, pp. 132–133).



## Part IV

Having defined the series of tactics through which Michel Foucault's critico-historical approach enables us to make redistributions of specific possibilities and impossibilities occur, we can return to the problem of the economic, ecological and social crises from a new perspective.

Chapter one has argued that the true problem with these crises resides in the constraints on our perception of the ways in which we could be(come) able to stop our tendency to produce them.

The chapters in this fourth part conclude this thesis by discussing how far we have come and what still remains to be done in solving this problem. Chapter ten discusses how the first three parts of this thesis can be read, in retrospect, to have taken the first two steps of the series of tactics through which Foucault's critico-historical approach enables us to displace the specific constraints on our perception of how it could be(come) possible for us to stop the production of these crises. Chapter eleven then discusses how the next two steps, that are required to actually displace these constraints and stop our tendency to produce these crises, should be taken.



## 10. Conclusion

The chapters in the first and second part of this thesis have showed how the true problem with the economic, ecological and social crises consists of two correlated and mutually-supporting problems. On the one hand, there is the problem that our beliefs about the ways in which it could be(come) possible for us to stop our tendency to produce these crises (chapter 2) channel our responses through strategies that are unlikely to succeed in stopping this tendency (chapters 3 to 6). On the other hand, there is a standard structure of thought concerning the possible (chapter 2) that constrains our perception of the ways in which it could be(come) possible for us to stop our production of these crises to these ineffective beliefs (chapters 3 to 6).

The chapters in the third part of this thesis then showed how Foucault's critico-historical approach could be developed into an instrument that enables us to displace the constraints that this standard structure of thought imposes on our perception of the ways in which it could be(come) possible for us to stop our production of these crises.

In retrospect, these two stages can be reread as having applied the first two steps of the series of tactics through which Foucault's critico-historical approach enables us to redistribute specific possibilities and impossibilities on these specific constraints.

### 10.1 The Desirability to Redistribute the Possible

From a power/knowledge perspective, the chapters in the second part of this thesis can be reread as a tactic to rearticulate the motivations behind our present response strategies to these crises into a desire to displace the specific constraints on our ability to stop our ongoing production of these crises.

On the one hand, these chapters can be seen to have started by affirming the motivations behind our present response strategies. Chapter three has argued that the [B1] belief that we are close to stopping our production of these crises has its merits to the extent that it helps to sustain the motivation of those who are involved in our present response strategies to these crises. Likewise, the beliefs that [B2] more support for our present response strategies or [B3] the discovery of novel response strategies would enable us to stop our production of these crises were affirmed in so far as they are points of resistance against our tendency to produce these crises. Chapter six also has, in its own inverse way, supported this resistance against our production of these crises by rejecting the [B4] fatalistic acceptance of our powerlessness against it.

But while these chapters affirmed the motivation behind these beliefs, they have also problematized the practical efficacy of the way in which these beliefs channel our concerns and efforts in responding to these crises. Chapter three has shown that the [B1] belief that we have stopped- or are in the process of stopping our production of these crises overlooks and distracts us from the actual driver behind the ongoing production of these crises. It deflects our attention away from the fact that the current functioning of organized forms of economic production in accordance to the principle of financial performance maximization (i.e. economic performance) continues to drive the externalization of the negative economic, ecological and social effects that produce these crises. Chapter four has argued that the [B2] belief in our ability to stop this current functioning of economic performance in the production of these crises (CFEPPC) by granting more support to our

present response strategies is likely to be wrong. This is because the major institutions upon which these response strategies depend are relatively powerless against organized forms of economic production and because the response strategies themselves tactically depend on the principle of financial performance maximization to the extent that they can contain CFEPPC. Chapter five has argued that the [B3] belief in our ability to discover new response strategies that could stop CFEPPC is also likely to be wrong. One reason is that novel response strategies to contain CFEPPC are likely to suffer from the same relative powerlessness against CFEPPC as our present ones. Another, more important reason is that the authoritative sciences of economics and business administration present CFEPPC as immutable based on the argument that firms have to maximize their financial performance lest they will succumb to the selection pressures of competition. Finally, chapter six has shown that the epistemic status of this selection argument supports the fourth belief that we are unable to stop CFEPPC by grounding the necessity of its current functioning in the fixed and essential structures of Reality.

This double movement of affirming the motivation behind the four beliefs, but problematizing their practical efficacy thus refocuses our efforts and concerns about these crises in a way that makes a solution to the true problem with these crises desirable. As such, it seeks out our present response strategies as points of resistance against CFEPPC and rearticulates the motivations behind them as a desire to displace the constraints on our perception of the ways in which it could be(come) possible for us to stop CFEPPC.

## **10.2 Justifying the Possibility of Redistributing the Possible**

The third part of this thesis can subsequently be reread from a power/knowledge perspective as a tactic to justify Foucault's critico-historical approach as an instrument that enables us to displace specific constraints on our perception of what is possible.

Chapter two has explicated that the constraints on our perception of the ways in which it could be(come) possible for us to stop our production of these crises are supported by a series of assumptions that make up a standard structure of thought concerning the possible (SSTCP). The first of these assumptions is that what the sciences present as positively Known to be Possible or Impossible is fixed, because it reflects the fixed and essential structures of Reality. This assumption supports the constraints that the selection argument imposes on our ability to change CFEPPC as inreplaceable. The second series of assumptions through which SSTCP precludes the possibility of displacing these constraints, is that there is a hierarchical order of unilateral conditional relations between what is Possible, Knowable, Known, Performable and Performed. These assumptions place the possibility of displacing the constraints on what is Known to be Possible and Impossible outside of our reach. For even if redistributions of what is Known to be Possible would be possible somehow, there still would be nothing we could do to make them occur, as SSTCP implies that everything we can do (i.e. Perform) is itself unilaterally conditional upon what is Known to be Possible.

The chapters in the third part of this thesis have shown how Foucault's critico-historical approach can be used to undermine and escape these assumptions in a way that does enable us to displace specific, apparently fixed constraints upon what is Performable for us.

First of all, chapter seven can be reread as making the desire to displace the constraints on our ability to change CFEPPC justifiable by showing how the archeological version of Foucault's critico-

historical approach undermines SSTCP's first assumption. To that end, the archeological approach was legitimized as a subversive escape from SSTCP first. This was done by showing how it extends and radicalizes the problems of interpretation and historical discontinuity that can be seen to have emerged as an internal challenge to SSTCP within the French tradition of history and philosophy of science. After that, this extension and radicalization was shown to enable us to detach specific delimitations of what is Known to be Possible and Impossible from their assumed grounding in the fixed and essential structures of Reality under SSTCP. Here, Foucault's own archeological studies were used as an example to show how what is Knowable for- and Known in specific domains of positive knowledge can, at least in some cases, be shown to be conditional upon a radical and historically contingent layer of interpretation instead of such a fixed and essential grounding in Reality. In this capacity, Foucault's critico-historical approach renders the desire to displace the apparent constraints on our perception of our ability to change CFEPPC justifiable by showing that redistributions of specific possibilities and impossibilities are possible.

Similarly, chapter eight can be reread as making the desire to displace the constraints on our ability to change CFEPPC justifiable by showing how Foucault's power/knowledge perspective and the genealogical version of his critico-historical approach explain the processes through which redistributions of specific possibilities and impossibilities occur. This genealogical approach, too, was first legitimized as a further subversive escape from SSTCP by explaining it as an extension and a radicalization of the (epistemic) problem of norms, which also can be seen to have emerged as an internal challenge to SSTCP within the French tradition of history and philosophy of science. After that, Foucault's genealogical approach and the power/knowledge perspective were shown to be capable of unsettling the hierarchical and unidirectional ordering of conditional relations between what is Possible, Knowable, Known, Performable and Performed under SSTCP. Here, it was explained that Foucault's reconceptualization of power as decentralized, productive and conditional of conditioned by knowledge relations presupposes that specific delimitations of what is Performable can also be shown to be conditioned by what is actually Performed in particular domains of social practice. This was illustrated by the way in which Foucault's own genealogical studies have interpreted shifts and changes in social practices to have triggered discontinuous historical transformations of the way in which the radical layer of interpretation that was uncovered by archeology delimits what is Knowable for- and Known in a correlated domain of knowledge. As such, the genealogical version of Foucault's critico-historical approach enables us to justify the desire to displace the specific constraints on our ability to change CFEPPC by explaining these constraints could possibly be displaced.

Finally, chapter nine can be reread as justifying the desire to displace the constraints on our ability to change CFEPPC by explaining how Foucault's critico-historical approach can actually be applied to redistribute specific possibilities and impossibilities. It showed how the biggest criticisms of the practical use and epistemic validity of Foucault's work can be countered by elaborating principles from Foucault's project of the critico-historical ontology of ourselves, comments regarding his notion of a politics of truth and an accurate understanding of his power/knowledge perspective into a series of tactics that enable us to displace specific constraints on what is Performable for us. The explication of these tactics against the backdrop of the explanations of Foucault's critico-historical approach enables us to justify the desire to displace the specific constraints on our ability to change CFEPPC by showing how such a displacement could actually be Performed.

This retrospective reading of the different parts of this thesis can be seen to have made two major contributions. The first is that it has shown that the true problem with these crises resides in the constraints on our perception of the ways in which it could be(come) possible for us to stop our production of these crises. The second is that it has developed Michel Foucault's critico-historical approach into an instrument that enables us to displace these constraints. Taken together, these contributions enable us to develop responses that can stop our ongoing production of these crises.

At the same time, this reading of this thesis also reveals its limitations. The first three parts may have brought us in a position whence it becomes possible for us to displace the specific constraints on our ability to change CFEPPC, but they have not shown us how to actually change it yet. The third and fourth steps of the series of tactics through which Foucault's approach can be applied still have to be taken to actually make a redistribution of specific possibilities and impossibilities occur and to actually change CFEPPC. Though this thesis has shown that it could be possible to displace the specific limitations upon our ability to change SSTCP through a struggle against the regime of practices and truth that constitutes them, we do not know where and how we should struggle yet. This requires an actual application of Foucault's critico-historical approach to the apparent necessity of the current functioning of economic performance and an actual engagement in practical struggles based on the findings of such critical history, as chapter 11 will discuss.

## 11. Towards a Critical History of Economic Performance

Chapter ten has argued that the first three parts of this thesis have rearticulated our concerns about the economic, ecological and social crises into a desire to displace the constraints on our ability to change the current functioning of economic performance in the production of these crises (CFEPPC) and justified refocusing our efforts on displacing these constraints.

But rearticulating our concerns about into a desire to displace the specific constraints on our ability to change CFEPPC is just a start. Actually changing CFEPPC requires us to take the following two steps of the tactics through which Foucault's critico-historical approach enables us to redistribute specific possibilities and impossibilities. The first of these further steps is to make the points where it could be possible to displace the constraints on our ability to change CFEPPC through struggle Knowable. This requires a position of knowledge that shows us where struggles against the regime of practices and truth that currently govern economic production have the potential to displace the specific constraints on our ability to change CFEPPC and to actually initiate its change. The second of these further steps is to engage in and cultivate these struggles. This requires a series of specified and focused problematization of the actions of those who are involved in the regime of practices that constitute CFEPPC and interventions in the production and circulation of the regime of truth that governs these practices.

### 11.1 Future Research: A Critical History of Economic Performance

The first step can be accomplished by writing a critical history of the apparent necessity of the current functioning of organized forms of economic production in accordance with the principle of financial performance maximization.

Such a critical history would have to accomplish a number of things if it is to dissolve this apparent necessity. Ultimately, it would have to uncover where, when and how the regime of practices and truth that governs the current functioning of economic performance has emerged. Here, it is not only important to show that this regime only emerged at a particular point in time. It also has to be shown that the conditions under which it has emerged were not necessary, but contingent upon transformations in the constellation of the general economy of power/knowledge relations that were themselves also radically and historically contingent.

Doing so requires us to find historical contrasts of regimes of practices and truth that have preceded the present one, but that did not delimit what is Possible and Impossible in the same way. Here, the approach can be archeological first. We can show when, where and how the concepts that exercise decisive functions in presenting the current functioning of economic performance as necessary today have emerged and how their function might have changes as a result of discontinuous transformations at the level of discourse. Having discovered these points of emergence and the shifts in their function, we have to proceed to interpret these events from a genealogical or power/knowledge perspective. That is to say, we have to retrace the interactions between- and the correlated transformation of the social practices and knowledges that have formed the regime of practices and truth that currently governs economic performance within the general economy of power/knowledge relations.

This requirement can be met by distilling a critical history of economic government from Foucault's own governmentality studies in his lectures during the end of the middle period of his work and by extending this critical history into a present with a specific focus on the way in which individualized forms of economic production are governed. Such a critical history would consist of the following stages.

#### *11.1.1 Stage one: the emergence of governmentality*

The first stage of this critical history has to provide the historical backdrop for the use of Foucault's notion of governmentality concept as an interpretative conceptual lens for the other stages of this history.

Using the governmentality concept requires a historical account of the emergence of governmentality as a specific mode in which power has come to be exercised for two reasons. The first is that, without a historical contrast, the concept of governmentality cannot have any specific meaning. According to the presuppositions of the power/knowledge perspective, the governmentality concept cannot refer to a thing or structure in reality that has any meaning in and of itself. Instead, it has to derive its meaning from an interpretative act that marks out its differences in comparison to a historical contrast. The second is that a critico-historical analysis of the current functioning of economic performance through the lens of governmentality as a concept, has to be linked to the emergence of this distinct way of exercising power that the concept of governmentality denotes. This is because the presuppositions of the power/knowledge perspective rule out the possibility of a transhistorical identification of two particular arrangements in the general economy of power/knowledge relations as two instantiations of the same universal structure. If the governmentality concept is to be used in a critico-historical analysis of the apparent necessity of the current functioning of economic performance, this critico-historical analysis will have to connect the current functioning of economic performance genealogically to the emergence of governmentality.

The critical history of economic performance will therefore have to start where Foucault's own history of governmentality begins: with the emergence of governmentality as a distinct historical form in the way in which power is exercised.

This historical account of the emergence of governmentality as a novel (trans)formation in the economy of power/knowledge relations can be found in Foucault's own lecture series from the late 1970's (*Society Must Be Defended* (1975-1976), *Security, Territory, Population* (1977-78) and *The Birth of Biopolitics* (1978-79)), which contain the results of Foucault's study of the shifts and transformations in the ways in which power has been exercised in the West. *Security, Territory, Population* explicitly develops the concept of governmentality by contrasting it with sovereignty as two distinct ways in which the exercise of power functions (see STP, 87-110).

Starting with this historical account of the emergence of governmentality will help to dissolve the necessity of the current functioning of economic performance at a very basic level. It will provide a historical contrast to the most elementary structure that delimits how questions concerning the way economic production is governed are framed. This will show that even the most basic understanding of how economic performance functions is conditional upon historically contingent (trans)formations of the specific arrangements in the general economy of power/knowledge relations.

### 11.1.2 Stage two: the emergence of the economy and the principle of competition

The second stage of a critical history of economic performance will have to show how the organization of economic production has emerged as something that is subject to its own natural necessities.

The most remarkable thing about the CFEPPC is that it is something that we are doing ourselves, but that it nevertheless appears as something that we are powerless to change. In order to become able to change this, therefore, we have to understand the (trans)formations in the regimes of practices and truth that have constituted the constraints on our ability to change the functioning of organized forms of economic production.

The goal of this second stage, then, is to detach the conceptual architecture that seems to ground the necessity of the current functioning of economic performance from their apparent grounding in the fixed and essential structures of Reality and to dissolve this espoused reality as the conditioning effects of a historically contingent arrangement of power/knowledge relations on the way in which we interpreted ourselves and the world. At the most basic level, this means that it has to be shown that what we have come to refer to as the economy is not simply given. On the contrary, it must be reinterpreted as something that has been constituted and market out in reality by the emergence of a novel form of governmentality, rather than something that has always existed as a reality in and of itself. The same has to be shown for competition. It has to be shown that the central concept behind the apparent necessity of the current functioning of economic performance does not correspond to a state of nature, but functions as an instrument in this new form of governmentality.

These requirements can be met by distilling a history of economic government from Foucault's more general history of government in *Security, Territory, Population* and *The Birth of Biopolitics*. This history retraces a series of decisive transformations in the way power was exercised in different domains like city planning, disease control and (what we have come to know as) the economy. The parts of this more general history that retrace the specific transformations in the way in which power was exercised in relation to the economy can be used to write a more concentrated history of economic government. The first part that is of interest in this regard is Foucault's discussion of the emergence of the economy as a separate domain in relation to the exercise of governmental power. A focused reading of *Society Must be Defended*, *Security, Territory and Population* and *The Birth of Biopolitics* can show that the economy, as we know it, did not always exist, but that it was carved out in reality by and as the object of a novel, liberal governmentality that emerged in the eighteenth century. Distilling the processes through which this occurred shows where, when and how the apparent naturalness of human behavior in the realm of economic production and exchange emerged.

The second part that is of particular interest in this history of economic government is Foucault's discussion of neoliberal governmentality in *The Birth of Biopolitics*. Here, Foucault shows that competition is not something that naturally occurs when the economy is left alone (*laissez faire*) by government. But rather, that it is a principle that only occurs under certain artificial conditions which a new neoliberal governmentality, which emerged after the Second World War, sought to actively bring about and construct as a new means to govern the economy (see BB, 118-121).

Showing where, when and how the economy and the principle of competition were formed as effects of specific transformations in the overall arrangement of power/knowledge relations reveals the points where a struggle against the present regime of practices and truth could displace the apparent necessity they impose on the current functioning of economic performance.

### *11.1.3 Shortcomings of Foucault's critical history of economic government for our present purposes*

These first two stages reveal the historical contingency of the way we govern and understand the domain of the economy in general. In showing that the notions of the economy and competition are historically contingent governmentality effects, Foucault's own historical studies bring us a long way in making it knowable that the apparent necessity of the current functioning of economic performance could be displaced. But Foucault's history of governmentality does not yet account for the emergence and the historical contingency of the regime of practices and truth that have come to govern the current functioning of individual forms of economic production in particular.

Although Foucault explicitly develops his history more general history of governmentality to decentre the straightforward notion of the state as *the* self-evident and central seat of power, his analysis still remains decentered around the governmental interface between the state and the economy in what we can distill as his more specific history of economic government. Within the time span covered by Foucault's own history of governmentality (up until the 1970's), this is understandable – as this interface is still the most decisive point where the exercise of power in terms of economic government takes place. Yet precisely around the time of Foucault's lectures, the center of gravity for the exercise of power in terms of economic government shifts. This shift can be marked by the rise to power of the business school, as the institutional locus around which the development of a much more meticulous regime of practices and truth for the government of individual forms of economic production takes place and continues today. Accounting for this shift and the emergence of this more meticulous regime of practices and truth requires an extension of Foucault's critical history of economic government on two fronts.

### *11.1.4 Stage three: the birth of the corporation*

The first extension, and the third stage of our critical history of the current functioning of economic performance, will have to account for the birth and rise of the corporation as the dominant institutional form in which economic production has come to be individualized and organized. The primary goal of this extension is to uncover the historical conditions of possibility for the emergence of the regime of truth that governs the current functioning of economic performance according to the principle of financial performance maximization today. It has to become clear that the emergence of this regime of truth did not become possible through the discovery of a law or structure of reality that was always already there, constituting natural limits upon what is and what is not possible in organizing economic production. Instead, it has to be shown that this regime of truth became possible through shifts and transformations at the level of social practices that provided this novel regime of truth with its historical conditions of possibility in the form of a specific set of economic practices that it could come to govern.

This first requirement can be met by showing how the birth of the corporation introduced an additional level of "governing" *between* the state and the general domain of economic activity. Here, Alfred Chandler's (1977) study of the managerial revolution in American business can be read to

show how the rise of the modern corporation marks a decisive transformation at the level of economic practices. In short, his work shows that before corporations were formed, economic activity was conducted by merchants and single unit firms and coordinated by the invisible hand of the market and government regulation. The expansion of business activities beyond single-units, through various changes in juridical, technological and economic practices, led to the emergence of corporations as multi-unit firms. And within these corporations an internal, more direct and meticulous form governing economic production developed than the more general government of the economy by the market and the state. This new and more meticulous mode of governing individualized forms economic production has developed into what we now know as *management*.

This third stage of the critical history of economic performance would bring us in a position of knowing that the set of practices where the current functioning of economic performance would eventually have to be changed through struggles and confrontations resides at the level where organized forms of economic production are managed.

#### *11.1.4 Stage four: the birth of the business school*

The fourth stage of this critical history will have to displace the apparent necessity of the current functioning of economic performance. Where the second stage has to uncover the historical contingency of the processes through which a neoliberal governmentality has formed and come to govern the economy in general, the fourth stage has to uncover the historical contingency of the processes through which a governmentality that is based on the necessity of financial performance maximization has formed and invested the managerial function in organized forms of economic production. Here, the point is to show that it was neither a natural or necessary development that the organization of economic production was subjected to this principle of financial performance maximization.

This historical contingency of the present regime of truth can be revealed by writing a critical history of the birth of the business school and its development into institutions that have come perform a central function in the production and circulation of the regime of truth that governs the current functioning of economic performance today. The starting point and the key historical contrast for this stage would be an account of how business schools were initially conceived in relation to the managerial function. Here, Rakesh Khurana's study of 'the history of the university-based business school [...] as a professionalization project undertaken, transformed and finally abandoned' (Khurana, 2007, p. 7) can serve as a starting point. This study can be read to show how the business school was initially conceived as an institution that would prepare managers as a professional class with a profoundly ethical vocation, but that this ethical component was crowded out when neoclassical economics was adopted as the base discipline of business administration and the selection argument came to impose its necessity of managing organized forms of economic production based on the principle of financial performance maximization.

This fourth stage of the critical history of economic performance would bring us in a position of knowing that one promising point for struggle against the regime of truth that supports the apparent necessity of the current functioning of economic performance are the research departments and the curricula of business schools.

## 11.2 The Real Struggle Ahead

After a critical history of the current functioning of economic performance has put us in a position whence we know where we could struggle against the constraints on our ability to change the current functioning of economic performance, we would have to engage in these struggles to displace actually these constraints and actually change the CFEPPC.

As chapter nine discussed, such a struggle can and should be conducted at two levels. The first is at the level of the regimes of practices that make up the current functioning of economic performance. Here, the struggle could consist in problematizing the actions of those who are involved in these practices so that they no longer know what to do and have gone through conflicts and confrontations themselves. The second level at which the struggle can and should be conducted is at the level of the regime of truth that governs and legislates over the practices that make up the current functioning of economic performance. Here, the struggle should consist is to infiltrate and intervene in the processes through which this specific regime of truth is produced and circulated.

How the struggles at each of these levels should be conducted can only be described in very general terms at this point. Based on the outlines of the critical history of history of economic performance, we can say that the most promising practical problematizations would probably have to target the actions of managers within businesses somehow. We can also say that infiltrations and interventions in the regime of truth will probably most promising in the research departments and curricula of business schools. Here, the discussions in chapter five and six also make it possible in going a step further and to specify that these interventions would have to problematize the dominant regime of truth that is currently governs business education against the backdrop of the economic, ecological and social crises and to introduce conflicting perspectives on performing managerial functions and perhaps even organizing economic production in business school curricula (see Gijsbertse (2014)). But specific pointers on how these struggles should be initiated and conducted cannot be given upfront. For this depends on the more specific outcomes of the critical history of economic performance (see section 11.1) and will, in keeping with the power/knowledge perspective, have to be determined in the process of the struggles itself as it cannot be decided beforehand.

Then again, more detailed specifications of the type of struggles we would have to engage in to actually change CFEPPC go well beyond the scope of this study. The goal of this study was not to devise a specific plan or to develop that one solution to stop our production of economic, ecological and social crises. It was to show how our perception of the ways in which it could be(come) possible for us to stop this tendency is actually stopping us from stopping these crises itself and to develop Michel Foucault's critico-historical approach into an instrument that enables us to displace these constraints on our ability to respond to these crises. In that sense, this thesis has given us much more than a single plan or tactic. It has given us a perspective on- and an approach to these crises that enables us to develop novel response strategies and tactics that actually could change CFEPPC itself. As such, it has organized and consolidated its own line of force along which existing points of resistance against CFEPPC can articulate and legitimize themselves, find support in each other and align their struggles into a counter strategy that seeks to displace CFEPPC with a more stable, sustainable and inclusive way of managing businesses and organizing economic production.

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