

Implications of the Foucauldian decentralization of economics

Zulfiqar Ali

Abstract: This essay aims to explore Foucault's project of decentralizing economics and to hint on some implications. It also makes a comparative analysis between Foucault's project and the projects similar to his design and aim. I argue that Foucault's critique of the idea of economics as a science is stronger than that of the critiques which challenge the status of economics as a science by exposing its deep fictional, literary or narrative content and style. I argue that the strength of Foucault's decentralization project lies in the fact that he does not refer to the discursive content of economics in order to demonstrate that it is not a science. Instead, he unveils its epistemological conditions the character of which deeply haunts the sketch of economics as a science. Foucault undertakes decentralization both at the formal and historical level. At the formal level he shows that there are underlying epistemological conditions that govern the formation of discourses including economics in the West. At the historical level he demonstrates that there is no trace of economics up to the eighteenth century in the West. This fact, that economics is governed by modern Western epistemological conditions, encourages me to question the aim of teaching economics in societies such as Pakistan which are not part of the Western civilization.

Keywords: epistemology, positive unconsciousness

Introduction

In recent times several studies have been undertaken to explore the relationship between philosophy and disciplines such as economics, history, literature, psychology, mathematics and physics. The connection between philosophy and

other disciplines deepens when the center, taking various forms such as disembodied subject, transcendental reason, or laws of history, breaks apart in the face of the discovery of desire, language, and the unconscious. In the backdrop of the critique of the disembodied subject or reason the connection between philosophy and economics is developed. Under these conditions the status of economics as a science is challenged on many fronts. Among various forms of decentralizing critiques one of the predominant forms focuses on the discursive content of economics. It attempts to demonstrate that a substantial part of economics, making up its theoretical and methodological framework, is literary, fictional and storytelling which renders economics unscientific. This form of critique is by and large informed by the linguistic turn.

Foucault's decentralizing critique of economics is different and comparatively stronger than the critiques challenging economics on the basis of its literary form. Foucault's decentralizing project of economics does not operate upon the category of language. It is deeper and more profound than that of the project working under the guidelines of the linguistic turn. Foucault traces the path of the epistemological conditions lying beneath the linguistic turn to expose the foundations of economics. The basic characteristic of epistemological conditions seriously contests the status of economics as a science.

The important feature of Foucault's decentralizing project is that it is not just an abstract or formal one. Foucault also substantiates his thesis with historical evidences that economics rests upon modern Western epistemological conditions. He historically explores various issues surrounding exchange, value, wealth and labor from the sixteenth, and up to the nineteenth, century to support his decentralizing project. If economics rests upon modern Western epistemological conditions it pushes us, Orientals, into an ironical situation: whether to restructure our whole educational structure or to challenge Foucault's decentralizing project. This is an uncharted territory that needs to be explored.

My argument proceeds in the following steps. In the first section I will explore Foucault's project of decentralizing economics. In the second section a comparative analysis is made between the project of Foucault and the projects informed by the linguistic turn to point out the factors contributing to the strength of Foucault's project. In the third section, from the perspective of decentralization, an attempt is made to show that there is no economics before the eighteenth century. In correspondence with the third, the fourth section

argues that economics is not the product of the labor of reason but an effect of the change that took place in the modern Western epistemological conditions. In the end the argument is concluded with the comment on Foucault's decentralization project and its bearing upon Oriental society.

Formal decentralization: economics, not science

There are certain epistemological rules which define what science is. Various methodologies in science are informed by one of these rules. These rules define the truth conditions of scientific statements. According to Eichner, all scientific statements are subject to the tests of coherence, correspondence, comprehensive and parsimony (Eichner, 1983, pp. 507-509). All these tests are empirical, excluding the test of coherence that measures the logical - formal and informal - connection among statements. I will not go into the details of tests. In brief, by the correspondence test we judge whether the conclusions drawn upon in a theory are empirically verifiable or not. The comprehensive test makes sure that all relevant data, theoretical assumptions and facts are taken into account in the construction and verification of theory. The parsimony test, in contrast to the comprehensive, aims to sort out such assumptions and collection of data in the given theory that are not necessary but wrongly taken to be a part of the theory. These tests aim to discover the truth about the objects that lie in the world independent of subjectivity. They not only presuppose the category of objective truth but also consider scientific methodology the only tool to discover it.

To Foucault, economics cannot be a science. This is not because economics as theory is not developed in accordance with tests, nor because the literary form has deeply penetrated its theoretical and methodological literature. Even if it completely follows the tests of correspondence, coherence, comprehension and parsimony, which is also a remote possibility, it cannot be a science. To Foucault, determining the status of economics as a science does not lie in judging whether it follows or fails to confirm the tests. Foucault may not reject the possibility that economics may follow them. The charge of Foucault against the idea that economics is a science is that the epistemological conditions that are neither scientific nor non-scientific preclude such discourse. These epistemological conditions, which are in themselves not subject to the rules of coherence, correspondence, comprehensive and parsimony, set up the framework in which some investigations turn up as scientific and unscientific. Foucault

argues that scientific methodology and its assumptions and the controversy surrounding the status of economics as a science are the by-product of modern epistemological conditions. Foucault argues that controversies at the surface are governed by underlying epistemological conditions, what he calls episteme, which is sensitive to time and space. These epistemological conditions are *a priori* in the sense that experience and understanding in a given period necessarily presuppose them.

In recent Western history Foucault discovers that three fundamental changes took place at the epistemological foundations of Western civilization. The first change occurred during the sixteenth century when Resemblance providing epistemological foundations to Renaissance thought is replaced by Representation. From the sixteenth, up to the eighteenth century, Representation governs the thought of the Classical period. The Classical period did not give birth to the controversy surrounding the status of economics because there was no economics before the eighteenth century. According to Foucault, in the face of the fall of classical episteme modern thought vacillates from formalism to hermeneutics. When modern thought is haunted by the discovery that language precludes human experience and understanding it either attempts to formalize or scienticize and mystifies or hermeneuticize everything, of which reducing economics to a science is one of the instances.

Foucault historicizes the discourse in which economics is either demonstrated as science or fiction. He states that "In fact, it is a matter of two correlative techniques whose common ground of possibility is formed by the being of language, as it was constituted on the threshold of the modern age. The critical elevation of language, which was a compensation for its subsidence within the object, implied that it had been brought nearer both to an act of knowing, pure of all words, and to the unconscious element in our discourse. It had to be either made transparent to the forms of knowledge (attempt to reduce economics to science), or thrust down into the contents of the unconscious (attempt to reduce economics to fiction or conjecture). This certainly explains the nineteenth century's double advance, on the one hand towards formalism in thought and on the other towards the discovery of the unconscious - towards Russell and Freud." (Foucault, 1994, p. 298) Foucault makes an important point when he classifies such attempts which reduce economics either to a science or conjecture as two correlative techniques or double advance. He argues that both attempts rest upon

modern epistemological conditions that tore apart modern thought into two opposite schools of thought.

Foucault's critique of the idea of economics as a science does not rest upon the modern parameters of thinking. His characterization of epistemological conditions providing framework to determine what is and what is not scientific indicates that there is no universal form of reason operating on transcendental or universal categorizations such as universal rules given by Eichner. So something is rational or scientific or true may turn up as irrational, unscientific and false, in another period. This is not because the one period gains maturity in reasoning and critical analysis. For Foucault, the change of truths does not indicate maturity but reflects a change at the structural foundation of knowledge.

The epistemological conditions are neither external nor internal to the discourse of economics. They are part of the discourse yet they remain allusive to it. They can be qualified as prediscursive as long as one admits that this prediscursive is still discursive, "that is, that they do not specify a thought or a consciousness, or a group of representation which is a *posteriori*... but they characterize certain levels of discourse" (*Ibid.*, p. 76). As the epistemological conditions are prediscursive they form the *positive* unconsciousness of Western discourse. Reason which labels something scientific and unscientific operates upon this positive unconsciousness. There is no point at which reason can take hold of this positive unconsciousness. It can neither transcend nor bracket it. All discourses including economics operate upon a so-called unconsciousness. So Foucault seriously contests the claim that economics is a science. To Foucault, economics can never be transparent to its foundation. Adding further, he argues that we must not engage in an attempt to give a rational foundation to unconsciousness. This is because the rational *foundation* cannot be provided to the foundation of discourses. It does not mean that discourses including economics are irrational. To Foucault, the foundation that makes what is rational and what is not, is positive unconsciousness. This positive unconsciousness which is the epistemological condition of discourses provides foundation to economics. Discourses cannot provide a rational foundation to unconsciousness since they are themselves grounded upon it.

Strength of Foucault's decentralizing critique of economics

In recent times several important studies have been developed in connection between philosophy and economics. Particularly, in the aftermath of the so-called "linguistic turn", philosophy has radically altered the discourse of economics by exposing the literary form inherent in economic theories. The notable examples challenging the construction of economics as science are the works of Klammer et al. (1988), Henderson (1995), Weintraub (1991), McCloskey (1983), Samuels (1990), Ziliak and McCloskey (2008). Klammer (2001), in an attempt to make sense of economics, narrates his painful journey from initially viewing economics as science to rhetoric and beyond. Henderson considers economic writings much similar to literary writings. McCloskey considers disputes among economists based more upon rhetoric than upon theories. Weintraub treats economic models as narratives. These models heavily rely upon the forms of story-telling.

In this regard Turk spotlights the role of story such as Robinson Crusoe in the explanation of economic practices. He gives the example of Quesnay's reliance upon the abstract principles, Smith's pin factory and Diderot's imaginations to establish economics as a plausible conjecture. The place of stories in the economic explanation clearly demonstrates the reliance of economics upon narratives as commonplace. But Turk taking a moderate position neither reduces economics to literature nor to pure science. However he broadens the scope of the critique of the idea of economics as science (Turk, 2002, pp. 21-46). He shows that economics is working along somewhat fluid boundaries between fact and fiction in which both fictions and narratives explain the economic facts. Because of permanent tendency of economics to vacillate from fact to fiction Turk characterizes economics as a plausible conjecture. All the above critiques are informed by the linguistic turn. The major flaw of such critiques is its absolute reliance upon language as narrative. The critique does not go beneath language to expose what happened at the foundations of knowledge that brought language to the surface to explain economic models. This form of critique is extremely limited in its scope and nature. Foucault argues that, the "linguistic turn" is just an effect of the change that took place at the foundations of the Western knowledge. That is why I consider Foucault's attempt to decentralize economics much stronger than that of the critique informed by the linguistic turn. The

strength of Foucault's critique is its tracing the path that leads to the underlying semiotic principles giving birth to the linguistic turn. Foucault argues that the change at the foundations of knowledge (*episteme*) brings about many important epistemological events, one among which is the linguistic turn. So the critique informed by the linguistic turn challenging the notion of economics as science is superficial. It is superficial because it targets the claim of economics as a science on the idea that economics substantially appeals to story telling or fiction to explain economic models and affairs. To Foucault this specific form of critique itself rests upon modern epistemological conditions.

The second factor that contributes to the strength of Foucault's decentralizing critique of economics is its insistence on the idea that the critique informed by the linguistic turn would not be successful. That is to say, the attempt to reduce either economics to science or to literature will not be convincing. This is because of the inherent radical nature of modern epistemological conditions. Foucault discusses the extreme nature of modern conditions in terms of "Man and His Doubles": The empirical and transcendental, the cogito and the unthought, the retreat and return of the origin are the doubles to which Man is reduced. The crux of the discussion of Man and his Doubles is to show that modern thought is torn into extremes of either thought (science) or unthought (literature), origin (reason) or retreat (desire), transcendental(universal) or empirical (particular). Presupposing Man has both transcendental and empirical, thought and unthought, origin and retreat sides of which one side cannot be reduced to the other Foucault proclaims the death of Man. That is to say that the modern thought cannot resolve the issue of the transcendental, the cogito and of the origin by reducing Man to the empirical, the unthought and the retreat and vice a versa. In the context of present controversy we cannot resolve the issue of economics if it is extremely reduced to science or literature.

In this regard Foucault gestures that the Western thought after the death of Man tends to conceive man in terms of both transcendental and empirical at the same time. It tends not to reduce transcendental to empirical but to consider both transcendental and empirical parts equally. *The critique of economics either as science or conjecture cannot be successful as long as it reduces Man to thought/transcendental/origin or to unthought/empirical/retreat.*

Historical decentralization: no trace of economics before eighteenth century

Foucault may seriously contest the claim of economics as a science and establish his own argument that economics presupposes modern epistemological conditions if he historically shows that there is no economics before the modern period. It would further strengthen his project of decentralization of economics drawn upon epistemological foundations, not upon discursive content of economics. In the context of decentralization Foucault argues that economics is born at the end of the eighteenth century in the Western civilization. Before the eighteenth century there was no economics, yet there were discussions and debates about the exchange, money, wealth and value. For Foucault, these discussions cannot be qualified as economics despite notable similarities existing among the discourses of the seventeenth and nineteenth centuries. The similarities, or what Foucault calls 'unity', among discourses of different periods are the traps that are to be avoided. On the surface there are apparent unities among discourses of distinct periods in terms of 'object', 'enunciation', 'concept', 'theme' and 'strategy'. For example, wealth as an object, the law of supply and demand as a concept, scarcity as a theme, and management as a strategy provides many historians of economics with a ground to conclude that the discourse of economics is far more primitive than the eighteenth century. For Foucault, the concept of wealth in the seventeenth century of the Western civilization was not similar to the concept of wealth discussed in the modern discourse of economics. Neither is the law of supply and demand, nor is the theme of scarcity common, yet the discourses developed during the seventeenth century are preoccupied with the issue of supply and demand and of scarcity as well. For Foucault, this similarity has no more than a nominal significance. It exists merely on the plain of language.

In view of Foucault, the distinct and conflicting views about object, concept, theme and strategy do not constitute the formation of discourse. For, there is no same object, concept, strategy and theme across different periods of Western history. One of the grievous errors committed by modern day historians of economics is their attempt to trace the history of economics from Greeks to Enlightenment. Robbins' attempt (2000) is an example among many. In the first lecture in London School of Economics Robbins gives great weight to the historical development of economics for the understanding of the contemporary

economic issues. He claims that history of economics matters on formative basis for the understanding of economic issues, whereas the history of natural science is not necessary for the understanding of contemporary issues concerning biology or physics. The notions such as exchange, pricing, allocation and control of resources provide him with ground to trace the history of economics from the times of Plato.

In this context Essid claims that "from the standpoint of discursive training Greek thought enabled Arab-Muslims thinkers to rationalize their economic discourse...and to rethink economic behavior" (Essid, 1995, p. 231). But when such notions providing unity to different discourses scattered around distinct periods of history are suspended, the formation of discourse definitely shows a series of full gaps, exposes different concepts with different rules and appearance of incompatible themes (Foucault, 1972, p. 37). The objects, concepts, themes and strategies seem too heterogeneous before the eighteenth century to be linked together and arranged in a single figure of *economics*. However, Foucault argues that in the classical period different themes, concepts and strategies can consistently be arranged in the figure of what he calls *analysis of wealth*. *The analysis of wealth* cannot be qualified as *economics*. This is because the epistemological conditions of the classical discourse are different from that of modern. Foucault refutes the projection of economics as science which is developed and matured by various historical stages; to him, economics does not presuppose progressive historical stages.

Historical decentralization: birth of economics

From the standpoint of decentralization Foucault argues that the object, enunciation, concept, strategy and theme are not and can never be the same across historical periods. The fundamental reason that Foucault offers for the *non-substantial* or *decentralized* status of object, concept, theme and strategy is that the discourse *forms* its own object and concepts. He may have sympathy with Althusser (2005), Aglietta (2000), Tribe and Kadish (2001), Hindess (2001), Hirst (2005), Hassan (2000), Cutler (1977), Wolff et al. (2001) and McCloskey (1983), all participating in the project of decentralizing economics.

Foucault argues that there is no wealth as an object of discourse existing prior to the discursive formation. It is the discourse that constitutes the object, concept, theme and strategies. He writes that wealth is "constituted by all that

was said in all the statements that named it, divided it up, described it, explained it, traced its development, indicated its various correlation, judged it, and possibly gave it speech by articulating, in its name, discourses that were taken to be its own" (Foucault, 1994, p. 32). Situating wealth within discourse shows the height of Foucault's decentralization project of economics. The severity of decentralization further deepens when Foucault argues that as soon as discourse forms wealth as an object of study it forms the *subject* who understands and explains it. The discourse of economics not only creates money but also an economist who understands and explains its circulation and concentration. There is no synthesizing or unifying function of a subject through which various monetary statements become possible (*Ibid.*, p. 55).

The economist does not hold a transcendental position outside the discourse of economics. He is formed within the discourse. This claim can best be verified outside the Western region. This is because, if the economist is formed within discourse, the outside world even if it is radically different must have no bearings upon the formation of the economist. This can be established if the discourse produces much like the same economists throughout the world. I take the site of Pakistan to evaluate the strength or weakness of Foucault's thesis. Pakistan being a part of oriental tradition is different at the formative basis from Western societies. Because of the British colonial legacy economics as a subject is introduced in the curriculum of universities and colleges from the very first day of her independence, 14th August, 1947. Discourse has its Western origin though it is introduced in a non-Western region. If economics constructs the economist in Pakistan much like it fabricates it in the West, it would establish that economist born within the discourse. In Pakistan, after twelve years of education, the student is admitted to the university or a higher educational institute. He is supposed to complete his/her BS (Bachelor of Studies) in economics within four years of studying and MS (Master of Studies) in two years with thesis. In a period of four to six years the student is taught about 48 to 56 courses of which most are specialized courses. The courses are almost the same in content to the courses taught in Western universities and institutes. [1] We are by and large trained in Western economics.

However, the outside world is non Western. Rationality sets aside the cultural content informed by oriental and religious traditions. This fact further strengthens Foucault's thesis that subject, economist, forms within discourse. The object forms on what Foucault calls the "surfaces of their emergency" and by

the grids of specification and “authorities of delimitation” (Foucault, 1972, p. 41). Surfaces of emergency signify institutions and cultural world in which the object is initially formed with mundane recognition. Regarding wealth, the surface of emergence during the seventeenth century comprises of various practices relating to bank customs, trade practices, and commerce, etc. (*Ibid.*, p. 168). And the authorities of delimitations and the grids specification were, for example, the states, mercantile institutions, Law’s experiment and its liquidation etc (Foucault, 1994, p. 168). Foucault makes it further clear that these factors in themselves cannot form the units of discourse until a certain form of *discursive relations* is not at work among them. The relations uniting different factors and forces to form a discourse are called discursive relations (Foucault, 1972, p. 45). They provide an epistemological foundation to the discourse. He writes that “a money reform, a banking custom, a trade practice can all be rationalized, can all develop, maintain themselves or disappear according to appropriate forms; they are all based upon a certain ground of knowledge.” (Foucault, 2000, p. 255). If discursive relations are at work the subject and object can only have discursive existence. By discursive existence I mean that something exists by virtue of discourse. I would like to make it clear that, for Foucault, discourse does not exist in advance of subject and object. The discursive formation is the formation of subject, object, concept, theme and strategy. There is no established discourse in advance that constitutes its units.

According to Foucault, the sixteenth century’s economic thought is almost restricted to the problem of prices and that of the best monetary substance (Foucault, 1994, p. 168). There are apparently two parallel schools of thought: physiocrats and utilitarians. Foucault claims that the thought of the physiocrats and of the utilitarians, despite their opposition, is grounded upon the same epistemological foundations. The fundamental similarity lies in their conception of the origin of value. The physiocrats and the utilitarians equally consider nature as a source of value, however for the physiocrats the superabundance of nature and its insufficiency for the utilitarian is the sources value (Gutting, 1995, p. 172).

Money is the common measure between commodities and is a substitute in the mechanism of exchange (*Ibid.*, p. 169). When the origin of value is explained either in terms of excess or insufficiency, money cannot have intrinsic value. The fundamental function of money as a sign is to represent the value of things. So it has value by virtue of its operation i.e. exchange (*Ibid.*, p. 172). Money is

representation of value *per se*. Money as a representation *per se* constituting 'the analysis of wealth' is one of the effects of a broader epistemological condition of the Western discourse during the seventeenth century.

According to Foucault, there is no more than one specific epistemological condition at a given historical period (Foucault, 1994, p. 168). During the classical period it is the *representation* that orders the formation of discourse. Foucault elaborates that the signifying element "can become a sign only on condition that it manifests, in addition, the relation that links it to what it signifies. It must represent but that representation, in turn, must also be represented within it." (*Ibid.*, p. 64) The sign becomes double. It is the representation as well as the representation is itself represented. A map or picture as a sign can be taken as an example to elaborate the properties of the sign. By consequence of binary organization of the sign, money, like a map, has no value in its own right. It has value because it represents the value of things. But when one looks at the conception of money before the sixteenth century, the Renaissance era, one finds out a different concept of money. In the Renaissance era money has value in its own right. Neither land nor labor determines the value of money. For, the discourse, up to the end of the sixteenth century, is conditioned by a different epistemological condition i.e. resemblance (*Ibid.*, p. 17). In the Renaissance age everything is linked with another in terms of resemblance. So the world is linked together like a chain (*Ibid.*, p. 18). Money as a sign holding all properties of the valued object has value in its own right.

So there is an underlying semiotic code that governs the formation and development of the Western discourse. In this context Mark Bevir highlights the strengths and weaknesses of Foucault's analysis from the perspective of a modest humanist (Bevir, 2002, pp. 119-138). For Bevir, the strength of Foucault's archaeological analysis of the Western sciences is its acceptance that there are no pure facts and reason. Bevir repeatedly emphasizes that Foucault is absolutely right to insist that there are neither pure facts nor autonomous individuals. But, for Bevir, Foucault is wrong on three accounts. First, he is wrong to claim that our understanding of the world is the sole product of a semiotic code. Second, Foucault is wrong to say that there are so radical discontinuities in the formation of knowledge that they deny the possibility of a comparative analysis of rival theories belonging to distinct periods. Third, Foucault is also wrong to insist that the individual is one of elements within a discursive formation.

I will briefly argue that Bevir's critique of Foucault is misplaced. Bevir claims that the concepts including the concept of episteme arose out of individual's attempts to comprehend the world. The individuals assess the weaknesses and strengths of rival theories to attain a reasonable knowledge of the outer world. They can act freely and develop in ways that are neither fixed nor limited by the social context. However, individuals make choices and attain knowledge against the background of the social context. I think that these evidences do not call the notion of episteme into question. For, all these evidences derive from the contemporary Western epistemological conditions. Bevir draws his argument upon the epistemological foundation that is the product of the fall of the modern episteme which is indicated by Foucault. Bevir's attempt to show that the individual in part is free (transcendental) and informed by the social context (empirical) does not challenge the notion of episteme but strengthens it. I have discussed earlier that Foucault proclaims the death of modern epistemological conditions and emphasizes the need to understand Man both as transcendental and empirical. Bevir draws his argument upon the plane constituted by the death of Man as predicted by Foucault.

At the beginning of the nineteenth century, a new conception of money and value comes to the surface. The change in the conception of money and value indicates the fall of the classical epistemological foundation, not the maturity of reason. From Kant onward the fundamental question concerning the Western discourse is to understand the ironical relationship between transcendental and empirical in relation to man. That is to understand man's finitude in terms of determinism and the influence exerted by various historical and cultural forces upon man, such as organic, economic and linguistic. Foucault characterizes the attempts to understand the finitude of man as 'analytic of finitude'. He discusses the works of Kant, Adam Smith, Malthus and Ricardo in the contest of analytic of finitude. According to Foucault, in the classical age, scarcity is understood in relation to human needs. But Ricardo onwards, it is not need but land's insufficiency which creates needs and scarcity. The insufficient resources of land constitute the finitude of man. Both Ricardo and Malthus consider human labor to be the only means of overcoming or at least evading the imminence of death (*Ibid.*, p. 256). And one more fundamental change takes place in the discourse of economics after the collapse of representation. The origin of value is no longer the excess or insufficiency of land. Instead, labor imparts value. It is not Adam Smith but Ricardo who absolutely breaks away from the discourse of analysis of wealth. In Smith's analysis, although labor owes the privileged position Smith

considers the exchange, not labor, as a measure to determine the value of things. For Smith, the constant fluctuation of labor in comparison to commodities keeps the principle of labor not viable to determine the value of things. That is why Foucault considers Adam Smith as a classical, not a modern, thinker because he still thinks in terms of representation.

By contrast Ricardo makes a radical break with representation and so also with Adam Smith. Ricardo considers labor, nothing but labor, as a source of value. Labor is worker's activity, toil and time to produce things. For Adam Smith, according to Foucault, labor is analyzable into hours and days which can be used as units common to all other merchandize commodities. For Ricardo, a thing has value not because it is representable in units of work; instead labor imparts all value to it (Foucault, 1994, p. 254). So "value can no longer be defined, as in the Classical age, on the basis of a total system of equivalences, and of the capacity that commodities have of representing one another. Value has ceased to be a sign, it has become a product." (*Ibid.*, p. 254)

Amariglio (Amariglio, 1988) characterizes the change from the classical to the modern episteme as the displacement of the primacy of desire and need by the category of labor. The modern episteme inaugurates labor. Foucault's sole emphasis upon labor as the fundamental category derived from the modern epistemological conditions pushes Lawrence Birken to conclude that Foucault ignores the Marginalist revolution. Birken considers overlooking Marginalist's contribution as a fundamental flaw resulting from the larger methodological patterns (Birken, 1990). For him, the fundamental flaw of the Foucauldian methodology is its failure to give an explicit criterion to determine where these epistemes begin or end. That is why Foucault ignores Marginalism that challenges the category of labor in favor of desire. In reply to Birken's objection Amariglio (Birken, 1990) defends the position of Foucault. Marginalism derives from the category of Man following modern epistemological conditions. The introduction of the notion of desire and needs as source of value does not reverse the modern episteme.

Labor as a sole source of value has consequences. The first is the birth of a new conception of causality. In the classical period the rise and fall of production and of prices used to be explained in terms of the factors that represented prices. The prices increased when the representing element increased faster than the elements they represented. So it was always a question of circular and surface

causality. But when labor is conceived as a sole source of value it forms a radically new form of causality i.e. linear and homogeneous series. Everything including cost, production, consumption, exchange, manufacturing, wages, capital, income etc., is determined by the quantity of labor. The linear series introduces a possibility of a continuous historical time or the total suspension of history. It is the first time, economics is articulated upon history in the sense that the value is considered in relation to the conditions of production, and the conditions in question are determined by the quantity of labor. In this context Foucault explains the works of Marx. For Foucault, it is the modern episteme providing Marx with the epistemological foundation to construct history in materialist terms.

The second consequence is the birth of economics in the anthropological hollow. Because of the insufficiency of land and increasing population man had to either face death or to overcome scarcity by an unending process of intensive labor. The perpetual and fundamental situation of scarcity makes economics possible (Foucault, 1994, p. 256). So, economics refers to that order of somewhat ambiguous considerations which may be termed anthropological. Anthropology not only refers to the biological properties of human beings, but to the situation when human beings run the risk of life in the face of having no means and refers to the labor as a sole source of overcoming scarcity, death and extinction (*Ibid.*, p. 257). It gives birth to a new conception of man as *Homo economicus*. "Homo economicus is not the human being who represents his own needs to himself, and the objects capable of satisfying them; he is the human being who spends, wears out, and wastes his life in evading the imminence of death. He is a finite being." (*Ibid.*, p. 257)

Homo economicus gives birth to economics in the anthropological hollow. Finitude or death constitutes economics; the fundamental concern of modern economics is to overcome omnipresent threat. In this connection Deleuze elaborates further that death under capitalism becomes more pervasive than under previous systems. Finitude is not fundamentally constituted by the lack of resources but insufficient money to secure food and shelter. Death becomes immanent to everyday existence – the omnipresent threat, that is, of losing one's job, and so losing market access to the means of life (Deleuze and Guattari, 2003, p. 232; Holland, 2001, p.85).

The fact that economics is the consequence or the logical corollary of considering labor as the sole source of value leads us to one important aspect of

economics. From the perspective of Foucault economics is neither a pure accident, nor by chance have we invented it. It presupposes somewhat the structure of which it is a result. Chaos has not invented economics. However structure rests upon positive unconsciousness. Under different conditions Guattari et al. emphasize the same point: "Everything is rational in capitalism, except capital or capitalism itself. The stock market is certainly rational; one can understand it, study it, capitalists know how to use it, and yet it is completely delirious, it is mad. That's why we say: the rational always is the rationality of an irrational. Marx is fascinated by capitalist mechanisms precisely because the system is demented, yet works very well at the same time. Down below, there are investments of desire that cannot be confused with the investments of interest: all kinds of libidinous-unconscious flows that make up the delirium of this society. The true history is the history of desire." (Guattari et al., 2008, p.36)

It is well known that Foucault is primarily concerned with the development of thought and governing practices from the Ancient Greeks up to the nineteenth century. In most of his career he remained silent on the modern developments such as neo-liberalism. But in the late 1970s at the *Collège de France* he delivered a series of lectures published as *The Birth of Biopolitics* in which he once again takes up the notion of homo economicus in relation to the modern developments such as liberalism and neoliberalism. In these lectures Foucault traces the birth of liberalism and neoliberalism in relation to homo economicus. The principal line of demarcation between liberalism and neoliberalism is that the former understands society on the principle of exchange and latter on competition (Read, 2009). But both equally share that the market manifesting the essence of human beings provides a legitimate ground to understand all possible human relations. The crux of Foucault's lectures is that a particular form of subjectivity produces certain political ideologies that involve different governing apparatuses which at the same time represses many. The issue of repression becomes severe when economics operating upon modern Western epistemological conditions intrudes into the non-Western region which is radically different. Faced with no studies on the repression of oriental society I can only speculate its effects and dimensions.

Conclusion

The birth of economics at the end of the eighteenth century decentralizes economics. It demonstrates that economics is not the result of the labor of reason. Instead, it is an effect resulting from shift in underlying epistemological conditions. The epistemological conditions, providing the framework to understand what is scientific and what is not, in themselves are not subject to the tests of correspondence, coherence, comprehensive and parsimony. From the perspective of the foundation of economics it rests upon such a form of unconsciousness which can never be rationalized. Economics at its foundation cannot be a science. Unconsciousness always precludes economics' attempts to scienticize itself. This aspect of critique strengthens Foucault's decentralization project in comparison to the critique challenging economics on the grounds of its deep orientation towards fiction, story telling and literary style and content.

Foucault's discovery of unconsciousness may disturb us, Orientals. We introduced economics in our universities and colleges with the belief that it is a science, or at least that it is organized and formed around universal rational principles. We hoped that discourses are not inherently racial or regional in nature. Foucault breaks apart our beliefs and hopes furnished by colonization. Foucault's critique has brought us to a dead end. We are training our fourth generation in Western discourses such as economics but the question is to what end? In spite of this fact we have to proceed. In the face of Foucault's discovery the best possible options are either to seriously contest Foucault's argument or to thoroughly restructure our educational institutions and curriculum.

Endnotes

[1] A short list of courses is as follows: Fundamentals of Economics, Principles of Macro and Micro Economics, Monetary and Mathematical Economics, Micro and Macro Economic Theory, Econometrics, Market, Institutions and Economic Growth, Microeconomics, Macroeconomics, Economic History, Econometrics, Methods and Applications, Finance, Public Policy, Industrial and Agricultural Economics, Management. (<http://www.econdse.org/program-frame.htm>, <http://www.uok.edu.pk/faculties/economics/bseco.php>, [http://www.hec.gov.pk/InsideHEC/.../Curriculum Revision/.../Economics%202008.pdf](http://www.hec.gov.pk/InsideHEC/.../Curriculum%20Revision/.../Economics%202008.pdf))

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Zulfiqar Ali is Assistant Professor in the Department of Philosophy, University of Karachi (Pakistan) (zali@uok.edu.pk)