The Supranational Governmentality of Neoliberalism: An Analysis of the Governing Principles of Troika Programs for Greece

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Abstract

With his concept of governmentality, Michel Foucault delivered one of the most innovative approaches to analyze neoliberalism, which is predominant on the international stage since “Thatcherism” (1979-90) and “Reagonomics” (1981-88). Even an own discipline developed around this concept (governmentality studies), bringing fruitful theoretical merits. However, there is a huge gap. Benchmark for most researches in the governmentality studies is always the geographical and jurisdictional confined state. Thus, inter-, trans-, and supranational organizations such as the UN, IMF, EU, World Bank or INGOs are completely neglected. I try to fill that gap and to deliver starting points for further analysis of (neoliberal) governmentality on a supranational level by asking: How do neoliberal socio-economic programs of the IMF and European Commission (EC) for Greece work in a Foucauldian perspective? While conducting a theoretical discussion of the governing principles of Troika programs for Greece and using the concept of governmentality, I find that social security is reconcilable with neoliberalism, but an organization of it on a public basis is not. Public welfare is not excluded in neoliberalism; the neoliberal governmentality even insists on private, personal provision, which is based on individual responsibility of a rational acting subject. The objective is to transform social security to a private good. And the same principles are used by the Troika through their adjustment programs during the Greek crisis.

Key words: Euro crisis, Governance, Governmentality, Greece, International Monetary Fund, Michel Foucault, Neoliberalism, Post-structuralism, Social welfare.
Introduction

Probably more known for his articles about power, discourse or sexuality, Michel Foucault delivered one of the most innovative approaches to analyze neoliberalism, which is predominant on the international stage since “Thatcherism” (1979-90) and “Reagonomics” (1981-88). Although the term and phenomenon neoliberalism is often used in various researches, most of the times an equation of neoliberalism and its effect took place – leaving out the principles of neoliberalism (Gertenbach 2010: 9). In his lectures of 1977-78 (Security, Territory, Population) and of 1978-79 (The Birth of Biopolitics) at the Collège de France, Foucault generates the concept of governmentality, which he uses to inquire liberalism and neoliberalism. Expressed by the names and structure of his lectures (Foucault 2008: 185; (Gane 2008), he initially had other plans. In the aftermath of Foucault, an entire discipline developed around the concept of governmentality – governmentality studies.

The theoretical merit of governmentality studies is without doubt its capability to combine abstract political rationalities with micro-techniques of everyday life. For this reason, they exhibit outstanding tools to analyze political rationalities and behavior patterns in general and for neoliberalism in particular (Lemke 2008: 58-59). However, there is a huge gap. An implicit or explicit benchmark for most researches in governmentality studies is always the geographical and jurisdictional confined state (Lemke 2008: 58-59). Thus, inter-, trans-, and supranational organizations like the UN, IMF, EU, World Bank or INGOs are completely neglected by governmentality studies. I try to fill that gap and to deliver starting points for further analysis of (neoliberal) governmentality on a trans-, inter-, or supranational level. In doing so, I apply the concept of governmentality on a supranational level, constituted through the IMF and EU. Thereby, I focus on the current crisis in Greece and on the adjustment programs – imposed by the IMF and the European Commission (EC) or EU – in order to examine the neoliberal governmentality. My approach tries to shift the levels of the state and the individual. Hence, the Troika, consisting of the International Monetary Fund (IMF), the EC and the European Central Bank (ECB), is the “state“, which stimulates the actions of the “individual” (Greece as economy with its citizens), respectively, to lead the Greeks implicitly to certain behavior patterns.

My general question is how neoliberalism works in a Foucauldian perspective. To understand the mechanics of neoliberalism better and to understand how it works in current and concrete terms, I apply Foucault’s concept of governmentality and neoliberalism on the economic and debt crisis in Greece. Therefore, my concrete question will be as follows: How do neoliberal socio-economic programs of the IMF and EC for Greece work in a Foucauldian perspective? While conducting a theoretical discussion of the governing principles of the Troika programs for Greece and using the concept of governmentality, the subsequent question will be if this application works at all, or if it is not fruitful to apply Foucault’s thoughts on the current case in Greece. Before the analysis of the adjustment programs for Greece (3.), I will examine the theoretical basics of Foucault’s concept of governmentality (2). Afterwards, I will complete this work with a conclusion (4), in which I confirm the utility of governmentality to depict the patterns of supranational neoliberalism in the example of the Troika’s adjustment programs in Greece.
**Governmentality and neoliberalism**

*The concept of governmentality*

Foucault uses the concept of governmentality explicitly to analyze the classical liberalism and neoliberalism. Thereby, he focuses on their ways of problematization and practical governance. The frequently used translation of governmentality to “mentality of the government” is wrong in two respects: First, it is not the realization of a certain mindset or ideology and, second, Governmentality comes from “gouvernemental”, which means “concerning the government”, and not from “gouverner” (“to govern”) (Gertenbach 2010: 11). In his first attempts, Foucault (2007: 87-114) describes the concept of governmentality in a narrow way, which contains as main target the population, as most important mode of thinking the political economy and as substantial technical instrument the security disposition. Later, in “The Birth of Biopolitics” (Foucault 2008: 185-186), he defines its nature in a broader way, as a manner of controlling the behavior of people.

Nonetheless, the conception of governmentality serves as a frame joint between power and subject (the self) (Gertenbach 2010: 21), while having in mind the procedure and technique of those interactions. It deals with the question of how bodies, things, emotions and thoughts are permeated by power mechanisms, from which they arise at the same time (Pieper/Gutierrez Rodríguez 2003: 10). Contradictory to the classical definition of government as a central institution, Foucault (2004: 159) sees government simultaneously as a wide instance of individualization and totalization (Gertenbach 2010: 23). In his concept, power is not an abstract field of action; it is connected to the institutional apparatus of the state. And here, the state is not just an administrative apparatus, but rather a geographical, historical and political configured and self-transforming composition of institutions, practices and discourses (Pieper/Gutierrez Rodríguez 2003: 10), which could operate in an individualizing and a totalizing way.

Although, Barnett (2005) argues that Marxists and governmental studies see neoliberalism only as an ideology which follows a top-down model. For him, neoliberal processes could, by all means, also come from the bottom (Barnett 2005: 10). His critics are partially right when it came to first “neoliberalization” processes in the Western world, but in the global South (e.g. structural adjustment programs (SAPs) of IMF and the World Bank) or now in the Greek case, neoliberalism is obviously more a top-down project from “above”. And contradictory to Barnett’s (2005) perception, in a Foucauldian understanding the governmentality of neoliberalism or governmentality in general is not a typical hegemonic top-down concept. It includes the people who act in a certain way on their own, not directly influenced by the government. Moreover, Barnett (2005: 11) criticizes studies about neoliberalism in general. By saying that the “radical academic discourse of “neoliberalism” frames the relationship between collective action and individualism simplistically as an opposition between the good and the bad”, he is definitely oversimplifying. Especially Foucault does not judge neoliberalism, but rather explores the mechanisms and the mode of its governmentality.
Classical liberalism, Ordo-liberalism and the Chicago School

In order to clarify the foundations of the neoliberal governmentality, I will briefly sketch the commonalities and the differences between the two major forms of neoliberalism – Ordo-liberalism and the Chicago School – and its relations to classical liberalism. Foucault develops his governmentality concept along the historical appearances of all three schools of thought.

The Ordo-liberalism of the Freiburg School developed around Walter Eucken, Franz Böhm and Wilhelm Röpke in the 1930s and could also be related to the Austrian School around Friedrich August von Hayek and Ludwig von Mises (Couldry 2010: 24). Ordo-liberalism is kind of a third way between the two extremes of total state-directed economy and uncontrolled anarchy of the market (Foucault 2008: 101-128). Features of Ordo-liberalism are a linkage of economy and justice, an order by the state (economic system) as well as free creation on the level of process-related economic outcomes (economic process) (Gertenbach 2010: 58). In all, it is a social liberalism which focuses on societal rather than on economic policies.

In contrast to Ordo-liberalism, the Chicago School neoliberalism could rather be named as reanimation of the classical liberalism. The “three elements – Keynesian policy, social pacts of war, and the growth of the federal administration through economic and social programs – together formed the adversary and target of neo-liberal thought” of the Chicago School (Foucault 2008: 217). It fueled an extension of economic behavior to the social, the state and the individual from an economic, action-theoretical perspective. Here, the economic principle spans its lattice over the society. The neoliberal governmentality of the Chicago School acts like “a sort of economic tribunal that claims to assess government action in strictly economic and market terms” (Foucault 2008: 247). This kind of neoliberalism is still predominant. Most prominent scholars of the Chicago School of Economics, which came into being between the 1950s and the 1970s, are Milton Friedman, George Stigler, Ronald Coase and Gary Becker, who are all Nobel laureates in economics (Palley 2005: 20, 29).

The most prominent representative of the connection of the Chicago School and Ordo-liberalism and for neoliberalism is August von Hayek. He was the only protagonist who was active in all big schools of neoliberalism (Austrian School, London School of Economics, Chicago School, Freiburger School) (Gertenbach 2010: 67). Von Hayek was characterized by anti-socialism. He argued that a political differentiation in left and right was futile because it would be an inner-socialistic conflict line (Gertenbach 2010: 69). Wiser would be a differentiation in liberal and anti-liberal. The difference between von Hayek (and von Mises and Ordo-liberalism) and the Laissez-faire of classical liberalism is the belief that the market is not always able to self-regulate. Ordo-liberal scholars and von Hayek overlap in their advocacy of adequate regulatory frameworks to stabilize the market order. Their difference lies in the scope of regulation. But Ordo-liberals are focusing on the criteria of “social justice”, what is contradictory to von Hayek’s (2003) opinion that too many and vast rules are an “arrogation of knowledge”. According to von Hayek, it is not possible to have answers for all eventualities a priori. However, the essential accordance between von Hayek and the Ordo-liberalism of the Freiburg School is a significant attribute of neoliberalism as a whole, which is also the most outstanding difference to classical liberalism – the linkage between the state and the market. The great difference between the Freiburg and the Chicago School is about the degree of political
intervention. After von Hayek, neoliberalism is a way between planned economy and total free markets but, nonetheless, neoliberalism does not have automatically a moderate and mediating character (Gertenbach 2010: 75).

A crucial element for the classical liberalism after David Smith (1776) and David Ricardo (1817) is political critique and the separation between economics and the state (Gerstenbach 2010: 31, 50). Although there is heterogeneity in the discourse around the term neoliberalism, there is, nevertheless, a consistency detectable which clearly separates the governmentality of neoliberalism from the liberal one. The same dichotomous separation of the realms of the market and the state exists, according to Foucault (2008: 91-95), in Socialism and Keynesianism. That is why he neglects to analyze these forms of government with his concept of governmentality; only neoliberalism with its modified relation of integrating the market and the state brought a new governmentality. Neoliberalism is no „Laissez-faire”, it is rather a “cultivation of the market”, a “culture of entrepreneurship” (Gertenbach 2010: 15).

The individualizing governmentality of neoliberalism

In contrast to the reactive governmentality of classical liberalism, which has as main principle the defense of intervention in the spheres of the free market economy, the neoliberal governmentality is active and fuels the existence of frame conditions within the market and doubts that the free market could develop its own rules and laws (Gertenbach 2010: 81). Neoliberalism and liberalism could not just be reduced to its effects. Therefore, neoliberalism is not simple the withdrawal of the state because it is not possible to separate state and economy. The imagination that there is a pure economy which could be restrained or civilized by politics or the state is unrealistic, since both spheres are strongly intertwined. Contrary to Hannah Arendt, Foucault sees the modern society as one which is more, not less, politicized compared to previous societies (Dolan 2005) because the governmentality of neoliberalism affects the whole society with its implicit manner. Neoliberal economic policies are not restricted to economic issues anymore. Everything is theoretically “economizable” (economized would have the wrong meaning) or could be explained in economic terms. The “noneconomic” is, so to say, just the “not-yet-economic” (Gertenbach 2010: 82-83). This described vigilance is the decisive criteria of a neoliberal governmentality which, based on a permanent active policy, is ex-territorializing the economy and “economizing” the social (Gertenbach 2010: 83). In short, the basic principle of the neoliberal governmentality is not “power of economy”, but “economy of power” (Lemke 2008: 73).

The reason why neoliberalism with its market competition needs an active government is that “competition is not the result of a natural interplay of appetites, instincts, behavior, and so on” (Foucault 2008: 172). The failure of defining the free market with a natural given pure competition is what Foucault (2008: 120) calls “naive naturalism” of the classic liberalism. Thus, the market does not have a pure competition as a natural inner logic or any natural inner logic at all. Consequently, the competition is a non-natural nature of the market. The meaning of this composition could not be exaggerated. Foucault (2008: 121) describes it as follows:

There will not be the market game, which must be left free, and then the domain in which the state begins to intervene, since the market, or rather pure competition, which is the essence of
the market, can only appear if it is produced, and if it is produced by an active governmentality. There will thus be a sort of complete superimposition of market mechanisms, indexed to competition, and governmental policy. Government must accompany the market economy from start to finish.

Another aspect of neoliberalism is that the theory of homo oeconomicus has changed. The homo oeconomicus is no longer just a partner of exchange, like in liberalism, but an entrepreneur of himself. In “all neo-liberal analyses is the replacement every time of homo oeconomicus as partner of exchange with a homo oeconomicus as entrepreneur of himself, being for himself his own capital, being for himself his own producer, being for himself the source of [his] earnings” (Foucault 2008: 226). Now, manpower is described out of a subjectivistic perspective which sees the worker as a productive subject and not as a static factor due to the mechanization of working processes in the time of liberalism (Gertenbach 2010: 105).

Also an example for the expansion of the economy on a discursive level is the term “human capital”, which arose out of the circle of neoliberal theorists from the Chicago School (Theodore M. Schultz, Gary S. Becker, Jacob Minzer) (Gertenbach 2010: 113-114). The term human capital means that the individual has to “form” and “prepare” him-/her-self to increase the chances to get a job, to be attractive for firms on the job market. You have to invest in your own, individual human capital. This radically individualizing tendency of the “human capital” concept indicates clearly the political and especially the governmental meaning of neoliberalism. It shows the manner how politics appeal individual subjects and try to make them governable.

It does not work through a production of obedient and docile-disciplined citizens, but rather through an invocation of the subject as a rational and calculatory acting entrepreneur, who is the producer and administrator of his/her own human capital (Gertenbach 2010: 117). Moreover, the neoliberal concept of human capital puts poverty and its causes on an individual level. Everyone is for his own “human” capital responsible. Individuals with a human capital of good quality get a job; people with bad human capital do not. Work could be paid with high or low wages. It is a result of the quality of the human capital. Thus, poverty is a consequence of low (or no) income, which is an effect of bad human capital. And for this every person is responsible on his/her own. In this sense, work is an abstract factor, a transfer of value (human capital), and not accountable for poverty (Gertenbach 2010: 137). It is up to “the entrepreneur of its own”.

In addition, there are two ways in neo-liberalism for integrating social security: To organize it on a market basis or to organize it in a form that it does not disturb the market. Not the social security as such is irreconcilable with the concept of neoliberalism, but an organization of it on a public basis. Public welfare is not outside of neoliberalism; the neoliberal governmentality even insists on private, personal provision, which is based on individual responsibility of a rational acting subject. The objective is to transform social security to a private good as it is done in the Greek case. Consequently, there is a strong appeal on self-responsibility and rationality of the individual within an above personal responsibility and freedom operating neoliberal governmentality (Gertenbach 2010: 137). It is important to say that poverty is not seen as bad condition in neoliberalism, thus, to eradicate poverty is not an aim (Gertenbach 2010: 138) – it belongs to the play of the market. Relative poverty works as a “negative tax”, which should stimulate people of lower classes to invest in their human capital (Foucault 2008: 129-158).
course, neoliberals also notice the problem of absolute poverty, which they indeed pity but for which they do not have a solution (Foucault 2008: 129-158; Hayek 2003: 292). An increase of the general level of prosperity does not mean that particular groups could not suffer under an aggravation of their position at times (Hayek 2003: 292). That is a crucial defect of the governmentality of neoliberalism: It notices serious problems, but refers merely to the privatization of personal social security. That does not solve those problems at all.

Considering this notion of poverty, it leads us to the understanding of inequality in neoliberalism. According to von Hayek (1981), inequality is necessary to attract people to invest more, to be productive. Inequality is a form of a political good, which needs to be conducted; the existence of inequality is an opportunity and an imperative of the liberal art of governing (Ewald 1993: 89). Particularly the differences of payments serve as a promoter for high performance (Gertenbach 2010: 141). Here, one could see probably the clearest common ground between liberalism and neoliberalism: inequality would lead to the increase of the general level of prosperity. However, neoliberal governmentality demands from individuals to perform and to invest privately in their human capital, fostered by inequality, not just in economic terms, likewise in all other (social) terms, which ends in a meritocracy.

Characteristic of social policies in a neoliberal constellation – either in the USA, France or Germany, whose political-historical development served as examples for Foucault – is the placement of the principle of competition into the realm of welfare state policies; redistribution policies are regarded as restrictions for investment opportunities and not as required compensation for unequal consumption levels and income resources (Pühl 2008: 108). Therefore, social security is subject to progressively individualizing tendencies. The social rights of citizens become to participation rights, which could only be reached by an individual contribution of the citizen. Reactive and compensatory orientations of social policies are changed to preventive measures, with the tendency to create employability (Pühl 2008: 113). One has to “deserve” social security. And to put it in an exaggerated nutshell, not everybody is worth to receive social security within the governmentality of neoliberalism. Social security is a precarious, revocable social good, which is questioned through the progress of neoliberal social changes (Pühl 2008: 121). The activating state rather endorses the prevention of the occurrence of social risks and the individual investment in ones employability than supporting individuals in tough situations.

Similar to the social security is the concept of insurance. It is conceived as a private shape and contributes to the individualizing dimension of the neoliberal governmentality (Gertenbach 2010: 143-144). Insurance is needed to protect oneself against the risk and uncertainty, fear and speculations neoliberalism is implicating (Foucault 2008: 66-70). Hence, risk or fear is part of neoliberalism and assists to widen the economic principle of market competition to all private (social) areas.

The idiosyncrasy of neoliberal strategies is that they shift the responsibility for societal risks like disease, unemployment or poverty and for living (or surviving) in the society into the area of competences of collective and individual subjects (individuals, families, associations, etc.) and that they make it to problems of the self-care (Lemke 2008: 55). Moreover, the choice as an option for action implies the free will; and the responsibility of consequences of the free will are
attributed to the individual. Thus, societal and public problem areas are an issue of individual security (Lemke 2008: 55). Katharina Pühl (2008: 104) describes the neoliberal governmentality as a more or less subtle and assertive implemented technology of government which preaches a redefinition of social security within a tense relationship between economics, social and economic policies and security technologies. Furthermore, it leads to an individualized and competitive organized understanding of social relationships, including the removing of social solidarity (Pühl 2008: 104). There is not only one principle of competitiveness and security; and there is no closed programmatic neoliberal strategy. It is more about a deconstruction of a project of neo-liberalism in different social and policy areas (Pühl 2008: 107). Many actors are involved in its expert-controlled elaboration of a political-socio-economic project, in favor of a comprehension of manifold, parallel proceeding processes of neoliberalism.

**Governing principles of Troika programs for Greece**

**Neoliberal countermeasures and conditionality**

The involvement of the IMF and the EC in Greece, since May 2, 2010, means the first implementation of IMF-adjustment programs in Europe since 1975 (in the cases of the UK and Italy) (van Aarle/Kappler 2011; Dasgupta 1998: 71). The directives of the programs are negotiated between Greece and the IMF and EC – the ECB possesses only an observing role. Altogether these institutions constitute the so-called Troika.

Various reports and other review documents conducted by the EC or IMF concerning the implementation of Troika programs for Greece confirm the evidence of a neoliberal mindset (Eble et al. 2013; Moghadam/Bredenkamp 2013; European Commission 2014, 2010; see also all other Occasional Papers of the EC or IMF Country Reports on Greece since 2010). The Troika generally demands more liberalization and privatization and criticizes an underutilization of state-owned assets and “an overburden of regulation” (Eble et al. 2013: 6). Therefore, the Troika, respectively the Greek government, imposes severe austerity measures on the Greek society (Chryssochoou et al 2013: 41). In doing so, the focal point is on restrictive fiscal policy, which consequently affects the public sector in particular. For the public sector, the programs involve a freeze pay for all public servants and state pensioners as well as huge reductions in their salaries and pensions; cessations of bonus payments; a prevention of early retirement; and an increase of the number of years for earning a full pension (Psimitis 2011: 193). For example, the “Omnibus law (…), approved by the Greek Parliament on 6 August 2014 includes the provisions to merge all supplementary pension funds under the public sector into [the private] ETEA [Unified Auxiliary Insurance Fund]” (European Commission 2014: 2). Additionally, a loosening of the employment protection and a tax increase concerns the private sector, while a decrease of government spending and extensive privatization affect the education and health system (Psimitis 2011: 193-194). Those adjustments have to be implemented in order to receive further rescue packages, whereas only the Greek government is officially responsible for their outcomes. This conditionality, which is agreed by contract, is expressed through following passages of the Memorandum of Understanding on Specific Economic Policy Conditionality (MUSEPC) between Greece and the EC, the ECB and the IMF, which is attached in the appendix of IMF Country Report No. 13/153 (Moghadam/Bredenkamp 2013: 121):
The disbursements of financial assistance to Greece, by the European Financial Stability Facility (EFSF), are subject to quarterly reviews of conditionality for the duration of the arrangement. The release of the tranches is based on observance of quantitative performance criteria and a positive evaluation of progress made with respect to policy criteria. [...] The Government will fully cooperate with the Commission, the ECB and the IMF staff teams to strengthen the monitoring of programme implementation, and will provide the staff teams with access to all relevant data and other information in the Greek administration. The ownership of the programme and all executive responsibilities in the programme implementation remain with the Greek Government. (emphasis added)

Hence, the austerity measures of the Troika clearly implement neoliberal features, which are similar to former SAPs of the “Washington Consensus” (IMF and the World Bank). Typical policies of their neoliberal conditionality contain structural adjustments through reductions of government spending; removing of subsidies to domestic industries; removing tariffs, quotas and other restrictions on the import and export of goods; general deregulation of the economy; market liberalization; privatization; and devaluation of the exchange rate to encourage exports and reduce imports (Heywood 2011: 371; Williamson 1993).

**The supranational governmentality of neoliberalism**

The following discussion emphasizes that neoliberalism is applied in Greece through the mechanisms explained by Foucault. The IMF and EC reports give an impression of the principle of the Troika-led adjustment programs. It does not differ from the already described mechanisms and techniques of the governmentality of neoliberalism. In fact, Greece has no choice. It has to do what the Troika wants them to do. And if it does not work, it is not the failure of the Troika, but of Greece. As a result, one could clearly identify the notion of neoliberal governmentality which shifts social risks and threats to the individual level (Greece). Exemplary for this thinking are both emphasized parts of the MUSEPC. Instead of investing in Greece and trying to reanimate the economy, it seems more like they try to punish Greece by imposing severe austerity measures, which only concentrate on macro financial consolidation and reducing government expenditure. There are no investments and efforts to generate growth and to deliver improvements for the ordinary citizens or the poor. They have to care for themselves. Primary objective is to implement austerity measures and to safeguard banks.

In 2013, 26% of the active population was unemployed and the record of youth unemployment rate was even over 60% (Chryssochoou 2013: 42). Between 2009 and 2012, more than 3,000 people committed suicide, which implies an increase of the suicide rate about 37% (Chryssochoou 2013: 42). The consequences of the austerity programs definitely led to general grievances within the Greek society (Chryssochoou 2013: 42) since the Troika “focuses on fiscal consolidation and on improving the capacity of Greece to repay its debtors, and not on building the country’s capacity for long-term development” (Vlachou 2012: 179).

On the one hand, neoliberal governmentality is on the explicit socio-economic level because of the pressure of the Troika. On the other hand, there is a neoliberal governmentality in an implicit way, for Greece as an individual country, articulated by the Troika in form of an alleged own choice and responsibility Greece has. The principle of neoliberalism is to emphasize the
promotion of individual freedom of choice and of life opportunities, whereat, nevertheless, neoliberalism is rather a predetermination of people’s actions through a governmentality of the state (or superior institutions like the IMF or EU). Based on these guidelines, Greece is comparable with a welfare-recipient. It has its own choice (but when it does not stick to certain terms and conditions, it will not receive any help anymore).

Also very important is to realize how the neoliberal governmentality, expressed by IMF and EC (EU) on a supranational level, allocates problems and risks to the individual level (Greece), even if the main causes for the crisis have not been on this level. Despite the internal problems of Greece, such as violations of the EU convergence criteria (not as sole country), corruption, exaggerated military expenditures, the non-taxation of ship-owners and so on, the real crisis in Greece and Europe were caused by other factors. Crucial problems for Greece and the eurozone were, and still are, failures in the structure of the Economic and Monetary Union (EMU), the US subprime crisis 2006, the world financial (then economic) crisis 2008, as a corollary too fast cash drains compared to too fast prior cash inflows etc. But to explain these internal and external reasons in depth would not be feasible in this analysis and would be misleading regarding the purpose of this paper.

Neoliberal social policy is, after Foucault (2008), always directed to the privatization of social risks. According to the norm of radical economic individualism, it seems unjustifiable to demand a collective social security for individuals from the society. The notion of the universality of the entrepreneurship sees the individual as smallest producing unit and follows the guideline that the objective of social policy is not equality (Foucault 2008: 129-158). In fact, social relationships should pursue the economic patterns of supply and demand, costs and benefits and of a competitive market (Pühl 2008: 109). After this principle, the “small” individual Greece has to suffer under, and to be liable for, the risks of the “big” banks and investors.

In the neoliberal context of the re-regulation of welfare state arrangements, enhanced by the Troika in the wake of the euro-crisis, modes of problematization are shifted from the field of social policies to labor market policies and its organization of streamlined labor markets, which would have to resist the competitive pressure of a globalized economy. This implies pressure on labor costs, thus, on wage differentials; to that effect, working arrangements will be made more flexible, expressed through increasing part-time employment, precarious working arrangements or more temporary work (Pühl 2008: 111). Despite the comparatively still high social standards in Europe, there are clearly reorganization processes of the welfare state in evidence. The break of collective representation forms (labor contracts or trade unions) and of social spending fuels the individualization processes and the social vulnerability, particular of people who live in precarious conditions and get their social security just from wage labor (Pühl 2008: 111). Pühl (2008: 112) notes that one might even call the shift from a caring to an activating neoliberal (welfare) state a paradigm change. These processes together with current mass (youth) unemployment and job-related down-skilling are great threats for established societies, especially in Greece and in entire Southern Europe.

Furthermore, the incremental development of the European Single Market (1992) took place through negative integration. This means a continually further going liberalization and reduction of standards towards the lowest common denominator in economic and labor market policies,
launched by the White Paper (Completing the Internal Market, 1985) with its over 300 suggestions for reductions of trade barriers and the Single European Act (1987) (Hix/Høyland 2011: 192-216) and expanded by the Troika in the course of the euro-crisis. Such deregulations or negative integration could be introduced by the EC and the European Court of Justice (ECJ) without the approval of EU member states. Regulations on the social level are lagging behind since they need a high degree of coordination. Most countries are keenly concentrated on offering suitable economic conditions to attract corporations and to strengthen their national economies. Hence, social risks are individualized in the typical neoliberal manner.

The ordinary criticisms on neoliberalism (from the left or the anti-globalization movement) that it leads to a reduction of the state and politics as well as it fuels a dominance of the economy is wrong. The Greek case shows in a compelling way that, in fact, the politico-economic programs and policies on the ground are “typical” neoliberal (liberalization, deregulation, etc.) but they just come into being through political decisions from IMF and EU due to the euro-crisis. Thus, the programs do not come into being because of the ruling power of the economy. They are implemented because of strategic political decisions. That the euro-crisis and the necessity to solve those problems only occurred by reason of failures of the uncontrolled financial sector is a different point. The neoliberal market is produced by neoliberal governamentaly, respectively by policies of the Troika. Accordingly, the European Commission (2010: 10) states:

An overarching objective is to durably restore Greece’s credibility for private investors. The poor track record of Greece in terms of delivering on commitments and promises, and a history of unreliable fiscal and macroeconomic statistics are major additional burdens on the programme. (bold in the original)

Other “Main Programme Objectives” are “to restore confidence and maintain financial stability”; “to improve competitiveness and alter the economy’s structure towards a more investment- and export-led growth model”; or “to modernize the public sector, to render product and labour markets more efficient and flexible”; as well as to “create a more open and accessible business environment for domestic and foreign investors, including a reduction of the state’s direct participation in domestic industries” (European Commission 2010: 10).

Moreover, illustrated through the debate about Greece’s possible exit out of the euro-zone or by the current success of the German anti-euro (anti-Greece) party “Alternative für Deutschland” (AFD), there is a public atmosphere of no small extent which makes solely Greece responsible for their problems. That fits to the neoliberal governamentaly of seeing responsibility for failures on the individual level.

Conclusion

The market is, different to old liberal perspectives, not an isolated terrain. It is de-localized and there is no array which does not or could not belong to the market in principle. Contrary to the often propagated “retreat of the state” or “anarcho-capitalism”, neoliberalism is more about persistent, active and activating policies. The governamentaly of neoliberalism is a form of an oblique steering of individuals, an indirect intervention. Virtually, there is no contraction of the state in neoliberalism, but an extension of the state into the minds of the citizens. And exactly the same principle is used by the IMF and the EC through their adjustment programs during the
Greek crisis. With help of the concept of governmentality it is possible to decode the neoliberal programs of a retreat of the state as a technique of governance. The crisis of Keynesianism and the cutbacks of welfare state benefits and other forms of intervention result less in a loss of governmental regulatory and steering competences than in a reorganization of governmental techniques, which shift “management capacities” away from the state to responsible and rational individuals (Lemke 2008: 56).

Foucault provides with his concept of governmentality an analytical axis which allows an investigation of the technologies of power in its interaction with collective and individual subjectivities. Central questions concerning how powerful actors could succeed to be part of the subjects and to influence their actions, and the logic behind making an apparent consensus between their actions and the governmental leadership techniques (Pieper/Gutierrez Rodríguez 2003: 10), are answered in a convincing manner. The perspective of Foucault’s concept of governmentality is proper for analyzing neoliberalism in two ways. First, it shows that the borders between the state and society as well as between the public and the private become blurred; and secondly, that the liberal polarity of subjectivity and power is dissolving because governance is a continuum of self- and external-leadership – governance could be produced directly by the political government and also by forms of self-governance (Lemke 2008: 54).

Finally, the governmentality approach delivers new critical perspectives. It opens an epistemological field of discussions about what Foucault (1997) calls “politics of the truth” and which is going far beyond traditional criticisms of ideologies. Instead of analyzing ideas, concepts and theories only in terms of true and false, here, it is of interest how truth is produced and how and which power technologies are affiliated, which also works on the supranational level.
References


