Governing by carrot and stick: A genealogy of the incentive
Dix, G.

Citation for published version (APA):
Dix, G. (2014). Governing by carrot and stick: A genealogy of the incentive

General rights
It is not permitted to download or to forward/distribute the text or part of it without the consent of the author(s) and/or copyright holder(s), other than for strictly personal, individual use, unless the work is under an open content license (like Creative Commons).

Disclaimer/Complaints regulations
If you believe that digital publication of certain material infringes any of your rights or (privacy) interests, please let the Library know, stating your reasons. In case of a legitimate complaint, the Library will make the material inaccessible and/or remove it from the website. Please Ask the Library: http://uba.uva.nl/en/contact, or a letter to: Library of the University of Amsterdam, Secretariat, Singel 425, 1012 WP Amsterdam, The Netherlands. You will be contacted as soon as possible.
The previous chapter was concerned with carrots and sticks as twin elements in a systematic reflection on government. Furthermore, it explored the normative and methodological aspects of a genealogical approach to power/knowledge. In this chapter, I introduce three Foucauldian concepts that will play a major role in my genealogy of the incentive. Usually, a chronological account of Foucault’s conceptual apparatus would lead from the formation of objects of knowledge in the human sciences to the use of disciplinary techniques of power in the factory and, finally, to the history of (neo)liberal governmentality. The systematic purpose of this chapter, however, legitimizes a non-chronological account.

To begin, I will first discuss the concept of governmentality as it is the most overarching of the three concepts and gives the reader an idea as to the nature of the present thesis. Foucault began to sketch the history of rationalizations of government—from medieval justifications of religious power to neoliberal thought in the decades after the Second World War—in two series of lectures at the Collège de France in 1978 and 1979. I will focus on the relation between economic science and central government discussed in his second lecture series (section 2.1). Second, I will discuss the formation of objects of knowledge. This is an important theme in Foucault’s history of governmentality, but it is most systematically addressed as a distinct epistemological theme in his archaeology of the human sciences. In The Order of Things Foucault traced the constitution of the living, speaking and laboring subject as an object of knowledge (section
2.2. The third and final concept I will discuss is that of *techniques of power*. In *Discipline and Punish* Foucault traced the development of instruments to discipline individuals and groups. The introduction of disciplinary *techniques of power* in the eighteenth-century factory will be my prime example (section 2.3). I do not elaborate upon these three Foucauldian concepts for their own sake but for the purpose of setting the stage for a new historical and philosophical inquiry. To conclude, I will put these three concepts into a systematic framework that will guide my analysis of the formation of the ‘incentivizable subject’ as an object of knowledge, and of its correlation with particular sets of incentivizing techniques in three successive rationalizations of government (section 2.4).

### 2.1 Governmentality

In his lecture series on governmentality and economics, Foucault explained the objective of his project as follows: “I wanted to study the art of governing, that is to say, the reasoned way of governing best and, at the same time, reflection on the best possible way of governing” (2008, 2). The choice for the reasoned way of governing best meant that he was not interested in the historical and practical details of government as it was practiced by kings, bureaucrats and politicians: “I have not studied and do not want to study the development of real governmental practice by determining the particular situations it deals with, the problems raised, the tactics chosen, the instruments employed, forged, or remodeled, and so forth” (2008, 2). In line with this preliminary explanation, his lectures were concerned with a large number of systematic treatises written by theologians, philosophers, economists and historians, all of whom provided a rationale for the wielding of power by a central political authority. Foucault then coined a new term to capture this combination of ‘government’ and ‘rationality’: *governmentality*.

The history of governmentality began with the development of an art of governing called ‘reason of state’, which arose out of medieval conceptions of worldly authority. In sixteenth- and seventeenth-century political treatises the state was constituted as an existing political reality that still awaited the full realization of its potential. This new state-centered governmentality had three important features. First, the authors who contributed to its establishment claimed that every European state had its own interest and legitimate sphere of action. This was a clear break with earlier religious conceptions of political authority as correlative
to a centralized religious power. Second, with the recognition of the autonomy of the state also came a new objective. The ultimate goal of each state was to foster its own strength vis-à-vis the others in order to defend or extend its territory—not to secure the salvation of the flock via a pastoral type of power. Third, there was a specific way to achieve this goal. Faced with competition by its neighbors, every individual state needed a permanent body of well-trained soldiers. A standing army, however, was very expensive and was dependent on a healthy population from which to select able, young men. The necessity to secure the proper amount of money and number of people made commerce into an “essential instrument and fundamental weapon in this infra-European competition that must take place in the form of equilibrium” (Foucault 2009, 337). The population could expand, and the export of commodities would generate a sufficient influx of gold to pay the soldiers, only when commerce flourished. Thus, properly managed commercial activity could strengthen the state. Government was therefore obliged to regulate commercial activity and intervene when necessary. The actual concern for the movements of people and goods was handed over to officials of the police, who were to trace illegalities and secure order in the daily production and exchange of goods. Mercantilist authors thus required the continuous involvement of the state in daily commercial affairs to ensure a functioning market—for instance, regarding the supposed (in)justness of the price of certain commodities (2008, 30–31).

Foucault subsequently extended his inquiry into governmental rationalities from the reason of state to various strains of (neo)liberalism. According to Foucault, the emergence of economic science in the eighteenth century marked a turning point in the history of governmentality. The very same authors that we now consider ‘founding fathers’ of the discipline were also engaged in the first attempt to develop a new political rationale of not governing too much. Just like ‘the state’ was central to the project of the reason of state, so ‘the market’ became a central political and epistemological object in the formation of a distinct, liberal art of governing. French Physiocrats and British political economists did not reflect on an object that was already given. Instead, they helped to constitute a new object of knowledge and a new target for government. First, contemporary economists like Francois Quesnay, Adam Smith, Robert Malthus and David Ricardo emphasized the naturalness of economic processes. They argued that the growth and decline of the population depended on the prevailing physical climate, on the habits of people and on the available means of subsistence. Second, they stated that individuals and goods moved within and between territories in fixed ways. Finally, they set out to show that there were certain mechanisms
that determined how the price of commodities and labor fluctuated over time (Foucault 2009, 70–75). The interdependency of these tendencies in populations, products and prices made strict political regulation of commercial affairs difficult. It was deeply problematic to think of economic processes as simply amendable to the will of the sovereign.

None of the eighteenth- and nineteenth century liberal economists saw any good in the constant policing of commerce advocated by Mercantilists. Over and against the idea that human action brought order into economic life, they were convinced that commercial activity was part of a series of interlocking processes that resisted political intervention. Thereby, a well-functioning market was no longer the direct effect of policy; instead, it preceded political action and acted as an external limit to government policy. In a negative sense, the new conception of the market as a natural entity in contemporary economic discourse was mobilized to restrict state intervention. But “the entry of a ‘nature’ into the field of techniques of power” entailed more than a critique of existing rationalizations of government (Foucault 2009, 75). In a positive sense, the constitution of the economy as a natural realm, with its own laws and regularities, provided leverage for a new art of governing. As a corollary to the emphasis placed on the harmful consequences of economic interventionism, the key idea of these liberals was that economic processes actually had beneficial effects, when allowed to run without interference. If the sovereign had the courage to refrain from intervening in the dynamics of the market, he would find that excessive prices would gravitate towards their natural levels, and the nation would become wealthier in the long run. The interplay of self-interested individuals would lead to prosperity rather than chaos. But though the freedom of individuals to pursue their own interests was the keystone of economic liberalism, freedom itself was not simply given. The objective of the liberal art of governing therefore became one of producing and organizing the freedom that was needed for markets to flourish. With this new objective also came new instruments. For only with the help of strategies of security could individuals remain free to pursue their interest as market players. The disciplinary techniques that proliferated in the eighteenth and nineteenth centuries were not opposed to economic liberalism; they were the conditions for its possibility (Foucault 2009, 333–361).

The constitution of the market into a new object of knowledge was crucial for the governmental transformation from reason of state to “reason of the least state” that was taking place around 1800 (Foucault 2008, 45). This transformation also marked the beginning of a liberal mode of reasoning about the limits
of government, which extended well into the twentieth century. From the constitution of the market as a central object of power/knowledge in economic liberalism, Foucault turned to different bodies of postwar neoliberal thought. The first neoliberal rationalization of effective state action was developed in Germany immediately after the Second World War. At the time, German economists writing for the journal *Ordo* were looking for new ways to justify the role of the state in matters of economy and society. For what could legitimize the continued intervention of central government in the daily affairs of individuals just after the Holocaust? With population policy made taboo, German economists brought economic prosperity to the fore as the most viable and neutral political objective for postwar reconstruction (Foucault 2008, 75–158).

But what made ordoliberalism go beyond classical liberalism as developed in the eighteenth and nineteenth centuries? According to Foucault, the prefix ‘neo’ was applicable to the ordoliberals because of their strong anti-naturalism in economic affairs. This distinct anti-naturalistic stance permeated their economic analysis in various ways. First and foremost, the market was not conceived of as a natural realm governed by its own specific laws. In contrast to classical political economy, entrepreneurship and competitiveness were aspects of a formal theoretical structure that could become economic reality if the circumstances were right. So instead of preceding political action and limiting its possibilities, the market was seen as a political construct demanding the initial intervention and subsequent maintenance of the state. Second, the ordoliberals lacked a conception of the economic subject as a *homo economicus*. In their very minimalist take on human action, the subject was considered to be the product of history and current social structures.

Translated into political terms, the ordoliberal conception of the changeability of individual behavior and of the political construction of the market made for a more interventionist economic policy. If humans had the potential to become the entrepreneurs that economic theory required them to be, then politicians could strive to embed the subject in a proper competitive milieu and to foster the smooth functioning of market forces. For that reason, ordoliberals argued in favor of a *gesellschafts- or vitalpolitik* that would reorganize society based on economic insights about ideal market structures. In their political program, the state was called upon to mold society actively and continuously in order to secure the regulatory role of competitive mechanisms. In addition to a policy of fostering economic competition, the state should outline a social policy directed at small-scale communities. Cohesive families and neighborhoods were
crucial to the extent that they softened the harshness of economic competition. All in all, economic science gave politicians an idea of how to maintain a middle ground between the encouragement of “cold” entrepreneurship and competition, and the cooperation of men embedded in a “warm” moral and cultural framework (Foucault 2008, 242).

The systematic reflection on the relation between state and market in American economics is the second neoliberal governmentality discussed by Foucault. His account of American neoliberalism ran from Henry Simons’s criticism of the Beveridge program in 1934 until Gary Becker’s analysis of crime in the mid-1970s. American neoliberalism distinguishes itself from classical liberalism in two ways. First of all, it sets itself apart from the earlier liberal arts of governance by a specific take on human action. The economists reviewed by Foucault view the human subject as an entrepreneur who invests money, time and affection in himself and in others to secure a future profit. In every instance, individuals deliberate over different courses of action and choose the one that contributes most to their own happiness. Yet in contrast to classical political economy this rational and self-interested *homo economicus* was not a natural given. It is simply how the individual appeared when considered from an economic point of view. As an ‘aspect’ science, economics was no longer concerned with a particular domain called ‘market’ or ‘economy’. Instead, a whole new range of phenomena entered the economist’s field of vision—from raising a family and the prevention of crime to the political struggle between parties and factions (Foucault 2008, 229–231).

The second major difference between classical liberalism and American neoliberalism is political. For eighteenth-century political economists, the economic subject was both rational and self-interested. On an aggregated level the complete set of *hominis economici* pursuing their own interests created interdependencies no one could really oversee—not even a powerful and knowledgeable sovereign. So, when political economists demarcated the economy as a new object of knowledge, they also advocated the view that there was no overall insight into economic processes that could legitimize an interventionist government policy. In American neoliberalism, on the contrary, the conception of the economic subject as a rational entrepreneur had quite different political consequences. It was precisely the alleged rationality and self-interestedness of all individuals that made them governable because it made them respond to changes in their environment in a systematic and predictable way (Foucault 2008, 269). In the legal sphere, for instance, criminals would reconsider their strategy when
29

setting the stage

The profits of illegal activities declined, or the risk of arrest increased for certain offences. The relationship between the individual and the field of possibilities for action made for a new “environmental technology” (Foucault 2008, 259). The neoliberal rationalization of government in American economics led to a set of political instruments with which government could manipulate environmental variables such that individuals would choose the desired course of action.

The overall picture that emerges from Foucault’s work on the history of liberal and neoliberal governmentality is one of a rich diversity of ways to rationalize the nature and function of central government. Despite the wealth of material, his reconstruction of succeeding arts of governing or reasoned ways of governing best is informed by a basic epistemological theme. A brief survey of the history of political discourse showed that government was directed at a variety of objects, such as individuals, families, territories, rival states, populations and markets. In a reflective passage Foucault explained that he did not “measure institutions, practices, and knowledges in terms of the criteria and norms of an already given object”; instead, he sought to grasp “the constitution of fields, domains, and objects of knowledge” in different bodies of political thought (2009, 118). In other words, those who rationalized the wielding of power did not reflect on a ready-made object that was known through experience, rather they helped to constitute the objects at which political action should be directed. It was in that constitutive or constructive sense that Foucault spoke of the formation of ‘the state’, ‘the market’ and ‘the entrepreneur’ as objects of and limits to government intervention.

2.2 The formation of objects of knowledge

Even though the governmentality project was new, the focus on the formation of objects of knowledge was not. In this section I will elaborate on the formation of the human subject as an object of knowledge as a persistent epistemological theme in Foucault’s work. In a recapitulation of his work published in 1983, Foucault chose ‘the subject’ as his main theme of interest, saying that his objective had been “to create a history of the different modes by which, in our culture, human beings are made subjects” (2000b, 326). Indeed, from his early work on the history of madness up until his final work on sexuality, the creation of different kinds of people was one of the key issues at stake. In several detailed studies about
governing by carrot and stick

particular human figures—the madman, the sick person, the delinquent, the homosexual—Foucault showed that practices of knowledge production were one of the modes by which individuals came to recognize themselves and others as particular types of subjects. Although there has been a discernible shift in focus over the years, the question as to how certain aspects of human action or ‘being’ were constituted as new objects of knowledge has proved perennial.

Foucault first studied the formation of the subject as an object of knowledge in a wide-ranging archaeology of the human sciences. According to Foucault, the rules that determined how we perceive the linguistic, biological and economic world changed dramatically from one historical era to another. Each era was characterized by a “fundamental way in which it sees things connected to one another” (Gutting 1989, 139). Such a primordial experience of the order of things—or ‘episteme’, as Foucault called it—determined “the appearance and insertion of the question of the speaking, laboring and living subject, in domains and according to the form of a scientific type of knowledge” (Foucault 1998, 460). It is impossible to bring the full complexity—and problematic nature—of Foucault’s archaeology of the human sciences to the fore here and neither is it necessary for the present purpose. In what follows I will focus on one example: the formation of the laboring subject as an object of nineteenth-century political economy against the background of Renaissance and classical economics.

The main characteristic of the Renaissance episteme was the idea that the world was a like a piece of prose. The book of nature was written in an unknown language, and its interpreter should look for the signs that reveal a connection between phenomena. In contemporary economic treatises it was claimed, for instance, that the intrinsic value of gold and silver was a sign of the connection between the value of a commodity and its price. The fixed link between both, even led Renaissance economists to postulate the existence of a more fundamental cosmic balance between the total value of all existing commodities and the total value of all precious metals, either already mined or still hidden deep in the bowels of the earth (Foucault 1994, 169–173). In the middle of the seventeenth century the experience of order changed such that the search for signs made way for the representation of visible identities and differences. Informed by the new episteme, classical economists were mainly concerned with how best to represent the value of commodities in an artificial monetary system. They began with the basic premise that all objects contained in the category of ‘wealth’ were valuable because people either needed or desired them. The value of each of these objects could then be expressed in monetary terms. Thus, the relationship between object and price was
an artificial one established purely for pragmatic reasons. For one, money provided a single measure for all products. The use of money as a sign of value thereby made the comparison of all valuable objects with one another possible. Furthermore, money enabled goods to circulate more easily among all members of the population. From the sale of agricultural raw produce to the trade in finished products, money was a convenient instrument that acted as a pledge for future exchange. Finally, the available monetary measure enabled economists to represent the total circulation of priced commodities. The yearly production and consumption thus represented made it possible for them to estimate the amount of money necessary to keep the economic system running smoothly from one year to the next. Scientists had a deep faith in transparency in the classical episteme, as was displayed in the self-evident way in which the value of a commodity could be represented by its price and the exchange of priced commodities by an economic table.

The act of representing the world in artificial languages became problematic after the shift from the classical to the modern age. Immanuel Kant’s critical project stands out in the field of philosophy: his inquiry into the conditions for representing possible objects of experience made the ontological adherence to transparency into a pre-critical metaphysical dogma. As representation lost its self-evidence circa 1800, a new era in the production of knowledge began. In the human sciences, static tables made way for attempts to dig beneath the surface of visible identities and differences in search of the conditions that made linguistic, biological and economic phenomena possible. Each of the disciplines came with its own distinct ‘quasi-transcendental’ that was constitutive for the range of phenomena studied. In nineteenth-century political economy the representation of value made way for the question of its fundamental determinant. This shift was most visible in the work of British political economist David Ricardo. Although it was Adam Smith who had turned labor into a major economic topic, he was not yet able to transgress the boundaries of the classical episteme. In Smith’s work labor was indeed the most important measure for the value of commodities. Yet at the same time, the value of labor (i.e., the wage received by the laborer) could be expressed in terms of the number of commodities one could purchase with it. In the end, both labor and commodity could represent one another, and neither was more fundamental than the other. Only with the appearance of Ricardo’s *Principles of Political Economy and Taxation* (1817) could labor finally free itself from the representational nexus. In the new conception of labor, the time spent on producing a commodity fully determined its value vis-à-vis other commodities—no matter how much the worker’s wage could buy (Foucault 1994,
In other words, beneath the value of a specific product lay both the activity of the laborer and the capital goods that embodied earlier labor investments. The reconfiguration that had taken place at the turn of the century opened a space for the laborer within the production of economic knowledge. Therefore, according to Foucault, the emergence of the laboring subject as a major figure in nineteenth-century political economy could only be understood against the background of a preceding shift in the order of things.

From the end of the 1960s onward, Foucault’s interest shifted from the rules that governed the formation of objects of knowledge to the intricate relationship between power and knowledge. This new focus led him away from the grand succession of epistemes in the history of the human sciences to a range of institutions in which specific kinds of experts dealt with particular segments of society. In the nineteenth-century asylum, for instance, psychiatrists could confine, study and treat different types of madmen (Foucault 2000a). The courtroom, moreover, provided the psychiatrist with an opportunity to speak with authority about the behavior of a new class of “dangerous individuals” (Foucault 2006). Similarly, the prison, the hospital, the factory and the school were analyzed by Foucault (1995) as sites where the power over men coincided with the (local) production of knowledge. The shift from discursive rules to power/knowledge relations in the 1970s made for a new and distinct perspective on the formation of the human subject as an object of knowledge. The continuous scrutiny of individuals gave rise to a whole new set of human figures annexed by several scientific disciplines: the ‘delinquent’ made its appearance in both courtroom and prison and became a stabilized object of criminology; the hospital provided the institutional space for new classifications and treatments of the ‘sick’; and the frequent examinations at school brought ‘excellent’ and ‘mediocre’ students to the fore as new objects of pedagogics (Foucault 1995, 170–194).

As I have shown, the constitution of “new knowable objects” was an important topic in Foucault’s history of the human science and in his later work on power/knowledge (1994, 252). The idea that these objects were constituted makes clear that he was opposed to a facile positivism of sensory openness to the world. In a more reflexive passage Foucault stated that “it is not enough for us to open our eyes, to pay attention, or to be aware, for new objects suddenly to light up and emerge out of the ground” (1972, 44–45). Moreover, the formation of new object of knowledge also required more than the elimination of “some obstacle whose power appears to be, exclusively, to blind, to hinder, to prevent discovery, to conceal the purity of the evidence or the dumb obstinacy of the
things themselves” (1972, 45). But, if objects do not present themselves directly to the senses, nor hide beneath a veil awaiting someone to raise it, then what does their constitution amount to?

The most explicit and constructive account of the formation of objects of knowledge as a distinct epistemological theme can be found in The Archaeology of Knowledge (Foucault 1972, 40–49). Although the reflections on archaeology were meant to elucidate the method Foucault used in his historical studies, presents his readers with a far more dynamic picture than the archaeological analysis of the laboring subject in The Order of Things allowed for. According to Foucault, the formation of an object was a dual process in that a scientific discipline had to find “a way of limiting its domain, of defining what it is talking about, of giving it the status of an object—and therefore of making it manifest, nameable, and describable” (1972, 41). On the one hand, scientists had to determine how to define the object in question. Only after such a positive endeavor could the object appear as something available for further description and analysis. On the other hand, the attempt to give something the status of an object had a negative corollary. With each attempt to limit a domain of inquiry, some aspects were chosen for scientific description and explanation, and some were, by necessity, ignored. This twofold endeavor of defining and limiting the object of knowledge leads to three distinct but interrelated paths of analysis.

First of all, the authority to delimit an object of knowledge is not granted to individuals at random, but only to specific expert communities. Therefore, we should look for the relevant authorities of delimitation with regard to a certain domain of objects. In Foucault’s example of nineteenth-century psychopathology, medical professionals were the main authority for defining the nature of madness. However, religious and legal authorities also claimed to have a say in the matter.

Second, these experts contribute to the delimitation of the object of knowledge by locating it in what Foucault calls surfaces of emergence, the places where they look for the phenomena of interest. In the nineteenth century, psychopathologists began to look at art, sexuality and crime as new surfaces where madness could emerge. Whereas a novel or tragedy was previously considered primarily as an aesthetic object, it now became something in which it was possible to discern traces of madness in the main character(s) or in the author who wrote it.

Third, once objects have been located, they are further delimited with the help of distinct grids of specification. These disciplinary frameworks of concepts, theories and methods are used to highlight certain features of the object or regroup several aspects of it. In the case of nineteenth-century psychopathology, it was possible to specify different
kinds of madness by locating symptoms within a prior subdivision of the faculties of the soul, by linking particular symptoms to the composition of the human body, or by articulating the personal history of an individual (Foucault 1972, 41–42).

2.3 Techniques of power

Foucault’s focus on the production of knowledge in succeeding governmentalities has been well addressed with the foregoing reflection on the formation of objects of knowledge. Clearly, though, those who rationalized the role of government had more than just a cognitive interest in the objects they constituted. These objects were first and foremost objects of government and therefore bound up with questions about the best way to exercise power. In more concrete terms, this meant that knowledge about market mechanisms or population dynamics was directly linked to the question of how best to regulate economic processes. Likewise, knowledge about the nature of deviant individuals was related to the question of how best to change their behavior. What means could the government use to mold the individual, redirect the market or regulate the population? The practices of knowledge production that developed in the history of governmentality thus led to “what we can broadly call a technology of power” (Foucault 2009, 117).

Again, the focus on the techniques of power used to govern individuals and groups was already a major theme in Foucault’s oeuvre by the time he set out to study government and its rationalization.

In this section I will elaborate upon the techniques of disciplinary power discussed by Foucault in Discipline and Punish. The factory will be my main institution because it was also one of the prime institutions for studying and designing the best methods of encouraging specific behaviors over the past century. With a clear idea of the ways to maintain discipline in the factory, I can better highlight the differences and similarities between discipline and incentives as distinct techniques of power in the concluding chapter.

Although the delinquent, sick or learning subject could be located in one institution or another, Foucault was not primarily interested in the emergence and subsequent development of these institutions as such (1995, 139; 2006, 41). Instead, he focused on “studying the methods and techniques used in different institutional contexts to act upon the behavior of individuals taken separately or in a group so as to shape, direct, modify their way of conducting themselves, to impose ends on their inaction or fit it into overall strategies” (1998b, 463). The
most extensive account of such a distinct set of techniques of power can be found in *Discipline and Punish*. Foucault's research into the birth of imprisonment as today's most dominant punitive measure reveals the slow emergence of discipline as a new way to govern individuals and groups. In his analysis, he studied discipline on four levels. At the most basic level of analysis, Foucault studied concrete practices in order to distinguish the different spatial, temporal and social elements of discipline. For discipline is first and foremost a multifaceted and local technique to target the behavior of individuals in specific settings: “Discipline may be identified neither with an institution nor with an apparatus; it is a type of power, a modality for its exercise, comprising a whole set of instruments, techniques, procedures, levels of application, targets” (Foucault 1995, 215). In minute detail, Foucault makes explicit what discipline entailed as a practice of correcting human bodies and molding human minds.

The first technique of discipline used in the eighteenth-century workshop was a spatial one. The most radical spatial intervention was to close off the site where production took place from the surrounding area. Laborers entered the factory building in the morning and were prohibited from leaving until the gate was opened at the end of the working day. With no one able to leave, “the forces of production become more concentrated” and the utility of bodily work is thereby enhanced (Foucault 1995, 142). At the same time, the presence of all workmen under one roof greatly simplified supervision. It thwarted the petty theft of goods and tools, and made it easier to notice malcontent and unrest among the workers. Spatial discipline, however, was not always as radical as forced enclosure. In many cases, the reorganization of space was more subtle than building walls and closing gates. Within the factory, for instance, the workplace could be divided into many different segments. In this design, each laborer would have a fixed place to work in the factory hall. The parceling of productive space split the mass of laborers into smaller groups, which facilitated surveillance. At the same time, it greatly increased information about individual performance: “The labor process was articulated […] according to the individuals, the particular bodies, that carried it out: each variable of this force—strength, promptness, skill, constancy—would be observed, and therefore characterized, assessed, computed and related to the individual who was its particular agent” (Foucault 1995, 145). The individualization brought about by spatial discipline also enabled a more detailed knowledge of the quality and quantity of output. The design of an individualizing space as a new element of industrial thought and action might seem a local and practical phenomenon. On closer inspection, however, the ‘small’ problem of spatial discipline was intertwined with the ‘big’ problem of the
increase in industrial scale. In contemporary economic treatises the division of labor was presented as an autonomous process. From primitive society onward, the barter of commodities led to an ever increasing specialization of labor. Foucault’s analysis of the factory showed that the division of labor was inconceivable without an accompanying sophistication of techniques of power.

Besides the art of enclosure and partitioning there was also a strong temporal dimension to factory discipline. Borrowing from religious practices of daily exercise, the establishment of a temporal regime for laborers was used to guarantee the maximum extraction of their productive energy while at work. A timetable made clear what each laborer was expected to do at a certain moment in time. Furthermore, there were a range of prohibitions regarding the gestures and jokes made, the stories told and the games played during working hours. The article on manufacturing in Diderot’s and D’Alembert’s Encyclopédie made manifest that this harsh regime was not accepted without enforcement: “In the large factory, everything is regulated by the clock. The workers are treated strictly and harshly. The clerks, who are used to treating them with an air of superiority and command, which is really necessary with the multitude, treat them with severity or contempt” (as cited in Foucault 1995, 174–175). With a distinct group of superintendents who saw to it that everyone abided by the rules, the worker was now free from distraction and could devote himself entirely to the task at hand. With both the day’s schedule and the bans on behavior, a positive economy of exploiting the available labor time could come into being (Foucault 1995, 149–151).

The factory was not Foucault’s prime example when it came to the two final techniques of discipline. Nevertheless, a short discussion of the attempts to organize the development of individuals over time and to combine their forces is necessary for a complete picture of the analysis of power. As to the first, Foucault discerned a tendency for disciplinary practices to divide the process of learning into different phases. Instead of an apprenticeship rounded off with a masterpiece, education became subdivided into a series of fixed stages a subject had to complete. Whether in the army or in school, pupils first had to practice a certain number of exercises and pass an exam before they could enter the next stage of their educational careers. Second, although discipline is an individualizing technique, it is at the same time an art of “composing forces in order to obtain an efficient machine” (Foucault 1995, 164). In a large factory or a modern army a single individual contributes but little to the overall profit or victory. Only the smooth interaction of all individuals makes for a veritable success. This composition
of forces requires that the disciplined bodies are well adapted to one another. Foucault further elaborated on the relationship between the individual and the collective in a section on the role of examination in the production of knowledge about the individual. Indeed, he said, the frequent examination of individuals in schools, armies and hospitals, together with the cataloguing of their personal development, introduced individuality into the pedagogical, military and medical archives. Yet the data about the characteristics of individuals gathered in this way immediately led to the creation of new social hierarchies and new behavioral norms. This meant that individuals were positioned in a group and had to abide by norms of behavior for that group at the same time that their individuality was being noted. Overall, disciplinary practices certainly made people into special cases, but they also contributed to the making of new collectives (Foucault 1995, 189–192).

On an intermediary level, the ramifications of disciplinary practices in the factory and elsewhere made it possible for Foucault to discern a shift in the strategic purpose of discipline. In the fourteenth century, the use of these techniques was closely related to the renunciation of worldly life as well as the control over one's body and mind. At time, Dutch and Flemish mystics developed a set of ascetic practices of bodily restraint, for themselves and their disciples, in order to counter the perceived moral sloppiness of their fellow Christians (Foucault 1995, 161–162; 2006, 64–68). Certainly power and authority were equally present in the religious communities where the converts lived and worked. Yet the ultimate value of bodily discipline was to gain self-mastery, and all members of a religious circle, even those highest in authority, had to observe the rules of conduct. All this changed substantially when disciplinary techniques were applied in other than religious domains of practice. Those seeking discipline in the seventeenth-century army, for instance, had quite a different reason for introducing extensive bodily practice than that of the loose morals of their soldiers. It was the invention of the rifle that made a complete military reorganization necessary. A modern army needed highly disciplined troops to win a battle; troops had to be able to group and regroup in a swift and orderly way when ordered (Foucault 1995, 162–163). Discipline thus became more and more prominent as a set of methods “which made possible the meticulous control of the operations of the body, which assured the constant subjection of its forces and imposed upon them a relation of docility-utility” (Foucault 1995, 137). In the army and the factory, self-mastery made way for docility, and the contempt for worldly affairs was replaced by the increased economic utility of the human body. The disciplinary techniques discussed above...
all contributed to the creation of productive bodies that could be utilized and docile bodies that lacked the energy for resistance.

From religious sects and armies onward, disciplinary techniques travelled remarkably well from one institutional context to the next until the modern (welfare) state could ‘simply’ annex them. Foucault’s genealogical account of disciplinary techniques and their shifting purpose showed that there was no sudden discovery of a new mode of power or an overarching explanation for its development. According to Foucault, “It is rather a multiplicity of often minor processes, of different origin and scattered location, which overlap, repeat, or imitate one another, support one another, distinguish themselves from one another according to their domain of application, converge and gradually produce the blueprint of a general method” (1995, 138). With the convergence of a set of scattered practices into a blueprint of power, the endpoint of all these minor processes far exceeded local contingencies in the emergence and development of disciplinary methods in the seventeenth and eighteenth centuries. Despite the particularity of its origin and the erratic course of its dispersion, the proliferation of disciplinary practices did make for the gradual establishment of a “disciplinary society” (Foucault 1995, 216).

On the third level of analysis, therefore, the genealogy of discipline as a technique to govern individuals made it possible to specify the nature and transformation of power in Western society. Foucault discovered that the increasing predominance of disciplinary power in modern society was inversely related to the waning of the power of sovereignty. The sovereign held sway over his subjects for centuries with the help of spectacles of corporal punishment and a public display of affluence. In a relatively short period of time, the practice of public torture and execution made way for a series of closed institutions like the asylum and the prison. With the promise of a tighter grip on individuals and populations, the need for a sovereign who displayed his surplus of power to his subjects quickly disappeared. According to Foucault, the surveillance over and normalization of the human body became so well established that Jeremy Bentham’s dream of constant visibility was apt for the modern ‘panoptic’ society.

The study of the development of disciplinary techniques led Foucault to investigate the phenomenon of power on a fourth and more abstract level. His genealogical work made it possible to pinpoint a number of characteristic elements of relationships of power that, even if they did not lead to a definition of the ‘nature’ of power, they at least help us to study it in a more circumscribed manner. First, power is sometimes wielded in a very brute and direct way, but more
often, the exercise of power is cloaked in justificatory discourses that identify and legitimize certain targets: “there is no power that is exercised without a series of aims and objectives” (Foucault 1990, 95). Second, the actual achievement of these aims and objectives is not certain because there is always a margin of freedom on the part of the governed. It is this element of freedom that makes the relationship between two parties into an always unstable relationship of power in which mere (physical) submission of one party is not sufficient for the maintenance of control (2000b, 340–342). Third, these relationships of power can best be understood as strategic in the sense that they are confrontations between the attempts to change the conduct of individuals and groups and the attempts of those individuals and groups to resist being controlled in this way. Thus, in the power equation there will be the tactics used to guide the behavior of the governed on one side, and the reactions evoked by such guidance on the other. (2000b, 346–348). Fourth and finally, these instable, tactical relationships are mediated by the instruments that are at the disposal of those who govern. For only with the help of these instruments can one party gain the upper hand in the struggle; hence, Foucault’s emphasis on techniques of power.

2.4 Setting the stage for a genealogy of the incentive

The previous sections have brought several aspects of Foucault’s philosophical histories to the fore. In each, we saw how the analysis of a specific topic was related to a specific concept: the study of liberal and neoliberal reflections on government was related to governmentality; the archaeology of economic science was bound up with the formation of objects; the genealogy of disciplinary practices in the factory and elsewhere was linked to techniques of power. Although these concepts were developed by Foucault for particular historical inquiries, they can easily be transferred to other areas and used for further study. In this section I will show how the conceptual triangle established for the purpose of my genealogy of the incentive will guide the historical and philosophical analysis in the subsequent four chapters.

Foucault’s study of the rationalization of (neo)liberal government is rich and thought provoking. For my purposes, I use the notion of governmentality in two distinct ways. First, it offers a practical criterion for the selection of new
bodies of thought at the expense of others. The scholars studied by Foucault all attempt to put the relation between those who govern and those who are governed into a systematic framework. Similarly, the scholars I analyze in my genealogy all systematically address the relation between ‘governors’ (central planners, managers, foremen, employers, directors, bureaucrats) and ‘governed’ (industrial workers, firms, public agencies, school teachers). I will identify and discuss three bodies of discourse in which the incentive plays a pivotal role in the rationalization of a particular type of power over individuals and groups. First will come the wage incentive systems developed in the final decades of the nineteenth century by American engineers, followed by the attempts of economists, psychologists and sociologists to ‘humanize’ incentives in the interwar period. The postwar economics of incentives will come as the third and final rationalization of government.

The inclusion of these three bodies of governmental discourse brings along with it the exclusion of other discourses in which the term incentive appears. In Alfred Marshall’s seminal *Principles of Economics*, for instance, an ‘incentive’ is synonymous with an ‘inducement to action’, which can be internal, as in a mental ‘motor-force’, or external, as in a change of economic circumstances, such as a rise in the rate of interest (1890, 14–28). Whether it comes from within or from without, this concept of the incentive was not linked to the effort of one person to influence the behavior of another. In the first decades of the twentieth century several writers began to discuss whether a worker would still be motivated to work in communist societies. Again, the question of incentives under communism was discussed in general terms and was not specifically related to the rationalization of a definite type of power wielded over the workers (Egbert & Persons 1952, 400–406; Grant 2012, 21–22). In behaviorist psychology of the 1930s and 1940s, finally, the incentive was an explanatory term used to account for changes in the behavior of experimental subjects. In a series of experiments on learning, mainly using animals, psychologists studied the relationship between external stimuli and behavioral responses. Although (experimental) control is a key objective in behaviorism, the link with governing humans is actually quite weak (Mills 2000, 107–115). A comprehensive conceptual history of incentives would have to include these heterogeneous discourses as well. This, however, is not a conceptual history but a study of the place of incentives in different rationalizations of government.

The concept of *governmentality* offers more than a practical criterion for the inclusion or exclusion of certain historical sources; it also guides the study of the literature selected. Governmental discourses give a certain rationality to the
wielding of power over individuals and groups. They do so by selecting particular objects at which government should be directed; by characterizing the objectives of governmental interventions; and by designing and refining the instruments with which government can target the objects in question and achieve its objectives. Foucault’s history of governmentality revealed that the rationalization of the objects, objectives and instruments of government shifted from one body of discourse to the next. This insight is not lost on the incentive as the pivotal element in a range of new rationalizations of government.

The governmentality project first led Foucault to a dynamic conception of the formation of objects of knowledge. I will focus on three different aspects of the formation of the ‘incentivizable subject’ as an object of knowledge. First, the experts on incentives act as authorities of delimitation. Each of the three expert communities—mechanical engineers, interwar social scientists, and postwar economists—delimited the subject that was susceptible to incentives in its own distinctive way. The authority to delimit the nature of incentives that was claimed by successive expert communities immediately leads to the second aspect discerned by Foucault: where do the respective authorities locate the subject that needs to be incentivized? From the end of the nineteenth century to beginning of the twenty-first century, the incentivizable subject’s surfaces of emergence changed significantly. Third, these authorities have different disciplinary perspectives on the matter. Their respective grids of specification enable them to ascribe particular characteristics to the object, while neglecting others characteristics. Grids also allow authorities to pose questions that are deemed interesting, while excluding other questions as irrelevant. In addition, grids make the use of certain methods of research obvious, while others methods are not even considered. These three aspects of the formation of the incentivizable subject as an object of knowledge give substance to the dynamic processes of “defining what one is talking about” and “limiting one’s domain” (Foucault 1972, 41).

The formation of objects of knowledge in different governmentalities, Foucault showed, was closely linked to the development of new programs for wielding power. The constitution of the object—states, populations, markets, individuals, communities—government should be directed at came with extensive elaborations on its objectives and the instruments with which to achieve them. In the unstable relationships between those who govern and those who are governed, techniques of power were important for the strategic advantages they offered to the former. In the systematic reflection on incentives we can discern a similar concern with the development of a program to govern the incentivizable subject. Just like
the disciplinary techniques studied by Foucault, the incentive is a tool used in
different institutional contexts to change the behavior of individuals and groups.
In each of the four subsequent chapters, I will analyze successive proposals for the
use of incentives as *techniques of power*. 